



**Christian Aid**  
**Annual report**  
**2007/08**



We believe in life before death

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Christian Aid has been responding to need and challenging poverty for more than 60 years. But we cannot and must not stand still. We believe the world can be different – and we must continue to strengthen the movement for global justice and poverty eradication.

In 2005 the Board set out a strategic framework to guide our work up to 2010. We agreed to make the best possible use of our resources, learn from our experience, and be open about and accountable for our actions. We want to meet high standards of public and stakeholder reporting. This annual report, setting out what we have done and achieved in the past year, is part of this commitment.

The present economic crisis, food insecurity and the rise of fuel and food prices has hit poor people and poor countries hardest. A few weeks ago I went to Sierra Leone and saw the wonderful work our partners are doing. Sierra Leone is one of the poorest countries in the world, yet there is hope: since 2001 when the civil war ended the country has had peace. In 2007 peaceful elections were held, with little or no violence and a smooth change of government. Sierra Leone is also blessed with natural resources, which are helping to support its economic growth and poverty-eradication agenda. Sadly, however, there is high unemployment, with the country and its people heavily dependent on aid and funds from overseas. And that is why we are funding our partners' work in Sierra Leone, to keep hope alive. We will continue to support these partners for many years, working with people to help realise a better future. It will take time and courage, but if we want change to happen, we must encourage the government and people of Sierra Leone to make this possible.

This is true in the 49 countries where Christian Aid works in relief, development and advocacy. We have got to recognise that governments must look at a time beyond aid – when trade policies, local taxes and other forms of innovative financing can help countries raise resources for their development. Christian Aid is starting to work on these issues. We are also continuing our efforts to lobby the UK government for a climate change bill that will ensure the UK plays a leading role on this issue. We look to the United Nations (UN) process for a global climate change agreement that is fair, equitable and ensures countries who have created the problem of greenhouse gases will pay their fair share for the necessary adaptation, mitigation and disaster risk reduction costs.

This year I would like to take the opportunity to thank our retiring Chair of the Board, Bishop John Gladwin. He has worked with us for ten years, helping to affirm the identity, purpose and nature of Christian Aid as an agency of the churches. He has shared his wisdom, given us time and helped us to achieve a reputation we can all be proud of. His personal commitment to justice, poverty eradication and putting faith into action has been inspiring for our staff, partners and supporters. We wish him and his wife all the best in the future.

Thank you, too, to our many supporters – both individuals and institutions – who have made our work possible. I would also like to thank our partners, staff and sister agencies for their commitment to our common goal. Christian Aid is a leading force against global poverty, respected for its stand on key issues of injustice and exploitation and for helping to make a tangible difference in the countries and communities where it works.

We have exciting and challenging years ahead. We will do our utmost, inspired by our vision of a new earth and driven by the gospel that is good news to the poor, to help build a world of inclusion, peace, justice and sustainable development.

**Daleep Mukarji**  
Director



### Message from the retiring Chair

It has been a huge privilege to serve as Chair of Christian Aid for just over ten years. To be involved in an agency, rooted in the Christian vision, that is on the front edge of our duty to those most at risk in our world has been exciting, challenging and a deep learning experience for me.

As Chair, I have had the privilege of meeting many of our partners where they are working to make a difference in shifting the evils of poverty and exclusion. Whether it has been in Mozambique or Kenya, India or among our Palestinian and Israeli friends in the Holy Land, I have never failed to be moved by the courage of our partners.

Christian Aid needs to maintain its courage in challenging the barriers put in place by the successful and powerful that keep the weakest in poverty and discrimination and prevent change in pursuit of justice.

Whenever I am in the midst of Christian Aid, in whatever role, I am reminded of the words of Jesus: 'The poor you will always have with you.' These are not fatalistic words but hard truth about the state of human life. Christian Aid is called, in every generation and among people of every culture, to maintain the struggle to bring hope to those living under the curse of poverty.

Christian Aid will continue to have my support and prayers in all that lies ahead.

**John Gladwin**  
Chair of the Board of Trustees

# Trustees' report

## 1. Secure livelihoods

**Working towards secure livelihoods is right at the heart of Christian Aid's work – this year we spent 55 per cent of all programme funding on this one area. In 2007/08 a total of £22.1m/€27.7m was spent on grants to partner organisations where the main aim was to support poor women and men to achieve more secure livelihoods.**

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So how do we spend that money, and what do we need to do to support people achieve that security?

For 2007/08 our objectives were focused on:

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working with communities to help people secure a living

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responding to emergencies and helping to rebuild communities in their aftermath

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strengthening our work on disaster risk reduction

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evaluating and learning from our response to the Indian Ocean tsunami.

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### Working with communities to secure a living

In many countries where Christian Aid works, poor men and women face a daily grind even to get basic necessities such as food and water, let alone to make a safe, decent living. With the help of Christian Aid partners, people are being supported to improve production and sales in order to help them provide for themselves and their families in the long term.

In Ethiopia, for example, Christian Aid contributed £135,000/€169,330 in 2007/08 to help people access clean water. Christian Aid's partner the Ethiopian Orthodox Church – Development Inter-Church Aid Commission (EOC-DICAC) is working in 12 districts to establish safe water-supply systems, improve sanitation and strengthen communities' capacity to demand their rights to natural resources.

Simple, small changes can often have a major impact on people's lives. In Burkina Faso, for example, Christian Aid partner Centre Ecologique Albert Schweitzer (CEAS) is working with a local women's association to support rural women in making a living producing body butter, dried mangoes and soap. CEAS worked with this local organisation to design a simple stirring device that allows the women to produce more for less labour. Elizabeth, a member of the association and the sole provider for four children since her husband died of an HIV-related

illness, now receives a better income thanks to the improvement in the quality and quantity of their products. Christian Aid is planning to continue this support with grants of £165,000/€206,960 over the next three years.

Trade is one of the main routes out of poverty. But one of the biggest challenges for small businesses in poor communities is reaching a market where they can sell their products. With limited access to transport and little marketing expertise, many businesses flounder and fail. Christian Aid works to support small producers to break into new markets and get a fair price for their produce.

For example we contributed £65,000/€81,530 in 2007/08 through our partner Coptic Evangelical Organisation for Social Service (CEOSS) to a farm marketing project that supported 3,600 small-scale farmers in 19 villages in Upper Egypt, helping them to increase their income, produce high-quality marketable crops and trade directly with wholesalers/exporters, thereby cutting out intermediaries and increasing their income.

In the southern mountains of Honduras, our partner Coprodedpiy (the Yamaranguila Committee for Indigenous Rights and Development) helps cooperatives of flower-growers, potters and basket-weavers to reach new customers, including souvenir shops.

One of Coprodedpiy's tactics is to hold regional environmental fairs, attracting hundreds of local residents and visitors. Coprodedpiy provides transport so that the businesses it supports can attend. At the 2007 event, the women from the Las Hortencias flower-growing cooperative earned more in one day than they would usually earn in two months. They also made important new contacts. Christian Aid gave a grant of £28,000/€35,120 to Coprodedpiy in 2007/08.

**Responding to emergencies and helping to rebuild communities in their aftermath**

We all get to hear about major disasters where thousands of people are killed, but there are so many other disasters we never hear about – events that tear communities apart and affect thousands of lives. Throughout the year we responded to numerous disasters around the world, offering immediate relief and longer-term support to help people rebuild their lives.

In many disaster situations it's the poorest people who are most affected. When an earthquake measuring 7.9 on the Richter scale hit the city of Ica in Peru in August 2007, more than 500 people died and over 450,000 were affected. It was the poorest people, living in simple dwellings or weak constructions, who were the worst hit. Tens of thousands urgently needed shelter and food. Christian Aid contributed £90,000/€112,887 through its

partners Health Houses and Fepromu to distribute emergency aid for 5,000 families as well as fund community shelters and soup kitchens. We also helped affected families to register their losses so they didn't miss out on any government help.

Our supporters are brilliant at helping us to react quickly when disasters strike. Thanks to their generosity Christian Aid's appeal raised £1.4m/€1.8m to help people in Bangladesh and India affected by Cyclone Sidr in November. More than 3,300 people died and the cyclone destroyed homes, trees, livestock and crops. We supplied more than 100,000 people with food, clothing, medical care, essential household items and fast-growing vegetable seeds. Funds left over after food and housing needs were met are being used in disaster risk reduction to help communities reduce their long-term vulnerability to future disasters.

[For more information on emergency appeals please see page 44.](#)

2007 was the first year since records began that two category-five hurricanes hit land. Hurricane Dean and Hurricane Felix sustained wind speeds of more than 155mph. By the end of the 2007 Atlantic hurricane season, 22 Christian Aid partners in five different countries in Central America and the Caribbean were involved in storm and hurricane response work. In Nicaragua and Honduras alone Christian Aid provided £60,000/€75,258 to help 4,000 families meet their immediate needs.

With the UN climate change panel warning of worse storms to come, our disaster risk reduction work in the region is becoming all the more vital. Christian Aid's appeals are increasingly addressing the causes of disasters in the wake of emergencies, when international attention, public awareness and poor people's motivation to reduce the risk of future crises give our partners maximum leverage for change.

**Strengthening our work on disaster risk reduction**

We are also focusing more on empowering vulnerable communities to protect themselves from natural and man-made disasters. For example, we have been working with partners who set up, train and equip local emergency committees in the Caribbean and Central America. The committees draw up risk maps and evacuation plans, and identify longer-term projects that could help to protect their communities, such as reforestation and strengthening river banks, building new bridges, setting up early-warning alarm systems (sometimes as simple as a loud whistle) or lobbying their local government for better drainage so that heavy rains don't lead to flooding.

**Case study**

These women in Bangladesh are engaged in flood-mitigation work organised by Madaripur Legal Aid Association (MLAA), one of the partners funded by Christian Aid's Building Disaster Resilient Communities project. MLAA is supporting communities to find their own solutions for flood mitigation. This was the first day of earth-raising in the village. The women are involved in cash-for-work activities, which are targeted at the poorest and most vulnerable families in their community. The work involves raising the earth so that a road can be built to join different sections of the village and connect up with the neighbouring village. This will ensure that the village has a safe means by which to

travel to a nearby flood shelter (also being built as part of this project). The road will also provide high ground where livestock and other possessions can be stored to protect them from flooding.

This project, supported by the Department for International Development (DFID), aims to support local organisations in reducing community vulnerability to future shocks and crises, and in raising the issues of disaster risk reduction as a priority for policy-makers. The project works in Malawi, Bangladesh, Honduras, the Philippines and El Salvador. In 2007/08, £1.2m/€1.5m was spent to support this work.



Christian Aid/Charles Sankar

Natural disasters can destroy a lifetime's work and leave families unable to make a living. So we are also working to protect livelihoods when disasters occur. In spite of the devastation caused by Hurricane Dean, some poultry farmers in eastern Jamaica were able to save their livelihoods – thanks to some rather remarkable hurricane-proof chicken coops, their hens survived the storm. After Hurricane Ivan struck Jamaica in 2004 Christian Aid partner the Women's Resource Outreach Centre (WROC) started a project to help poor farmers recover. WROC supplied chicks, chicken feed and 'model' chicken coops designed to withstand gale-force winds, which made all the difference when Hurricane Dean hit this year.

#### **Evaluating and learning from our response to the Indian Ocean tsunami**

An independent evaluation carried out three years after Christian Aid's largest-ever emergency response highlighted our principle of working in partnership as a key strength of our approach in responding to emergencies. We asked a team of independent evaluators to visit a random selection of our partners who had responded to the tsunami in Sri Lanka, India and Indonesia. We had raised more than £47m/€59m, helped more than 500,000 people to rebuild their lives, and we were keen to learn as much as possible from the experience.

The evaluators' report stated: 'Christian Aid has been able to make a strong and committed response to the tsunami, in which its use of a wide range of partner agencies has been its distinctive contribution.' They found that Christian Aid's partnership approach allows for a more locally relevant response, for money to be spent more effectively, and it facilitates the transition process from relief to recovery. They also found that high-quality houses have been constructed, especially for the poorest; that tsunami funds were used effectively to reduce social exclusion in India; and that Christian Aid worked successfully through a wider group of more specialised international agencies, as well as local partners, which strengthened our capacity to respond.

The evaluation also provided a lot of feedback about how we should manage emergencies in the future and for the remainder of the tsunami response. It showed in particular that some partners are still not planning for a reduction in funding next year, so Christian Aid staff are working closely with partners to prepare them and ensure that they are well placed to access funds from other donors in the future. We also aim to build on the lessons we have learnt around social exclusion and try to ensure that we reach the most vulnerable people in future disasters. You can read the evaluation report on our website at [www.christianaid.org.uk/emergencies/past/tsunami/evaluation.aspx](http://www.christianaid.org.uk/emergencies/past/tsunami/evaluation.aspx)

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#### **Evaluations**

##### **Internal**

Review of Christian Aid's response to the 2006 drought in Afghanistan. Completed in July 2007.

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##### **External**

Evaluation of Christian Aid's response to the 2005 earthquake in Asia. Completed in December 2007 by a team of European, Indian and Pakistani evaluators.

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#### **Plans for 2008/09**

Our plans for this area of work in 2008/09 include:

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continuing to work with poor communities to help people to secure a living

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developing our work with partners responding to climate change in order to improve our support to communities on the ground

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putting disaster risk reduction increasingly at the heart of our humanitarian work

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working to ensure the effective transition of the tsunami programme into long-term development programmes.

## 2. Economic justice

**Christian Aid's work on economic justice challenges and aims to change the unjust economic systems and processes that keep people poor. These include unfair policies on trade and finance, the overwhelming power of corporations, and unfulfilled promises on aid and debt. As well as campaigning in the UK, Ireland and Europe, Christian Aid supports its partners to tackle these issues in their own countries and regions. In 2007/08 we provided grants of £3.8m/€4.8m to our partners where economic justice was the primary aim.**

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For 2007/08 our objectives were focused on:

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supporting our partners' work to tackle unjust economic policies

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campaigning on trade justice, especially on Economic Partnership Agreements and conditionality

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undertaking an organisational review of economic justice work.

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### **Supporting our partners' work to tackle unjust economic policies**

Alongside our campaigning and influencing work in the UK, Ireland and Europe, we help our partners to tackle unjust economic policies and structures that affect poor people in their own countries.

The Philippines is one country where local organisations are working hard to challenge their government on policies that are damaging to poor people. For example, the Freedom from Debt Coalition (FDC) has campaigned tirelessly for the removal of debt-payment appropriations in their government's budget. A selective audit undertaken by FDC identified 13 questionable loans amounting to an allocation of Php 25.9 billion (or approx £305,000/€382,561) in 2007. The houses of congress agreed to remove these payments after concerted campaigning efforts but the decision was vetoed by the Philippines president.

Campaigning has also helped to hold the Philippines government to account in the way it allocates its budget. As a result of the influencing work of Christian Aid partner Social Watch Philippines, more money has been allocated to health and education to help the Philippines move towards the millennium development goals. Social Watch Philippines has also spoken out about the government's level of transparency – challenging its practice of keeping the details

of its budget bill under wraps until it was presented for ratification. Christian Aid has been working with Social Watch Philippines since 2007 and supporting it to convene and mobilise the Alternative Budget Initiative (ABI), which advocates for socially oriented development budgeting in the country.

### **Campaigning on trade justice**

In 2007/08 Christian Aid continued to hold the UK government to account on its economic justice commitments. The issues are complicated and require sustained pressure, and yet again the determination and commitment of our campaigners was evident throughout the year. We take encouragement from the successes of the Jubilee debt campaign; ten years on from a major rally in Birmingham lobbying the G8, some US \$88 billion of debt has been cancelled for 25 countries, freeing essential resources to tackle poverty.

In April 2007 more than 1,000 campaigners gathered in London to deliver the campaign message 'Stop EPAs' to every European Union (EU) embassy. This was in response to the EU applying excessive pressure on 76 former colonies to sign up to Economic Partnership Agreements (EPAs), which in Christian Aid's opinion are potentially harmful to those countries. The campaign momentum gathered pace throughout the year as Christian Aid, along with the Trade Justice Movement and European partners,



targeted EU member states and the UK government.

By the end of 2007, only one-sixth of the regions had signed a full EPA and only half had been initialled. As a result of the huge opposition to EPAs, stronger campaigns now exist across Europe and in the developing world.

Working alongside our allies in the Trade Justice Movement, we are now pushing for a renegotiation of the EPAs. The European Parliament has the power to reject the EPA texts and we are therefore urging MEPs to oppose the proposed agreements unless the texts are substantially revised.

In response to emails from large numbers of Christian Aid supporters, Secretary of State for International Development Douglas Alexander agreed to discuss issues of concern with the European Commission.

Campaigners also continued to hold the World Bank to account this year. Having persuaded Hilary Benn, the then Secretary of State for International Development, to withhold funding from the Bank on the grounds of its conditionality in 2006, we have been disappointed to see the government go back on that promise. In December 2007, Christian Aid campaigners went directly to Downing Street to remind Prime Minister Gordon Brown about the promise he made to Africa, which he was breaking.

### **Undertaking an organisational review of economic justice work**

As part of its commitment to being an accountable and learning organisation, Christian Aid completes a study of at least one priority area annually. In 2007 the study focused on economic justice.

Christian Aid tackles poverty related to economic justice issues in three ways:

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supporting its partners overseas to tackle unjust economic policies and processes

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popular campaigning in the UK, Ireland and Europe to challenge and change the economic structures that keep people poor

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undertaking advocacy, policy and media work to influence decision-makers in the UK and Ireland.

A team of external evaluators led an investigation into the achievements in these three areas, with support from 14 Christian Aid staff and three Board members.

The evaluators concluded that in the areas selected for review over the period under evaluation (2004–2007) Christian Aid had undertaken some substantial and effective work on economic justice. The most high-profile initiatives were the work undertaken as part of the trade justice campaign and Make Poverty History, but many other activities took place out of the public gaze.

There was sufficient evidence to indicate that Christian Aid has made a significant contribution to change in UK government policy on trade liberalisation, conditionality and EPAs. Unfortunately, there has been no fundamental change in the approach of the European Commission to the EPA negotiations.

The evaluators concluded that in general policy-makers and peers have wide respect for Christian Aid's advocacy and policy work. They stated that Christian Aid's relatively narrow focus on trade issues is a strength of our work and has helped to make an impact.

The period under review covered campaigning against forced liberalisation, agricultural subsidies and EPAs. Christian Aid was widely recognised by others (both non-governmental organisations and politicians) as an agency that is second to none in getting its supporters to take action, be it in sending postcards to decision-makers, writing letters, lobbying MPs or turning up to events. One MP said that Christian Aid always gets more attention in Parliament than other agencies because MPs know that its supporters are more likely to write letters.

**Case study**

This is Modesto Fajardo Mejilla from Honduras, in his rice field at harvest time with his son Francis Modesto Fajardo. Modesto has been a rice farmer for 20 years. As a result of negotiations through the Dominican Republic and Central America Free Trade Agreement (DR-CAFTA) with the United States, he is now able to sell his rice at a guaranteed price and no longer needs to worry about losing out to US imports of heavily subsidised rice.

Christian Aid partner The Alternative Community Marketing Network (COMAL) has worked tirelessly in recent years to influence decision-makers and have an impact on economic policies that affect the lives of thousands of people. It has developed a coherent position on DR-CAFTA with

respect to its impact on the rural farming economy and has influenced decision-makers to take the concerns and positions of rural farming groups into account. This advocacy work has in turn also influenced and strengthened the positions of the Honduran Coalition for Citizen's Participation (CHAAC) in which COMAL is a leading actor. From this base, civil society organisations in Honduras are developing their positions with respect to the trade and commerce issues now being negotiated by their governments and the EU in the EU Free Trade Association Agreements. Christian Aid has been working with COMAL since 1993 and provided grants of £65,000/€81,530 for work related to advocacy, accessing markets and the monitoring of free-trade agreements in 2007/08.



Christian Aid/Felicia Webb

Christian Aid partners overseas working on economic justice explained how their work had contributed to realising positive change, whether getting an issue on to the agenda or influencing policy-makers' publicly voiced opinions. Some partners achieved actual policy change, including the Ghanaian government agreeing to purchase local rice for school meals and the government of the Philippines adjusting its tax regime.

The review made the following recommendations for Christian Aid's future work:

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to invest more in supporting partners to develop their advocacy skills

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to support sister agencies in Europe to increase their campaigning capability

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to meet the needs of different types of campaigners with a variety of materials and approaches.

## Evaluation

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### Independent

Cross-organisational review of this priority area. Completed in October 2007. Led by a team of external consultants focusing on campaigns, advocacy and work with partners.

### Plans for 2008/09

Our plans for this area in the year ahead will focus on:

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continuing to campaign with the Trade Justice Movement on EPAs and developing our campaigning on trade for a new phase focusing on tax

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continuing to support our partners to develop their own advocacy and campaigning skills to influence policies that affect poor people

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recruiting and retaining more online campaigners for our economic justice campaign and campaigning in general.

### 3. Accountable governance

**Part of Christian Aid's vision is a world in which those who have the least power are able to influence and challenge those who have the most, without fear of reprisal. In order for this to happen we are working with our partners to transform power structures so that poor men and women have a voice in decisions that affect their lives. In 2007/08 we spent £7.9m/€9.9m on grants to partners where accountable governance was the main aim.**

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For 2007/08 our objectives were focused on:

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supporting poor people to know their rights and participate in decision-making

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helping to bring peace and human security to communities and countries affected by conflict

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raising the profile of accountable governance issues with Christian Aid supporters.

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#### **Supporting poor people to know their rights and participate in decision-making**

In countries gripped by conflict for decades, many people have never experienced democracy and don't know how it works.

In 2007 a five-year Peace and Democracy programme in the Democratic Republic of Congo (DRC), funded by DFID and working with five Christian Aid partner organisations, came to an end. The programme was based on the principle that for this young democracy to succeed, and for human rights abuses to end, the elected representatives of the DRC must listen to the voice of the poor and marginalised, and act on what they are saying. For there to be a voice at all, people must be aware of their rights, strengths and responsibilities as voters.

The programme has helped to set up and train justice and peace committees in human rights, democracy, participative governance and advocacy at a national level. It also delivered rights and democracy education to 81,000 children in 1,100 schools, trained local authority officials and leaders in human rights and democracy, and helped to set up citizens' action groups at a community level. The aim of these initiatives was to open a dialogue between authorities and populations in order to resolve local-community problems.

The evaluation of the programme highlighted a clear improvement in communications between populations and local government representatives, stating that dialogue sessions were relevant and effective. The emphasis on building rights knowledge, especially of children, was seen as an investment in the future that would ensure long-term sustainability of the work. Key learning points included the suggestion that extending the activities over a large area may have 'diluted' some of the impact of the work. The programme would have also benefited from closer synergy between activities working in different regions.

In Maniema Province, Christian Aid partner Union Paysanne pour le Progrès (UPKA) is building up a network of informed and active farmers who are aware of and informed about local and national laws. UPKA is giving farmers the power to speak out about their rights and tackle corruption, helping them to engage with state representatives at the local and provincial level, and demanding that they take action on issues such as illegal taxation. Members also share their new-found knowledge with others in their communities so that they too can protect themselves from abuse and exploitation (see page 12).

**Helping to bring peace and human security to communities and countries affected by conflict**

In Colombia Christian Aid accompanies and stands in solidarity with communities affected by conflict. As well as intense violence between guerrilla groups, the military and the paramilitary private army groups that are often linked to them, there is growing inequality and poverty in spite of a booming economy.

Colombia has the second-highest number of displaced people in the world. Four million people were forced to leave their land and homes between 1985 and 2007, and the richest 0.5 per cent of the population have doubled the amount of land they own (they now own 60 per cent of the land). Those who speak out against these injustices are at risk. Tens of thousands of community leaders, political activists, trade unionists, journalists and lawyers have been murdered over the past few decades.

Christian Aid has been working with partner organisation Justice and Peace since 1998 and undertook a review of this work in November 2007.

Justice and Peace has taken individual cases of killings and massacres to court and used international jurisdiction to protect communities and bring people to justice. It has helped several thousand people forced to leave their own land under the threat of violence to come back home.

It has also encouraged communities to organise themselves and register their losses; given legal support to ensure communities receive official landownership papers; negotiated with government authorities to guarantee safety and basic services; helped with money, food and materials for the returning community; and physically accompanied those returning home.

Its work publicising what is happening in Colombia both inside the country and around the world has given the communities a certain amount of security and has encouraged many more communities to return. Security is not only measured in barbed wire and guns. Real security means that the people there are safer day to day, and are more likely to have land and food security in the future.

As a member of the Mixed Commission for Verification of the Cacarica Accords, Christian Aid has also worked directly with Justice and Peace, accompanying them to monitor and support the return of displaced communities. In some instances Christian Aid has offered

protection to Justice and Peace. For example, we gave security funding for Justice and Peace to open a secret second office when the organisation was in danger. Through media and advocacy work with networks in the UK, Justice and Peace and other Colombian civil society organisations have gained a voice in UN processes, bringing international pressure to bear on the government to resolve the crisis.

**Raising the profile of accountable governance issues with Christian Aid supporters**

In 2007 Angola celebrated five years of peace after almost 40 years of war. However, one in four Angolan children still die before their fifth birthday. In a country as rich in resources as Angola, this is outrageous. Christian Aid's partners are working tirelessly to make sure that Angola's wealth starts to benefit the poor. To help raise awareness of the issues, renowned war artist John Keane travelled to Angola with Christian Aid to visit post-conflict projects and see the issues faced by millions of young people living in this war-torn country. Keane's art resulting from that visit featured in the 'Children in Conflict' exhibition, which ran from November to February in Wolverhampton and is now touring the UK.

**Case study**

These farmers are on their way to market in Maniema Province, DRC. Christian Aid partner UPKA has been helping farmers to understand their rights and tackle corruption. In DRC, civil servants, police and the military often take advantage of their positions and the low literacy levels in remote rural areas to tax farmers illegally.

UPKA has established farmers' associations (NPAs) in more than 75 villages across Maniema Province and has trained members in the agricultural tax system to ensure they know how much they should pay and to whom. Civil servants responsible for collecting tax have also attended these sessions to ensure that they are aware of the legal constraints within which they work.

UPKA has provided training to smallholders in skills needed to negotiate claims where they have been taxed illegally. Some NPA members have also received paralegal training, enabling them to defend farmers' claims where abuses occur.

Farmers in the communities with which UPKA work have the confidence to refuse to pay illegal taxes and to demand receipts for those they are legally required to pay.

Through working with farmers in this way to reduce the illegal taxes paid, the project is enabling households to spend their increased income on essential expenses, education and healthcare, and to make savings and investments.



Christian Aid/Heidi Bradner

One of the organisations Keane visited was SOS Habitat, which works with poor communities to protect poor people's housing rights, fighting the illegal demolition of homes in Angola's overcrowded capital, Luanda. During the civil war, hundreds of thousands of people fled to Luanda. They built shelter wherever they could, and most have no official tenancy documents. Now the war is over, thousands of slum homes are under threat of demolition as the government and private businesses search for new land to build on.

SOS Habitat helps people whose homes have been destroyed or are under threat, using legal and media outlets to publicise and challenge unlawful demolitions and evictions, and encouraging poor people to use their votes to pressure the government to recognise their housing rights. Since 2005 Christian Aid has supported SOS Habitat with grants of £80,000/€100,344 and worked closely with it on communications and advocacy.

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### Evaluation

#### Internal

Evaluation of the Peace and Democracy programme in the DRC. Completed November 2007. Carried out by programme staff and partners.

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Assessment of the impact of our partner Justice and Peace in Colombia. Completed December 2007.

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### Plans for 2008/09

This is an area of work that we are planning to grow. Early in 2008 we successfully bid to receive £5m/€6.3m over five years through the DFID Governance and Transparency Fund. This money will be used to work with a range of organisations in 11 countries, supporting marginalised groups of people including women, indigenous communities, migrants, older people and people living with HIV, to gain the skills, information and confidence to demand their rights, as well as supporting partners to influence and hold authorities accountable at a community, local and national level.

Over the coming year, we also plan to:

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create and strengthen channels for sharing programme successes and challenges in this area so that we can scale up our impact and influence at a global level

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consolidate and scale up Christian Aid's ability to communicate, campaign, advertise and fundraise on accountable governance, power and rights.

## 4. HIV

**Ninety-five per cent of people with HIV live in developing countries. This is no coincidence: HIV and poverty are inextricably linked. Poor people are less likely to have access to HIV prevention and testing, may not be literate or go to school, and are often at risk of malnutrition – all factors that increase vulnerability to HIV. People living with HIV often keep quiet about their status – and those who disclose it can face intolerance and discrimination. In 2007/08 Christian Aid spent a total of £5.6m/€7m on grants to partners where HIV was the main focus.**

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Overall Christian Aid now supports 290 community-based partner organisations working on HIV in 40 countries.

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In 2007/08 our objectives were focused on:

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tackling stigma through faith-based organisations and leaders

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scaling up our work on HIV in fragile states and post-conflict situations

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reviewing and learning from care and support programmes

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developing our own way of working on HIV.

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### **Tackling stigma through faith-based organisations and leaders**

Since the beginning of the HIV pandemic 25 years ago, stigma has been a barrier to HIV prevention and care. Faith leaders all over the world play a central role in challenging this stigma by speaking openly about HIV in their communities. Christian Aid is working with partner organisations, including the World Council of Churches Ecumenical HIV/AIDS Initiative in Africa and the Ecumenical Advocacy Alliance, to build on this work and to provide a more powerful and coherent faith-based response challenging stigma and demanding rights for people living with HIV. Christian Aid gave grants of £150,000/€188,145 to the former and £46,931/€58,866 to the latter in 2007/08. But it's not just Christian faith leaders we work with. In Haiti Christian Aid is supporting the Association for the Promotion of Integral Family Healthcare (APROSIFA) and Objective Zero Aids (POZ) in their work with traditional healers, including doctors and midwives.

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### **Working with traditional priests and leaders in Haiti**

On Haiti's western coast more than one in ten people are HIV-positive. For many people here, their traditional priest or healer is the first person they turn to when they get ill. So it's vital that this group has a good understanding of HIV prevention and care. This isn't only for medical reasons: traditional healers are widely trusted and their unique position means they could play a life-saving role in HIV education, prevention and treatment.

HIV programmes in Haiti have shunned traditional healers and so limited their effectiveness. Now Christian Aid's partners APROSIFA and POZ are running groundbreaking projects that reach out to traditional priests, doctors and midwives. In the coastal town of Montrouis, POZ has trained 30 traditional leaders in HIV awareness. With their newfound knowledge about HIV prevention, nearby HIV-testing centres and the availability of antiretroviral therapy, these leaders have the tools they need to help save thousands of lives. With the tear-out referral cards that POZ provided, the 30 Montrouis trainees sent 360 patients on to POZ's mainstream health clinic in 2007/08. Christian Aid gave APROSIFA £26,315/€33,007 and POZ £34,210/€42,910 towards this innovative work in 2007/08.



In Jamaica, which has the third-highest HIV prevalence in the region after Haiti and the Dominican Republic, stigma and discrimination against those with HIV continues to hinder prevention and treatment.

Christian Aid partner The United Theological College of the West Indies (UTCWI) receives an annual grant of £13,000/€16,306 towards projects on HIV education and training with church leaders, clergy-in-training, members of church congregations and faith-based organisations in Jamaica (and, indirectly, the wider Caribbean). UTCWI trains 120 people a year, giving them the skills to conduct group education and individual confidential pre- and post-test counselling sessions with people attending HIV testing, sexually transmitted infection and family-planning clinics.

This training challenges and ultimately changes the church's attitude to HIV from within, and it also has a multiplying effect. Those receiving training pass on knowledge to their congregations and the community.

### **Scaling up our work on HIV in fragile states and post-conflict situations**

It is crucial for Christian Aid to prioritise HIV responses in post-conflict and fragile states mainly because HIV prevalence increases more rapidly in these environments. The breakdown of society, the lack of health and education infrastructures, with the increased risk of rape and the rise in migration, all play a part in increasing HIV prevalence. We work with a wide range of partners in Sierra Leone, DRC and Sudan, helping communities to consider HIV and work towards appropriate responses.

In Sudan, for example, our HIV work has focused on supporting the first Sudanese network of people living with HIV, raising HIV awareness as well as providing support with voluntary counselling, and HIV testing and care services. Christian Aid has arranged an exposure visit for Sudanese Christian and Islamic leaders to see HIV programmes in Uganda, facilitated by Christian Aid's HIV goodwill ambassador Canon Gideon Byamugisha. We have five partners in Sudan that work specifically on HIV and in 2007/08 we gave a total of £65,120/€81,680 to fund this work: £31,620/€39,661 of that amount went to help Hope Agency for Relief and Development (HARD) in its work to increase HIV awareness.

Christian Aid's HIV unit and Humanitarian division have worked closely together to produce a policy, framework and toolkit to consider HIV in all our humanitarian and emergency work. Action by Churches Together International (ACT), a European consortium of faith-based development agencies, has also asked Christian Aid to lead on HIV and humanitarian work, and has now adopted our policy and framework.

### **Reviewing and learning from care and support programmes**

HIV leads to a rise in the numbers of orphans and vulnerable children needing care. Housing these children in orphanages is unsustainable, given the sheer number of orphans and vulnerable children. Orphanages also undermine traditional models of care and can alienate children from their families and culture.

We support 61 partners working to provide home-based care and 32 partners who are working on comprehensive care and support for orphans and vulnerable children. Our Community-Based Care of Orphans and Vulnerable Children (CBCO) programme recognises that the extended family, with the support of the surrounding community, is the best way of caring for children orphaned by HIV.

**Case study**

These children in Lusaka, Zambia, are being cared for by their elderly grandparents. Their grandfather, Velentino Phiri, has so far lost five of his own nine children to HIV-related illnesses and struggles to support his new family of young children. The oldest child is 16 and the youngest five years old.

With more than 600,000 children in the country orphaned by HIV-related illnesses, there are few households in Zambia that are not caring for at least one orphan. Through a CBCO programme, the Catholic Archdiocese of Lusaka (ADL) is one

of four Christian Aid local partners in Zambia helping to reach, support and protect these children through a comprehensive programme of support. This involves addressing the education, health and emotional needs of children and guardians with long-term sustainable income support through interventions such as savings and loans schemes, and small-scale agricultural projects, enabling them to build a better future and ensuring that they are cared for in their own communities. Christian Aid provided grants of £75,000/€94,073 to ADL in 2007/08.



Christian Aid/Sarah Filbey

In 2007/08 we spent more than £800,000/€1m through this programme, and by the end of March 2008 it had helped to improve the quality of life of more than 35,000 orphans and vulnerable children in four African countries – Kenya, Nigeria, Uganda and Zambia.

As part of our work to ensure that the programme is as effective as possible, this year Christian Aid carried out a mid-term review of CBCO. The findings about the impact of the programme were positive overall. Particular mention was given to a saving and loans associations initiative, which gives households who care for orphans or vulnerable children the opportunity to save money regularly and offers small loans to increase their economic stability. Christian Aid will support these initiatives further in the coming year, and plans to extend this model to other programmes.

### **Developing our own way of working on HIV**

Our dedicated HIV unit continues to work hard to highlight the issue of HIV within our own organisation and to consider HIV in all our programmes. We have employed an HIV mainstreaming coordinator living openly with HIV to champion this process and advocate for non-tokenistic inclusion of people with HIV, as well as challenging stigma and discrimination. She has redesigned Christian Aid's HIV-education programmes and materials for work with all our staff in the UK and overseas and a wide range of UK audiences.

### **Evaluation**

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Mid-term review of the CBCO programme in October 2007.

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Review of the Community Action Against HIV/AIDs in the Congo (CAHAC) programme, a five-year, DFID-funded project aiming to reduce the transmission of HIV and its socio-economic impact in ten provinces of the DRC, in March 2008.

### **Plans for 2008/09**

Our plans for the year to come include:

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continuing to fight stigma, putting the voices of people with HIV at the centre of all our work to dispel myths and challenge unhelpful attitudes and discrimination

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expanding our work in post-conflict countries and fragile states, and supporting groups neglected by their governments

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keeping HIV on the agenda by continuing to lobby the UK government to prioritise HIV in its overseas development programme, and raising awareness about HIV in the UK and globally.

## 5. Strengthening the movement for global justice

**Christian Aid's vital and life-changing work on the ground depends on the energy, resourcefulness and passion of the hundreds of thousands of people who support us. In 2007 more than 300,000 supporters were involved in Christian Aid Week. We also have more than 90,000 registered campaigners who help us to challenge injustice and influence decision-makers. We spent £12.2m/€15.3m in 2007/08 on campaigning, advocacy and education work.**

Our aim is to strengthen the movement of people who are committed to a better world for all, bringing their faith, talents, influence, gifts and actions to achieve what should surely be possible. We realise that change will only come about as a movement is built of individuals who are committed to a better world for all.

In 2007/08 our objectives were focused on:

coordinating the launch of a new campaign on climate change

raising the profile of issues related to poverty and development with new audiences

continuing to increase our voluntary income

continuing to inspire and serve our supporters and volunteers

developing successful fundraising initiatives.

### **Coordinating the launch of a new campaign on climate change**

The greatest injustice of climate change is that poor countries are paying the highest price for a problem that they did least to create. Poor people are already dying as a result of floods, droughts and conflicts over scarce resources, which is why Christian Aid is enlisting its supporters in a campaign to try and right that wrong. What poor countries need most is a drastic reduction in global carbon emissions, with rich countries taking the lead and setting targets of at least 80 per cent cuts by 2050 and agreeing a fair and equitable global agreement.

Christian Aid's Cut the Carbon March took place over the summer of 2007 and was one of the largest and most ambitious campaigning events the organisation has ever carried out.

The march covered 1,000 miles in 80 days. Twenty marchers, including ten from the developing world, crossed the whole of the UK to highlight how climate change is affecting the world's poor. For the final mile 2,000 people marched from the Greater London Assembly to St Paul's Cathedral to mark the end of the momentous march.

As part of the march more than 40 meetings were held with MPs demanding the climate change bill going through the UK parliament be strengthened. Highlights included meetings with Prime Minister Gordon Brown, Environment Secretary Hilary Benn and

Department for Environment, Food and Rural Affairs (DEFRA) Minister for climate change Phil Woolas where partners were able to speak directly about the impact of climate change on their communities. Since then the government has signalled that the target will be revised upwards by the climate change committee. A large number of locally elected officials also briefly joined the march in towns and villages along the route.

During the Cut the Carbon March Christian Aid also met with and lobbied several businesses about their environmental credentials including United Biscuits, which has a 25 per cent market share. The result? The company has taken an industry lead and announced it will cut its carbon footprint to one-third of its 1995 emissions by 2020. It has also made commitments to reduce water use and packaging, and eliminate waste sent to landfill.

From summer 2008, the focus of our campaigning will be on the Countdown to Copenhagen, where in December 2009 vital UN climate change talks will take place. We will be campaigning for an equitable global deal that keeps global warming below 2°C while also ensuring poor people have the right to development.

### **Raising the profile of issues related to poverty and development with new audiences**

In February 2008 Christian Aid embarked on a new overseas

volunteering scheme for young, disadvantaged people in the UK, called Platform2. Aimed at people who could not otherwise afford to take a 'gap year', it will help to strengthen Christian Aid's supporter base among young people.

Platform2 is a unique opportunity for British 18- to 25-year-olds to volunteer in a developing country for ten weeks and then share their experience back in the UK. The aim is for the placement to make a noticeable difference to the local community – all of the work is locally operated and supervised, and is sustainable. Christian Aid aims to take more than 2,500 young people to countries including Ghana, South Africa, Peru, India and Malawi, over a course of three years. Platform2 is fully funded by DFID, which has awarded Christian Aid £10m/€12.5m for this project. We are running it in partnership with Islamic Relief and BUNAC.

### **Continuing to increase our voluntary income**

Our voluntary income totalled a magnificent £66.2m/€83m in 2007/08. And hundreds of thousands of people raised more than £14.6m/€18.3m during Christian Aid Week 2007.

We spent a further £15.6m/€19.57m on fundraising, bringing in £86.5m/€108.5m in the year, but more importantly, laying the foundations for further income growth in the future.

An increasing proportion of this voluntary income was raised through legacies and committed gifts.

In 2007/08 we received a staggering £9.8m/€12.2m from legacies, the largest amount that has ever been received in a financial year. We are tremendously grateful to all those who have chosen to name us in their wills. This simple act of generosity leaves the legacy of helping to transform the lives of people in some of the world's poorest communities.

Committed gifts mean we have a consistent, predictable income, so we can plan and budget better and therefore be more efficient. They enable us to make commitments to our partners overseas.

They give us the confidence to react to situations as soon as they arise, and the income to carry on with our work whether issues are receiving media coverage or not. Committed gifts also mean we spend less on running costs and bank charges so that more of your money goes to fund our work. In 2007/08 we received a total of £14.9m/€18.7m from committed gifts – thank you!

[For more information on voluntary income please see page 31.](#)

### **Continuing to inspire and serve our supporters and volunteers**

#### **Working with volunteers**

Volunteering is at the heart of Christian Aid's work and each year we aim to nurture the talents,

commitment and energy of all our volunteers. We would especially like to thank the hundreds of people who willingly give their time and talents throughout the year in specialist volunteer roles. These volunteers organise events, speak about Christian Aid's work, help out in offices, visit schools, get stories in the local media and extend and complement the work of paid staff in a range of other ways. Christian Aid wants to support and encourage the involvement of volunteers in every possible way, and in order to do this more effectively we have recently started work towards the Investing in Volunteers quality standard.

#### **Supporter feedback**

We welcome feedback from our supporters and the public and have created specific channels for this on our website. The feedback we receive, whether praising our work or making a complaint, is valuable to us as we review past activities and plan future initiatives.

During the past year we received 661 items of feedback. The majority of these were from supporters sharing some dissatisfaction with Christian Aid. However, 109 items (16 per cent) were from people either letting us know of their satisfaction with Christian Aid or sharing comments that could broadly be described as neutral.

Twenty-eight per cent of the feedback concerned our fundraising work – either mailings sent to

### Case study

The Cut the Carbon march – 14 July-2 October 2007 – was the longest protest march in UK history. A core of 20 marchers, half from the UK and half from countries suffering most from the effects of climate change, walked for 80 days – nearly 1,000 miles. They started in Bangor, Northern Ireland and called at Edinburgh, Newcastle, Birmingham, Cardiff, the Labour Party conference in Bournemouth and 70 other towns and cities along the way.

Around 9,000 people attended 120 local events, 3,000 people 'marched' online and 30,000 boot cards were handed to Gordon Brown. The boot cards asked for commitment to an 80 per cent cut in UK carbon emissions in the climate change bill and mandatory emissions reporting for UK listed companies.

The image shows some of the intrepid marchers. At the front holding the banner are (left to right): Ricolat Saidmurhdova from Tajikistan, Mahesh Pandya from India and Tim Jones from Leeds.



Christian Aid/Graham Lindley

supporters or telephone calls they received. In the period before Christmas, we experienced some acute problems despatching orders from our Present Aid initiative and this prompted 15 per cent of the feedback we received.

The feedback we describe as being neutral usually consists of comments or suggestions. A number were sent following the Christian Aid Week collection and included supporters sharing their ideas for fundraising events that have worked well locally. Several people contacted us to praise our work. This covered a wide variety of topics including the resources we produce and some of the issues on which we have campaigned during the year.

#### **Developing successful fundraising initiatives**

##### **Tea Time**

In 2007 through a new initiative we asked supporters to hold a tea party to raise funds for Christian Aid. Our first Tea Time was a huge success, raising just under £250,000/ €313,575. More than 5,000 dedicated supporters held tea parties including people in Burundi, Haiti, Italy, Kenya, Spain and Sri Lanka.

##### **AquAid**

Christian Aid cannot stand still in our efforts to raise funds. We want and need to grow our fundraising so that we can give more power to the poorest and most vulnerable people as well as those who work with them.

AquAid, one of the UK's fastest-growing water-cooler companies, is officially one of our largest corporate sponsors, raising more than £2m/€2.5m to date. In 2007/08 AquAid donated 30p to Christian Aid for every 19-litre water bottle it sold. Established in 1998, the partnership with Christian Aid includes all the company's 32 franchises across the country. As part of the partnership, franchisees of AquAid have had the opportunity to visit the projects they are helping to fund – observing projects about wells, pumps and irrigation systems across Africa from Burkina Faso and Ethiopia to Zimbabwe. For many on these trips it was the first time they had seen poverty first-hand and it brought home to them the challenges that remote villages face to get access to clean water.

##### **Evaluation**

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Internal review of the climate change march completed in November.

##### **Plans for 2008/09**

Our plans for the year to come include:

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scaling up our climate change campaign to push for a just agreement on carbon emission reduction at the UN climate change conference in Copenhagen in December 2009

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maintaining and building Christian Aid Week and Christmas appeals

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growing income through new fundraising initiatives like Tea Time and events such as Quizaid in Christian Aid Week

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recruiting active supporters aged from 16 to 25 through the new initiative [ctrl.alt.shift](http://ctrl.alt.shift)

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continuing to provide an excellent level of care to our supporters, volunteers and churches.

## 6. Strengthening the organisation

**In order to make the strongest possible contribution to poverty eradication, Christian Aid is committed to improving the efficiency and effectiveness of the way it manages its work. Our aim is always to make optimum use of our finite resources, to be open and transparent in what we do, and to be accountable to our stakeholders.**

In 2007/08 our objectives were focused on:

improving our transparency and accountability

increasing our impact by devolving more authority to our overseas offices

enhancing our environmental sustainability.

### **Improving our transparency and accountability**

In December 2007 Christian Aid was named as the top non-governmental performer in the second annual Global Accountability Report produced by the One World Trust. The assessment measured organisational accountability in four dimensions – transparency, participation, evaluation, and complaint and response. In the international non-governmental organisation sector Christian Aid achieved a score of 81 per cent and was ranked number one.

Some of the initiatives that we worked on in this area in 2007/08 are set out below.

#### **Humanitarian accountability**

This is probably the most important aspect of our efforts to strengthen our accountability, and it relates to the poor and marginalised communities and individuals we are trying to help. As part of our commitment we became a member of the sector-wide Humanitarian Accountability Partnership in the autumn of 2006. In 2007/08 three pilot projects were established in the DRC, Kenya and Bangladesh, working with partners to identify current good practice, gaps in their accountability to the communities they work with, and to develop ways in which to address these gaps. Christian Aid believes that this will contribute to strengthening communities and ensuring higher-quality humanitarian response and rehabilitation work in the future.

### **Open Information Policy**

In 2007 Christian Aid launched a new Open Information Policy, driven by our belief that greater transparency strengthens our relationship with stakeholders and helps maintain and build public trust. The policy is available on our corporate website ([www.christianaid.org.uk/aboutus](http://www.christianaid.org.uk/aboutus)). Christian Aid has committed to making six main areas of information publicly accessible: the basics about our organisation and its principles, governance and management, organisational policies, strategies and plans, performance and feedback, and finance.

#### **New website launch**

To keep supporters up-to-date on our campaigns and work with partners overseas, in July 2007 we launched a new website, creating a foundation for a really creative, effective voice for Christian Aid. A new and better website offers huge benefits. We save money – and paper – by publishing online, give a direct voice to our partners, and report back to our supporters on how donations have helped in measurable ways.

#### **Fundraising Standards Board**

Christian Aid is committed to encouraging high standards in fundraising and to increasing public confidence in charitable giving. For this reason we became a member of the Fundraising Standards Board (FRSB) in November 2007, having been a voluntary signatory since 2006. The FRSB was set up in 2006 to implement and oversee a transparent self-regulatory scheme



for fundraising in the UK. As a member of the scheme we will use the scheme logo to demonstrate our commitment to these ideals as well as providing a robust and accessible procedure for members of the public in case of complaint. We also joined the steering group of the ImpACT (IMProving Accountability, Clarity and Transparency) coalition in 2007. This is an initiative aimed at improving accountability, clarity and transparency in the charity sector.

**Increasing our impact by devolving more authority to overseas offices**

Our Devolved Ways of Working project drew to a close in 2007 with a reduction of 44 London-based staff and the creation of 46 overseas posts. This included five new human resource and information technology support staff. In addition a new International Finance team has been created. This means that more than 80 per cent of our programme and programme-support staff are now based overseas, many of them with new decision-making powers previously held in London.

A review of the project, completed in January 2008, revealed how it is enabling us to:

strengthen the organisation, helping it to respond better to crisis and change

make more decisions close to where our work is, and to where the impact of that work is felt

be in a better position for new fundraising and international networking.

The reviewers pointed out that we need to work hard to ensure our systems and structures for effective working are maintained at a high standard in all locations. We also need to prioritise communication and organisational culture issues to ensure we operate as one Christian Aid.

**Enhancing our environmental sustainability**

Christian Aid knows all too well the impact climate change has on poor communities around the world. We believe that we must do all we can to minimise our carbon footprint. We have publicly committed to reduce CO<sub>2</sub> emissions arising from our own operations – focusing on travel, paper and energy use – by five per cent each year. For the third year running, we have measured our own carbon emissions produced in the UK, Ireland and through our offices overseas.

**How are we doing?**

This table shows how we have reduced our carbon emissions year-on-year since 2005/06. As our data collection and methods of calculating our carbon footprint improve each year the figures have been adjusted to show our emissions on a like-for-like basis.

Carbon emissions in metric tonnes	
2005/06	4,010.43*
2006/07	3,774.93
2007/08	3,275.91
Reduction in 2007/08	13.22%
Overall reduction since base year 2005/06	18.32%

In 2007/08 we reduced our carbon emissions by 13 per cent, exceeding our annual five per cent reduction target.

We are proud of our reduction so far, but we will continue to identify ways of reducing our carbon emissions still further. We've committed to developing a long-term strategy for managing our greenhouse gas output and for improving our environmental management.

**What we have done in 2007/08**

This year we focused on the carbon impacts of paper use – the largest single contributor to our emissions the previous year. This includes paper used in our offices as well as our publications. We have shifted a significant proportion of paper materials from virgin pulp to recycled sources.

The result has been a 37 per cent drop in carbon emissions from paper compared to last year.

Air travel is now the single biggest source of carbon emissions, making up about 45 per cent of our total carbon footprint. As we work in around 50 countries, long-distance travel is a necessary part of our business, enabling us to monitor and support our partner organisations' work. But we are working hard to find alternative ways for our staff and supporters to interact with our partner organisations.

\* An amendment to 2005/06 base year figures has changed the previously reported carbon emissions total for that year. This has been verified by our external assurance company, SGS.

**Case study**

At our annual conference in 2008, with the theme 'Transformation: people make change happen', Christian Aid staff from around the world reflected on the importance of interconnectedness, weaving together ribbons to illustrate how their individual talents, skills and gifts combine to strengthen the organisation as a whole.

As Christian Aid grows, and with 80 per cent of its international staff now located overseas, keeping a strong organisational culture underpinned by a shared set of principles becomes an ever more critical imperative. The annual conference is one vital way of securing this.

This year staff came together to be inspired and equipped to communicate the urgency of eradicating poverty and discuss how to maximise Christian Aid's impact by working together with partner organisations, churches, businesses, government and civil society to make change happen.



Christian Aid/Elizabeth Perry

Just over seven per cent of our carbon emissions result from energy use in our offices in the UK, Ireland and overseas. We are starting to see a reduction in this figure after switching to renewably sourced electricity in six of our offices in the UK. We will be working hard to increase this next year.

**Actions in 2008/09**

We will be reviewing all our processes for using and purchasing paper to identify ways of further reducing the volumes of paper we use and the waste this generates.

We are now promoting a number of environmental initiatives among staff, including a new internal environmental management programme to encourage all staff to take up positive environmental practices.

We have also, for the first time, issued a public statement on our accountability to the natural environment. This sets out our rationale for environmental management and includes our position on offsetting. See our website for more details.

**Christian Aid's carbon footprint 2007/08**

Our carbon footprint was calculated using the DEFRA 2007 guidelines and the CarbonNeutral company's web air-distance calculator. Country specific electricity conversion factors have been provided by the World Resources Institute Greenhouse Gas Protocol. Best Foot Forward Ltd – a leading UK carbon and ecological footprinting consultancy – and Eurostar also helped us with our footprint calculations. Our footprint has been assured by SGS United Kingdom Ltd, world leaders in verification of sustainability reporting. Further details and full data caveats are available on our website. Our environment and travel adviser, msaini@christian-aid.org, can answer any other queries.

**Evaluation**

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Review of the Devolved Ways of Working project. Completed in January 2008.

**Plans for 2008/09**

Our plans for the year to come include:

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continuing to follow through on our commitment to strengthen accountability

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ensuring the systems and structures are in place for Christian Aid to operate as one organisation in many locations

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working towards the Investors in Volunteers quality standard

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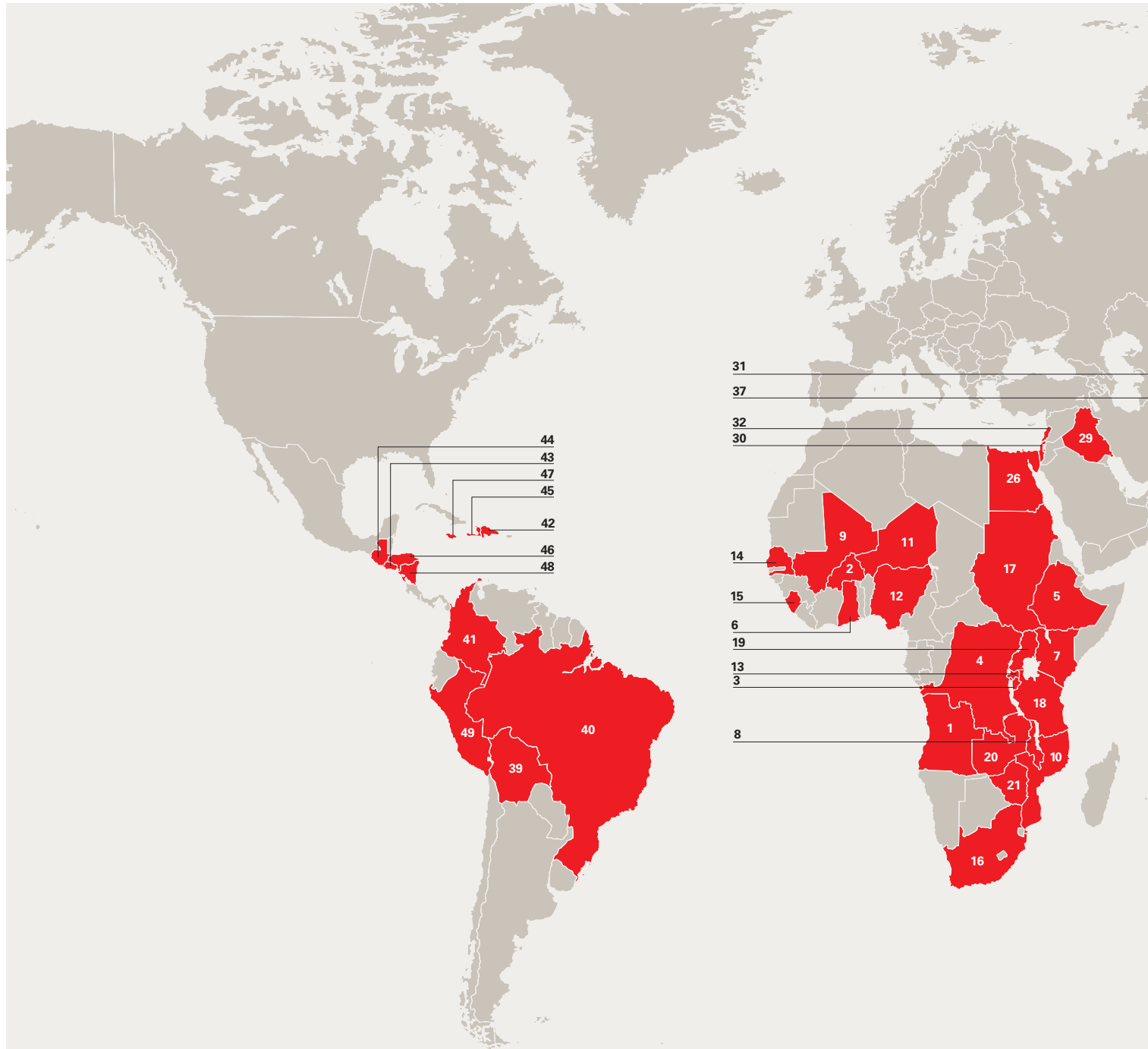
introducing new performance management frameworks for all staff

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continuing to work to lower the organisation's environmental impact.

## Where we work

### Countries with partners to which Christian Aid gave grants in 2007/08:



In 2007/08 Christian Aid had 759 staff.

306 staff were based overseas.

We gave grants to partner organisations in 49 countries and have offices in 36 of these.

453 staff were based in 23 offices around the UK and Ireland.

Christian Aid's total grant expenditure in 2007/08 was £39.9m/€50.1m.



**Africa**

**(total grant spend £16.2m/€20.3m)**

- 1 Angola
- 2 Burkina Faso (office in Ouagadougou)
- 3 Burundi (office in Bujumbura)
- 4 Democratic Republic of Congo (office in Kinshasa)
- 5 Ethiopia (office in Addis Ababa)
- 6 Ghana (office in Accra)
- 7 Kenya (office in Nairobi)
- 8 Malawi (office in Lilongwe)
- 9 Mali (office in Bamako)
- 10 Mozambique (office in Maputo)
- 11 Niger
- 12 Nigeria (office in Abuja)
- 13 Rwanda (office in Kigali)
- 14 Senegal (office in Dakar)
- 15 Sierra Leone (office in Freetown)
- 16 South Africa
- 17 Sudan (office in Khartoum)
- 18 Tanzania
- 19 Uganda (office in Kampala)
- 20 Zambia (office in Lusaka)
- 21 Zimbabwe (office in Harare)

**Asia and the Middle East**

**(total grant spend £15.6m/€19.6m)**

- 22 Afghanistan (office in Herat)
- 23 Bangladesh (office in Dhaka)
- 24 Burma
- 25 Cambodia (office in Phnom Penh)
- 26 Egypt
- 27 India (office in Delhi)
- 28 Indonesia (office in Medan)
- 29 Iraq
- 30 Israel/Occupied Palestinian Territories
- 31 Kyrgyzstan
- 32 Lebanon
- 33 Pacific region
- 34 Pakistan
- 35 Philippines (office in Manila)
- 36 Sri Lanka (office in Colombo)
- 37 Tajikistan (office in Dushanbe)
- 38 Thailand

We also gave grants to our Asia regional programme.

**Latin America and the Caribbean**

**(total grant spend £7m/€8.8m)**

- 39 Bolivia (office in La Paz)
- 40 Brazil (office in Salvador)
- 41 Colombia (office in Bogotá)
- 42 Dominican Republic (office in Santo Domingo)
- 43 El Salvador (office in San Salvador)
- 44 Guatemala (office in Guatemala City)
- 45 Haiti (office in Port-au-Prince)
- 46 Honduras (office in Tegucigalpa)
- 47 Jamaica (office in Kingston)
- 48 Nicaragua (office in Managua)
- 49 Peru (office in Lima)

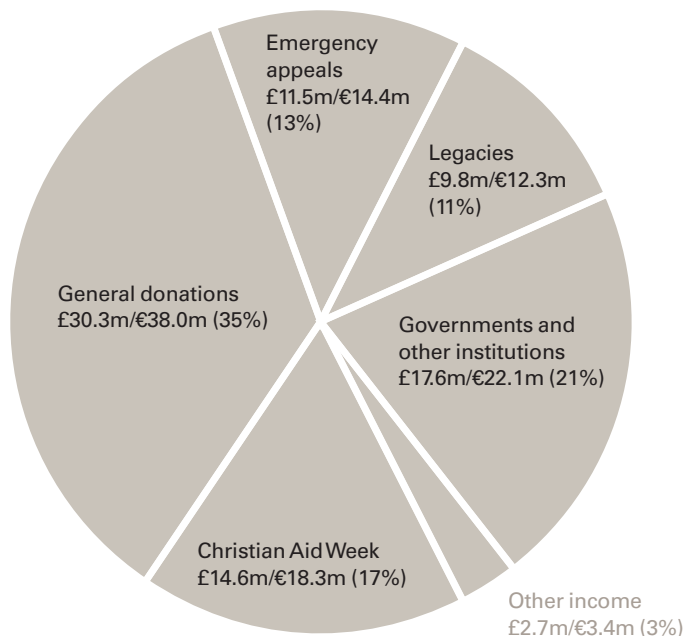
**Global, UK and Ireland**

**(total grant spend £1.1m/€1.4m)**

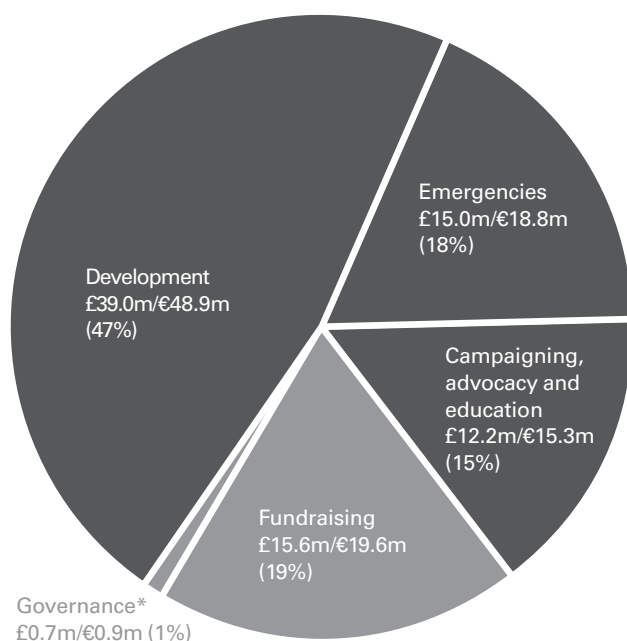
We also gave grants across regions and to partners in the UK and Europe who are campaigning, educating and standing up for people's rights on issues that cover more than one country.

# Financial review for the year ended 31 March 2008

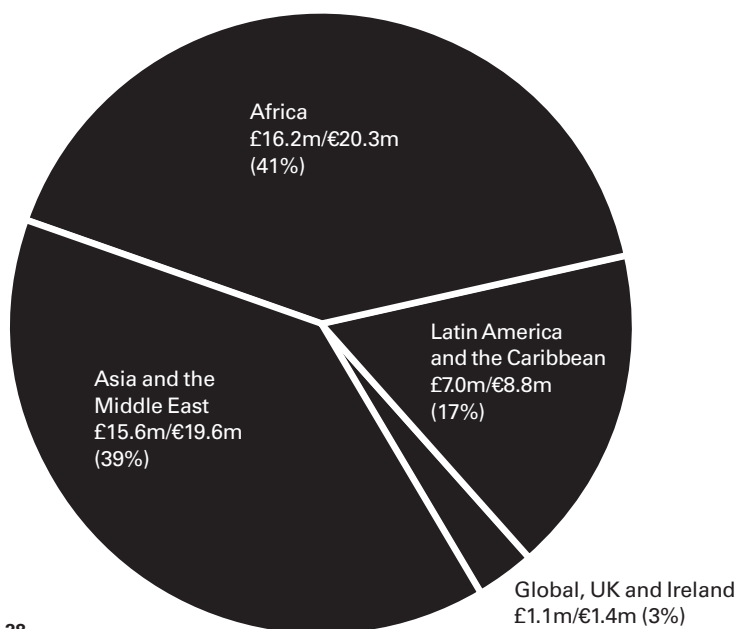
## How we raised the money...



## ... how we spent it...



## ... and where the grants went



Charitable activities  Other expenditure

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

### Staff and volunteers

Once again, the trustees wish to record their profound appreciation to all staff, volunteers and partner organisations for their exceptional commitment and contribution to the vision and values of Christian Aid. Together we strive to be part of a worldwide movement of people committed to eradicating poverty and social injustice. 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. The trustees express their thanks to all our supporters for their ongoing dedication, hard work and prayers. The fact that 670 partner organisations benefited, with work achieved in the most testing conditions, is testament to Christian Aid’s absolute commitment to the poorest and most marginalised communities.

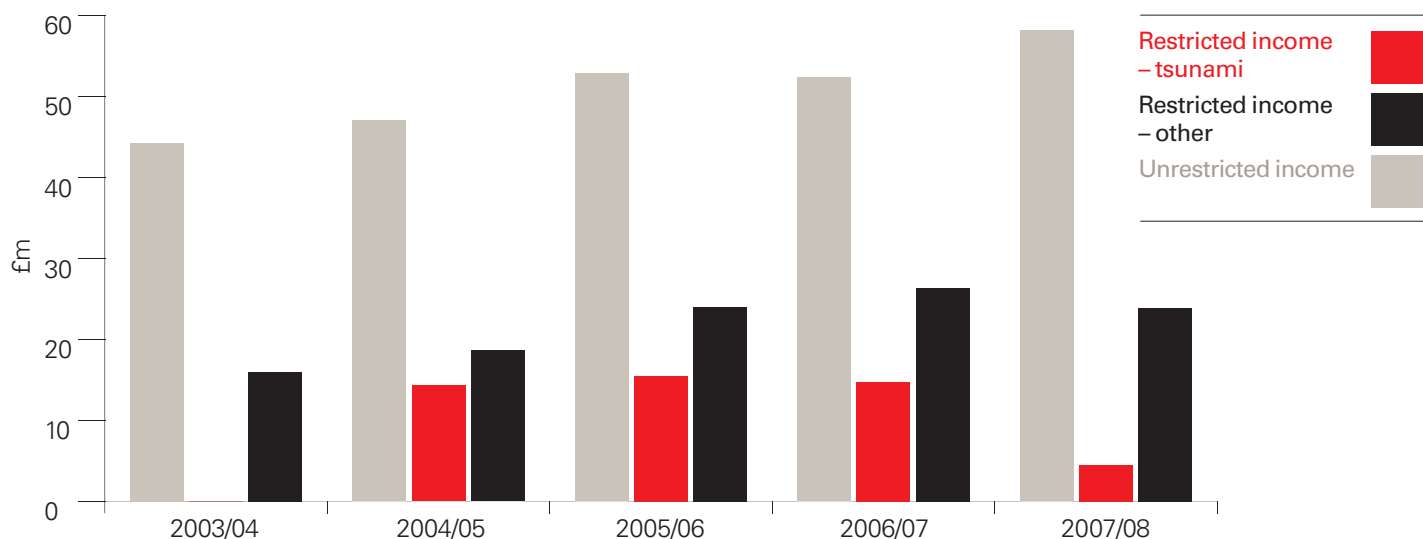
### Review of transactions

#### Total income

Our income of £86.5m/€108.5m for 2007/08 is lower than the past two years due to reduced income for the Indian Ocean tsunami. Income excluding the tsunami rose by four per cent, which shows that the underlying trend is of growth. We still expect to achieve our strategic target of £100m/€125m by 2010.

### Total income by restriction

	2003/04	2004/05	2005/06	2006/07	2007/08	2007/08 change
Restricted income – tsunami	£0.0m	£14.3m	£15.5m	£14.7m	£4.5m	(69%)
Restricted income – other	£16.0m	£18.6m	£24.0m	£26.3m	£23.9m	(9%)
Unrestricted income	£44.2m	£47.0m	£52.8m	£52.3m	£58.1m	11%
Total income excluding tsunami	£60.2m	£65.6m	£76.5m	£78.6m	£82.0m	4%
<b>Total income</b>	<b>£60.2m</b>	<b>£79.9m</b>	<b>£92.3m</b>	<b>£93.3m</b>	<b>£86.5m</b>	<b>(7%)</b>



The core funds used to support our partners' long-term development programmes rose by a healthy 11 per cent. This continued growth in unrestricted income is actually a more important indicator of our financial performance than total income, which can fluctuate depending on external events and the success or not of one or two large funding applications.

**Total income by source**

	2005/06	2006/07	2007/08	2007/08 change
Donations, gifts and legacies	£72.9m	£70.9m	£66.2m	(7%)
Governments and other agencies	£15.9m	£19.5m	£17.6m	(10%)
Other income	£3.5m	£2.9m	£2.7m	(7%)
<b>Total income</b>	<b>£92.3m</b>	<b>£93.3m</b>	<b>£86.5m</b>	<b>(7%)</b>

**Voluntary income**

During the year, income from committed gifts rose eight per cent – reflecting the results of a successful upgrade programme for existing supporters. The trustees approved a revised fundraising strategy during 2007 committing us to further expand our committed-giving supporter base over the next five years with particular emphasis on new markets. Income from our committed-giving base is vital to our development work, enabling us to plan for the long term.

Income from Christian Aid Week increased from the previous year, at £14.6m/€18.3m, and remains a key event in the Christian Aid calendar. New fundraising initiatives during Christian Aid Week aimed at reducing our dependency on house-to-house collections are growing, albeit from a very small base, at an encouraging rate.

Christmas is Christian Aid's second key fundraising opportunity of the year and raised £3.4m/€4.3m in the year, of which Present Aid, our virtual gifts catalogue, raised £2.4m/€3m. On a like-for-like basis, income was down on the previous year, reflecting an apparent sector-wide decline in the appetite for virtual gifts among the public. However, we also launched the Bangladesh cyclone appeal just before Christmas, which had the effect of redirecting some general donations to this appeal. Income during the Christmas period, including the Bangladesh cyclone appeal income, rose from £4.3m/€5.4m to £5.1m/€6.4m.

Supporters generously donated to a number of other appeals during the year, including £1.8m/€2.3m for the Christian Aid Bangladesh cyclone appeal, £1.6m/€2m for Darfur, Sudan, and £1.4m/€1.8m towards the South Asia floods appeal.

Legacy income rose significantly in the year – Christian Aid benefited from a share in a number of very large estates, which took income to a new high of £9.8m/€12.3m. Legacy income has also made a good start to the new financial year – the portfolio of estates notified, including life interests, has risen to £8.2m/€10.3m. Estate values may be affected by the downturn in property prices and share values.

Christian Aid continues to promote and benefit from increasing supporter awareness of the advantages of tax-efficient giving, recovering £4.7m/€5.9m in tax for our work in the year. The recent announcement by the chancellor of transitional relief and by HM Revenue and Customs of revised gift-aid audit rules should ensure our annual income from tax-efficient giving continues to rise steadily for the next three years at least.



### Voluntary income

	2005/06	2006/07	2007/08	2007/08 change
Christian Aid Week	£14.7m	£14.1m	£14.6m	4%
Christmas	£3.8m	£4.3m	£3.4m	(21%)
Income from committed gifts	£11.5m	£13.8m	£14.9m	8%
Legacies	£6.3m	£7.9m	£9.8m	24%
Appeals and other general donations	£36.6m	£30.8m	£23.5m	(24%)
<b>Total voluntary income</b>	<b>£72.9m</b>	<b>£70.9m</b>	<b>£66.2m</b>	<b>(7%)</b>

### Grants from governments and other institutions

Christian Aid secured a significant number of new grants from government and other institutional sources during the year, including a £3.3m/€4.1m agreement with the UK's Department for International Development in India (DFID) for a social-exclusion programme with dalits and adivasis. The European Commission awarded £5.5m/€6.9m of new contracts to eight new long-term development programmes in west Africa, Bolivia, Ethiopia, Lebanon and Tajikistan and four humanitarian and disaster risk reduction programmes. The Jersey Overseas Aid Commission approved development project and humanitarian funding of £424,000/€531,823m including our first three-year grant. Christian Aid has signed its first tendered contract with DFID for a £10m/€12.54m youth-volunteering programme called Platform2 to send more than 2,500 disadvantaged young people from the UK overseas on a life-changing volunteering experience over the next three years. Year-on-year income fell by ten per cent although the value of contracts approved in the year rose by nine per cent.

### Grants from governments and other institutions

	2005/06	2006/07	2007/08	2007/08 change
Number of grants submitted	74	79	88	11%
Number of grants awarded	31	36	40	11%
Value of grants awarded	£17.2m	£19.5m	£21.2m	9%
Income receivable in the year	£16.4m	£19.5m	£17.6m	(10%)

Christian Aid's subsidiary trading company (Christian Aid Trading Limited or CATL) generated a profit of £296,000/€371,273 for Christian Aid. Principal activities included: commercial sponsorships with partners such as AquAid, internet service provision through the Surefish website, income from the sale of Christmas cards through Traidcraft and the development of award-winning TV programmes through Rooftop Productions. Losses from Surefish continued during 2007/08. The directors of CATL have approved the closure of the Surefish ISP from September 2008.

### Trading company income

	2005/06	2006/07	2007/08	2007/08 change
AquAid	£350k	£360k	£300k	(17%)
Surefish	£101k	(£24k)	(£73k)	(204%)
Christmas cards	£85k	£90k	£87k	(3%)
Other income and charges	£6k	£65k	(£18k)	(128%)
<b>Total profit</b>	<b>£542k</b>	<b>£491k</b>	<b>£296k</b>	<b>(40%)</b>

### Expenditure

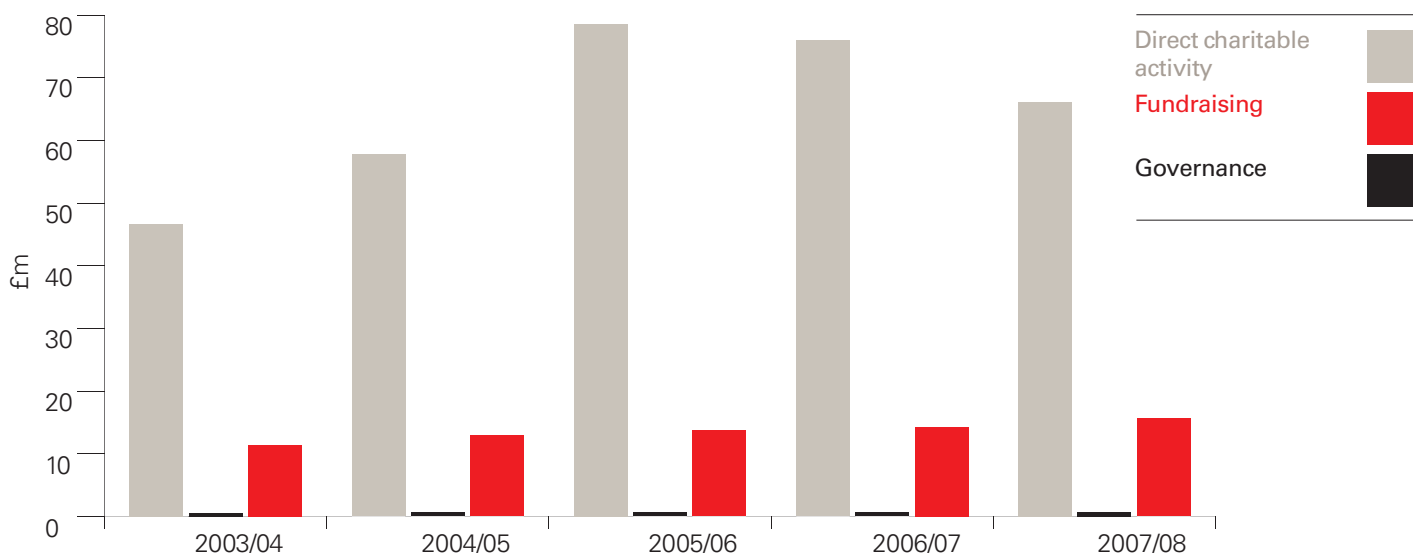
Total expenditure fell in 2007/08 to £82.5m/€103.5m from £90.9m/€114.0m reflecting the decrease in total income and also a carry forward of some planned charitable expenditure into 2008/09. We committed 80 per cent of total expenditure to charitable activity, a slight reduction from previous years due to an increase in our fundraising investment and the fall in tsunami expenditure.

Disasters Emergency Committee (DEC) income requires negligible fundraising cost and therefore distorts the ratio of fundraising costs to direct charitable expenditure in years of significant DEC activity (eg in the years 2004/05 to 2006/07 in regard to tsunami income).

Expenditure on emergency programmes fell from £278m /€34.9m to £15.0m/€18.8m as the rehabilitation and reconstruction work following the Indian Ocean tsunami reduced in the year. Expenditure on development programmes increased from £36.0m/€45.1m to £39.0m/€48.9m, while expenditure on campaigning, education and advocacy remained broadly static at to £12.2m/€15.3m.

### Total expenditure

	2003/04	2004/05	2005/06	2006/07	2007/08	2007/08 change
Direct charitable activity	£46.7m	£57.8m	£78.6m	£76.0m	£66.2m	(13%)
Fundraising	£11.4m	£12.9m	£13.7m	£14.3m	£15.6m	9%
Governance	£0.5m	£0.6m	£0.6m	£0.6m	£0.7m	17%
<b>Total expenditure</b>	<b>£58.6m</b>	<b>£71.3m</b>	<b>£92.9m</b>	<b>£90.9m</b>	<b>£82.5m</b>	<b>(9%)</b>
Fundraising costs as percentage of total expenditure	19%	18%	15%	16%	19%	



## Structure, governance and management

### Reserves

With income running ahead of expenditure in 2007/08, Christian Aid was able to increase its total reserves in the year. Unrestricted reserves, before accounting for actuarial gains on the pension scheme and investment gains, rose by £3.4m/€4.3m. This was mainly caused by underspends in team costs during the year, compared with budgets. Restricted reserves remained at a similar level to previous years.

The trustees continue to increase, year on year, the charity's operational reserve in recognition of the growth of the charity and the risks within the pension fund.

### Reserves

	2005/06	2006/07	2007/08	2007/08 change
<b>Restricted reserves</b>	<b>£13.8m</b>	<b>£13.9m</b>	<b>£13.7m</b>	<b>(1%)</b>
Unrestricted reserves	£16.0m	£18.2m	£21.6m	19%
FRS17 calculated pension deficit	(£11.0m)	(£12.0m)	(£10.3m)	(14%)
<b>Unrestricted reserves, net of pension deficit</b>	<b>£5.0m</b>	<b>£6.2m</b>	<b>£11.3m</b>	<b>82%</b>
<b>Total reserves, net of pension deficit</b>	<b>£18.8m</b>	<b>£20.1m</b>	<b>£25.0m</b>	<b>24%</b>

### Organisational structure

The Board of Trustees consists of a Chair; a nominee of each of the national committees for Wales and Scotland; the Chair of Christian Aid Ireland, a nominee of Churches Together in Britain and Ireland (CTBI); and up to 15 other trustees appointed by the members (the sponsoring churches in Britain and Ireland). This mix ensures an appropriate balance of lay and ordained people, gender, age, ethnic origin, church tradition, geographical spread, and knowledge and skills relevant to our work. All appointments are for a four-year period, and trustees are eligible for re-appointment for a further four-year period after that.

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

The Board delegates certain functions to committees of trustees, including a nominations and procedures committee, a finance and audit committee, a human resources advisory committee and a remuneration committee.

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

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

The human resources advisory committee oversees human resources policies to ensure that they are aligned with Christian Aid's values and objectives.

The remuneration committee reviews the principles governing the pay and benefits of all employees of Christian Aid. It also determines the pay and benefits of the director and the associate directors.

National committees for Wales and Scotland continue to support the Board in an advisory capacity.

The Board reports to the members at the annual general meeting. The members are the 41 sponsoring churches, as listed under the 'Reference and administrative details' at the end of this report.

Christian Aid's objects and powers are set out in its Memorandum and Articles of Association.

From 1 April 2007 two new charitable companies in the Republic of Ireland and in Northern Ireland took on responsibility for the future affairs of Christian Aid in Ireland. Although two legal forms have been established, Christian Aid Ireland operates as a single pan-Ireland development agency working in close cooperation with Christian Aid. The Irish sponsoring churches, the Irish Council of Churches and Christian Aid are members of 'Christian Aid Ireland'. All three Boards include some common Board members. Christian Aid Ireland operates under the Christian Aid name through a licence agreement with Christian Aid.

During the year Christian Aid registered with the newly created Office of the Scottish Charity Regulator (OSCR) in recognition of its fundraising activities in Scotland.

In addition Christian Aid has established separately registered legal entities in India and Zambia. These entities are consolidated as branches of Christian Aid in the same way as other country offices since programme management continues to operate within the delegated authority framework of Christian Aid.

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

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

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

Christian Aid operates through the main charity and the subsidiary and connected charitable companies referred to in note 4 of 'Notes to the financial statements'.

### **Statement of trustees' responsibilities**

The trustees are responsible for preparing the annual 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. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing these financial statements, the trustees are required to:

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select suitable accounting policies and then apply them consistently

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make judgements and estimates that are reasonable and prudent\*

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state whether applicable UK Accounting Standards have been followed

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prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

\*Paragraph 12 of Part II of Schedule 4 to Companies Act 1985 requires that the amount of any item 'shall be determined on a prudent basis'.

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### Companies Act: s234ZA confirmation

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

- 1) so far as the trustee is aware, there is no relevant audit information of which the company's auditors are unaware; and
- 2) 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 s234ZA of the Companies Act 1985.

Deloitte & Touche LLP remained Christian Aid's auditors throughout the year.

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

### Reserves policy

The charity's reserves fall into two types.

#### Restricted funds

These are generated when the donor stipulates how their donation may be spent. In most cases there will be a time lag between when such funds are received and when they are expended. This leads to high levels of cash on deposit, as shown on the balance sheet. In particular, with many of the recent emergency appeals there is the need for immediate relief work followed up with longer-term rehabilitation and development activities, in line with the appeal request, resulting in part of the appeal monies being expended over a number of years.

Deficits on restricted funds arise where grants to partners have been approved against various projects that the trustees expect to be funded by institutional donors, but the criteria for recognition of income has not been met. Based on reports from partners on the progress of these projects at year end, the trustees determine whether the associated income should be recognised in the accounts. The status of all projects financed through restricted funds is reviewed corporately every three months. The trustees are content with the overall level of the deficits in these funds at 31 March 2008.

At 31 March 2008, the total level of restricted funds was £13.7m/€17.2m.

#### Unrestricted funds

These are generated when the donor does not stipulate how the income may be spent. Within certain operating needs, the trustees' policy is to ensure that such funds are expended as soon as possible, while guaranteeing these resources are used effectively. Unrestricted funds include a number of designated funds where the trustees have set aside monies for a specific purpose. At 31 March 2008 the principal designated funds were:

i) the operational reserve – held to cover any temporary shortfall in income, unforeseen rise in spending requirements or other financial contingency, so that the charity – and in particular funding to partners – can continue to operate at any time.

The level of this reserve is based on the trustees' assessment of the likelihood of such financial contingencies and the impact they might have. At 31 March 2008, the trustees considered that £12.0m/€15.0m should be held in this reserve. The level of the operational reserve has been increased in recent years to reflect the growth of Christian Aid and the risks attached to the Christian Aid pension scheme. The reserve was fully funded at the end of the year.

ii) the fixed asset reserve – comprises the funds invested in fixed assets to allow the organisation to carry out its work effectively. At 31 March 2008, the level of this reserve was £3.5m/€4.4m and included the assets disclosed in note 8 of 'Notes to the financial statements'. Because this reserve comprises fixed assets, it is not possible to utilise them elsewhere within the charity.

iii) the Latin America foreign exchange stabilisation reserve – created to guard against fluctuations in currency rates which may arise in making medium-term funding commitments to Latin American partner organisations.

iv) funds to be spent in 2008/09 – as part of the three-year plan and budget for the period 2008-10, the trustees allocated £1.8m/€2.3m of unrestricted reserves to be utilised in 2008/09, in addition to the likely level of income to be generated.

v) Christian Aid Ireland – following the creation of two new charitable entities in Ireland, unrestricted reserves of £0.8m/€1.0m are now under the authority of the trustees of the Irish Boards.

Free reserves at 31 March 2008 of £3.0m/€3.8m arise from the difference between actual and anticipated results in 2007/08. The trustees will determine the most appropriate use of these funds during the current financial year.

#### **Investment policy**

Christian Aid manages its investments – within its ethical guidelines – in ways that maximise the overall return on cash resources. This is done on a combined income-and-capital basis, and is subject to the need for short-term realisability of funds and a degree of measured risk.

Short-term cash is managed internally, and held on overnight and term deposits with approved banks and building societies. Longer-term cash is managed by F&C Management Ltd (F&C) and invested in a mixture of gilts, ethically screened corporate bonds and deposits. F&C screening involves setting ethical principles and acceptable investment criteria which aim to avoid investing in companies with unsustainable business practices that do particular harm to the world, its people or its wildlife. It was a volatile 12-month period for both equity and bond markets, as the credit crunch, rising inflation and a slowdown in economic growth combined to impact investor sentiment. UK gilts benefited over the period from the 'flight to safety' as investors moved out of riskier assets.

The performance of our investment manager is reviewed on an annual basis by the finance and audit committee against the benchmark of the FTSE Actuaries (FTA) Under 5-Year Gilt Index. In the year ended 31 March 2008, the Christian Aid portfolio returned 8.0 per cent compared with a benchmark return of 8.3 per cent.

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

#### **Grants policy**

The majority of Christian Aid's charitable work is carried out by making grants to partner organisations. Grants are made within the agreed strategies and according to the priorities of individual grant-making departments. In relation to development programmes they tend to be given on a three-year basis.

Project proposals are subject to a formal approval process before individual grants are approved. All projects are systematically monitored for the duration of their existence, and major projects are subject to a final evaluation process. All trustees continue to be informed of every grant made by the organisation in the course of a financial year, and further details are available by writing to the associate director of Finance and Information Management at Christian Aid.

#### **Risk management**

The trustees have a duty to identify and review the strategic, business and operational risks that the charity is exposed to; and to assess the likelihood of such risks occurring and the likely level of impact they would have. During the year, the trustees approved a revised risk register.

Christian Aid is currently mitigating against risks associated with the trend away from grant-based institutional income to contracting, potential fundraising expansion into new countries, the risk of misappropriation of funds and the upcoming change in grant administration software used by the organisation.

There is a risk management strategy and this has been adopted by the finance and audit committee. This aims to deliver greater delegation of risk management throughout the organisation over the medium term.

The risk register informs the strategic internal audit plan and this in turn is converted into an annual internal audit plan. There is an internal audit team and internal controls are tested and reported on through a series of internal audit assignments, and management take responsibility for implementing agreed recommendations.

In addition to the internal audit team there are a number of working groups managing risks in high-risk areas as defined in the risk register. For 2007/08 these included the business continuity group, the income assurance working group, the public policy group, the pensions sub-committee and the corporate accountability group. Risk management priorities during 2007/08 have included developing policies and procedures to regulate an increasingly decentralised organisation, migrating staff to the new pension provision, preparing new market entry strategies including fundraising in countries in which we support partners, consortium funding and coordination, contract management and the development of management information systems.

#### **Christian Aid pension schemes**

As agreed with scheme members in 2006/07 the trustees closed the final salary pension scheme to new members and to future accrual on 30 June 2007. In its place Christian Aid now offers UK qualifying staff a defined contribution group personal pension scheme. In the Republic of Ireland, Christian Aid also contributes to an occupational money purchase scheme.

A professional actuary carried out a three-yearly valuation of the now closed final salary scheme as at September 2005. The valuation showed a deficit of £10.3m/€12.9m. Following completion of the valuation Christian Aid has agreed a recovery plan with the pension trustees, which was approved by the Pensions Regulator in June 2007.

Additionally, the actuary carries out a separate annual valuation in line with the new accounting standard FRS17. This is carried out using different assumptions and may result in a different funding position. The 31 March 2008 valuation under this method also showed a deficit of £10.3m/€12.9m but reflecting an improvement on the previous years' position, due to the agreed deficit clearance payments by Christian Aid of £1.6m/€2.0m in the year. Details are shown in full in note 18 of 'Notes to the financial statements'. Christian Aid has increased the level of operational reserves in recent years to reflect the continuing risks attached to the pension scheme.

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

#### **Remuneration policy**

The salaries of Christian Aid staff are periodically benchmarked against comparable organisations including other charities and church organisations, with the support of an external consultant. Christian Aid aims to set salaries equivalent to the median for such organisations. On an annual basis salaries are increased in line with the average of earnings and retail price inflation.

All posts are evaluated based on agreed organisation-wide criteria that determine the grade and hence the salary for the post. Posts in certain functions (eg finance and information systems) carry a small market increment to reflect the difficulty of recruiting and retaining qualified staff in these functions.

#### **Other financial matters**

Indemnity insurance is in place on behalf of the trustees, at a cost of £2,478/€3,108.

Section 505 of the Income and Corporation Taxes Act 1988 gives exemption from income tax or corporation tax to certain income which is applied for the purposes of the charity. Christian Aid is therefore not subject to taxation on income which is applied for such purposes.



**John Gladwin**  
Chair of the Board  
22 September 2008

# Auditors' report

## Independent auditors' report to the trustees and members of Christian Aid

We have audited the group and parent charitable financial statements (the 'financial statements') of Christian Aid for the year ended 31 March 2008, which comprise the consolidated statement of financial activities, the consolidated and company balance sheet, the consolidated cash flow statement and the related notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985 and to the charity's trustees, as a body, in accordance with 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 and the trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body, and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of the charity for the purposes of company law) for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of trustees' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether in our opinion the information given in the trustees' annual report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if information

specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the trustees' annual report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

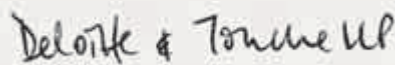
### Opinion

In our opinion:

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent charitable company's affairs as at 31 March 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;

the financial statements have been properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and

the information given in the trustees' annual report is consistent with the financial statements.



### Deloitte & Touche LLP

Chartered accountants and registered auditors  
London, UK  
23 September 2008



# Financial statements

## Consolidated statement of financial activities (incorporating an income and expenditure account) for the year ended 31 March 2008

	Notes	2008 Unrestricted funds £'000	2008 Restricted funds £'000	<b>2008 Total funds £'000</b>	2007 Total funds £'000
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary income					
Donations, gifts and legacies	2	51,090	15,092	<b>66,182</b>	70,894
Income from governments and other institutions	3/15	5,030	12,584	<b>17,614</b>	19,511
Activities for generating funds		665	-	<b>665</b>	795
Investment income		1,039	- 768	<b>1,807</b>	1,792
Incoming resources from charitable activities		195	-	<b>195</b>	-
Other incoming resources		39	-	<b>39</b>	300
<b>Total incoming resources</b>		<b>58,058</b>	<b>28,444</b>	<b>86,502</b>	<b>93,292</b>
<b>Resources expended</b>					
Cost of generating funds					
Costs of generating voluntary income	5	14,820	314	<b>15,134</b>	13,944
Fundraising trading: cost of goods sold and other costs	5	306	-	<b>306</b>	307
Investment management costs	5	142	-	<b>142</b>	116
Charitable activities					
Development	5	21,901	17,117	<b>39,018</b>	36,014
Emergencies	5	3,779	11,209	<b>14,988</b>	27,845
Campaigning, advocacy and education programmes	5	12,173	-	<b>12,173</b>	12,144
Governance costs	5	732	-	<b>732</b>	562
<b>Total resources expended</b>		<b>53,853</b>	<b>28,640</b>	<b>82,493</b>	<b>90,932</b>
<b>Net income/(expenditure) for the year</b>		<b>4,205</b>	<b>(196)</b>	<b>4,009</b>	<b>2,360</b>
<b>Other recognised gains/(losses)</b>					
Gains/(losses) on investment assets	9	466	-	<b>466</b>	(295)
Actuarial gains/(losses) on defined benefit pension scheme	18	406	-	<b>406</b>	(693)
<b>Net movement in funds</b>		<b>5,077</b>	<b>(196)</b>	<b>4,881</b>	<b>1,372</b>
<b>Reconciliation of funds</b>					
Total funds at 31 March 2007		6,229	13,920	<b>20,149</b>	18,777
<b>Total funds at 31 March 2008</b>	13/14	<b>11,306</b>	<b>13,724</b>	<b>25,030</b>	<b>20,149</b>

All incoming and outgoing resources arise from continuing operations.  
There are no recognised gains or losses, or movements in funds other than those disclosed above.

## Balance sheets

as at 31 March 2008

	Notes	Consolidated group		Parent charity	
		2008 £'000	2007 £'000	2008 £'000	2007 £'000
<b>Fixed assets</b>					
Tangible fixed assets	8	3,502	4,532	3,502	4,524
Investments	9	15,650	14,496	15,650	14,496
		<b>19,152</b>	19,028	<b>19,152</b>	19,020
<b>Current assets</b>					
Stocks		131	231	105	206
Debtors	10	9,612	6,252	12,464	6,508
Short-term cash deposits		1,281	2,000	1,281	2,000
Cash on deposit, at bank and in hand		16,415	16,389	11,533	16,040
		<b>27,439</b>	24,872	<b>25,383</b>	24,754
<b>Liabilities</b>					
Creditors: amounts falling due within one year	11	(11,262)	(11,778)	(11,775)	(11,691)
<b>Net current assets</b>		<b>16,177</b>	13,094	<b>13,608</b>	13,063
<b>Net assets excluding pension liability</b>					
Defined benefit pension scheme liability	18	(10,299)	(11,973)	(10,299)	(11,973)
<b>Net assets including pension liability</b>		<b>25,030</b>	20,149	<b>22,461</b>	20,110
<b>Restricted funds</b>					
Appeal funds – surplus	13	13,081	14,196	13,081	14,196
Appeal funds – deficit	13	(579)	(2,076)	(579)	(2,076)
Government and other restricted funds – surplus	13	4,442	4,261	2,713	4,261
Government and other restricted funds – deficit	13	(3,220)	(2,461)	(3,229)	(2,461)
<b>Total restricted funds</b>		<b>13,724</b>	13,920	<b>11,986</b>	13,920
<b>Unrestricted funds</b>					
Designated funds	14	18,023	17,107	17,727	17,099
Other charitable funds	14	3,557	1,070	3,047	1,064
Non-charitable trading funds	14	25	25	-	-
Unrestricted funds excluding pension liability		<b>21,605</b>	18,202	<b>20,774</b>	18,163
Pension reserve	18	(10,299)	(11,973)	(10,299)	(11,973)
<b>Total unrestricted funds</b>		<b>11,306</b>	6,229	<b>10,475</b>	6,190
<b>Total funds</b>	17	<b>25,030</b>	20,149	<b>22,461</b>	20,110

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



**John Gladwin**  
Chair of the Board  
22 September 2008

## Consolidated cash flow statement for the year ended 31 March 2008

### Reconciliation of net incoming resources to net cash (outflow)/inflow from operating activities

	2008 £'000	2007 £'000
Net incoming resources	4,009	2,360
Investment income	(1,807)	(1,792)
FRS17 effect upon net incoming resources	292	296
Depreciation charge	1,403	1,346
Profit on sale of tangible fixed assets	(39)	(300)
Decrease/(increase) in stocks	100	(63)
Increase in debtors	(3,360)	(967)
Decrease in pension deficit liability	(1,560)	-
Decrease in current liabilities	(516)	(90)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(1,478)</b>	790

### Consolidated cash flow statement

Net cash (outflow)/inflow from operating activities	(1,478)	790
Return on investments and servicing of finance		
Interest received	1,807	1,792
Capital expenditure		
Purchase of tangible fixed assets	(420)	(1,001)
Sales of tangible fixed assets	86	434
Payments to acquire investments	(44,009)	(28,158)
Proceeds of sale of investments	43,321	27,476
	(1,022)	(1,249)
Cash (outflow)/inflow before use of liquid resources	(693)	1,333
Management of liquid resources		
Decrease in short-term deposits	719	2,000
<b>Increase in cash during the year</b>	<b>26</b>	<b>3,333</b>

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

	As at 1 April 2007 £'000	Change in year £'000	As at 31 March 2008 £'000
Cash at bank and in hand	16,389	26	16,415
Short-term deposits	2,000	(719)	1,281
<b>Net funds</b>	<b>18,389</b>	<b>(693)</b>	<b>17,696</b>

## Notes to the financial statements for the year ended 31 March 2008

### 1. Accounting policies

#### a. Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments, which are included at market valuation. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities', published in March 2005, the Companies Act 1985, the Charities Accounts (Scotland) Regulations 2006, and applicable UK Accounting Standards.

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.

The group accounts include a 100 per cent consolidation of Christian Aid Trading Limited, Christian Aid Ireland Limited (a charitable company registered in Northern Ireland) and Christian Aid Ireland Limited (a charitable company registered in the Republic of Ireland). 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 4.

On 1 April 2005 the unincorporated Christian Aid (registered charity number 258003) transferred its assets subject to their liabilities to Christian Aid Limited (registered charity number 1105851), a successor corporate charity with the same charitable objects.

#### b. Fund accounting

The charity maintains three types of funds and the relevant reserve policies are given on page 35 of the trustees' report. The three main types of funds are as follows:

(i) restricted funds represent funds where the grants and donations received are requested by the donor to be spent on a specific purpose. Income and expenditure on these funds are shown separately within the statement of financial activities and analysed into their main components in note 13.

(ii) designated unrestricted funds are those where the trustees have set aside monies from unrestricted funding for specific purposes. At the end of March 2008 these included an operational reserve, a fixed

asset fund, a currency stabilisation fund for Latin America, and monies allocated for expenditure in the 2008/09 financial year.

(iii) other unrestricted funds represent income that is expendable at the discretion of the trustees in the furtherance of the objects of the charity, but as at the end of the year had not been specifically allocated. There is also a pension fund reserve (last formally valued on 30 September 2005).

#### c. Incoming resources

All incoming resources accruing to the charity during the year are recognised in the statement of financial activities as soon as it is prudent and practicable to do so, when entitled, certain and measurable.

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

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

#### d. Resources expended

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

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

Costs of charitable activities includes direct expenditure incurred through grants to partners and operational activities. Grants to partners are recognised as expenditure at the time of approval, when the partner is notified of the grant. The approval does not give rise to a legal commitment, but it would be financially and operationally damaging to Christian Aid not to discharge

the duty to remit the funds after approval. Grants approved and notified to partners that have not been remitted by the end of the financial year are carried forward as current liabilities. Grants not transferred to partners within one month of approval are cancelled.

Central costs include the costs of staff both in the UK and overseas, in support of partners and operational activities together with their associated costs and an appropriate allocation of central overheads.

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

#### **e. Tangible fixed assets and depreciation**

Tangible fixed assets costing more than £5,000 are capitalised at cost. Depreciation is provided on all tangible assets as follows:

- (i) freehold properties are depreciated over 50 years, a rate that will write off the value of the properties over their estimated useful lives. No depreciation is charged on land
- (ii) leasehold improvements are depreciated over five years
- (iii) office furniture and equipment is depreciated over its useful life at rates of 20 per cent in equal annual instalments
- (iv) computer equipment is depreciated over its useful life at a rate of 25 per cent in equal annual instalments
- (v) 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
- (vi) motor vehicles are depreciated at the rate of 25 per cent on a reducing balance basis.

#### **f. Stocks**

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

#### **g. Pension costs**

Defined benefit scheme – the amounts charged in the statement of financial activities are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs and other finance costs have been recognised immediately in the statement of financial

activities. Actuarial gains and losses are recognised immediately in 'Other recognised gains/(losses)'. This is in accordance with Financial Reporting Standard 17 – Retirement Benefits.

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

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

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

#### **h. Taxation and irrecoverable VAT**

As a registered charity, Christian Aid is potentially exempt from tax on income and gains falling within section 505 of the Income and Corporation Taxes Act 1988 and section 256 of the Tax of Charitable Gains Act 1992. No tax charge has arisen in the subsidiaries due to their policy of gifting all taxable profits to Christian Aid each year.

In common with many other charities, Christian Aid is unable to recover the majority of VAT that is incurred on purchases of goods and services in the UK. The amount of VAT that cannot be recovered is included within the appropriate underlying cost.

#### **i. Foreign currencies**

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

#### **j. Related party disclosures**

The charity has taken advantage of the exemption conferred by Financial Reporting Standard 8 – Related Party Disclosures, that allows it not to disclose transactions with group undertakings that are eliminated on consolidation.

## 2. Donations, gifts and legacies

	2008 Unrestricted £'000	2008 Restricted £'000	2008 Total £'000	2007 Unrestricted £'000	2007 Restricted £'000	2007 Total £'000
Christian Aid Week	14,603	-	<b>14,603</b>	14,111	-	14,111
General donations	25,990	2,796	<b>28,786</b>	22,781	4,286	27,067
Denominational appeals	737	780	<b>1,517</b>	234	1,307	1,541
Christian Aid appeals						
Middle East	-	12	<b>12</b>	-	1,988	1,988
East Africa*	-	(15)	<b>(15)</b>	-	1,662	1,662
Niger*	-	(11)	<b>(11)</b>	-	759	759
Three Continents**	-	225	<b>225</b>	-	103	103
Indian Ocean tsunami	-	-	-	-	77	77
Sudan 2004	-	-	-	-	(40)	(40)
Darfur, Sudan	-	1,628	<b>1,628</b>	-	-	-
South Asia floods	-	1,402	<b>1,402</b>	-	-	-
Bangladesh cyclone	-	1,785	<b>1,785</b>	-	-	-
Other	-	281	<b>281</b>	-	(129)	(129)
DEC appeals						
Indian Ocean tsunami	-	4,551	<b>4,551</b>	-	14,471	14,471
Asia earthquake	-	184	<b>184</b>	-	1,158	1,158
Niger	-	692	<b>692</b>	-	-	-
Bangladesh cyclone	-	273	<b>273</b>	-	-	-
Sudan	-	509	<b>509</b>	-	230	230
Legacy income	9,760	-	<b>9,760</b>	7,896	-	7,896
<b>Total donations, gifts and legacies</b>	<b>51,090</b>	<b>15,092</b>	<b>66,182</b>	45,022	25,872	70,894

\* Negative incoming resources on the East Africa and Niger appeals represent prior year accrued income subsequently reallocated.

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

Total donations, gifts and legacies of £66.2m (2007: £70.9m) includes £4.7m of tax recovered through tax efficient giving (2007: £4.6m). Legacies of which we have been notified but not recognised as income are valued at £6.5m (2007: £7.9m).

**3. Income from governments and other institutions**

	2008 Unrestricted £'000	2008 Restricted £'000	<b>2008 Total £'000</b>	2007 Unrestricted £'000	2007 Restricted £'000	2007 Total £'000
Department for International Development (UK)						
Programme Partnership Agreement	5,030	-	<b>5,030</b>	5,030	-	5,030
Other	-	2,773	<b>2,773</b>	-	4,148	4,148
European Commission	-	3,561	<b>3,561</b>	-	3,440	3,440
Irish Aid	-	2,624	<b>2,624</b>	-	3,444	3,444
USAID	-	915	<b>915</b>	-	723	723
Other governments	-	415	<b>415</b>	-	337	337
Other agencies	-	1,939	<b>1,939</b>	5	2,016	2,021
Gifts in kind	-	357	<b>357</b>	-	368	368
<b>Total income from governments and other institutions</b>	<b>5,030</b>	<b>12,584</b>	<b>17,614</b>	5,035	14,476	19,511

The parent charity's gross income for the year was £82.9m, included in the above tables as follows:

	Unrestricted £'000	Restricted £'000	<b>Total £'000</b>
Donations, gifts and legacies	50,635	15,842	<b>66,477</b>
Income from governments and other institutions	5,030	11,411	<b>16,441</b>
<b>Total</b>	<b>55,665</b>	<b>27,253</b>	<b>82,918</b>

#### 4. Subsidiary undertakings

The charity has five subsidiary undertakings for which the results for the year are given below.

##### The British and Irish Churches Trust Ltd (BICT)

###### – 71.25 per cent interest

A charitable company limited by guarantee, incorporated in England and Wales, which owns Inter-Church House on behalf of Christian Aid and Churches Together in Britain and Ireland (CTBI). The year end of this company was 31 December 2007, 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 Inter-Church House.

##### Christian Aid Trading Ltd (CATL) – 100 per cent interest

A company limited by share capital, incorporated in England and Wales, with two shares 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 year end of CATL was 31 March 2008.

##### Christian Aid Ireland Ltd (CANI)

A charitable company limited by guarantee, incorporated in Northern Ireland. On 1 April 2007 assets of £105,000 were transferred to CANI by way of a grant from Christian Aid. CANI was established to further develop the work of Christian Aid in Northern Ireland. CANI is consolidated on a line-by-line basis in the Christian Aid group financial statements in line with Financial Reporting Standard 2. The CANI year end was 31 March 2008.

##### Christian Aid Ireland Ltd (CARI)

A charitable company limited by guarantee, incorporated in the Republic of Ireland. On 1 April 2007 assets of £1,738,159 were transferred to CARI by way of a grant from Christian Aid. CARI was established to further develop the work of Christian Aid in the Republic of Ireland. CARI is consolidated on a line-by-line basis in the Christian Aid group financial statements in line with Financial Reporting Standard 2. The CARI year end was 31 March 2008.

##### Fish.net (Christian Aid) Ltd – 100 per cent interest – dissolved

A UK registered company which did not trade during the year and was dissolved on 8 March 2008.

	2008 BICT £'000	2008 CATL £'000	2008 Total £'000	2007 BICT £'000	2007 CATL £'000	2007 Total £'000
Turnover	517	96	613	517	124	641
Other income	-	512	512	-	669	669
<b>Total income</b>	517	608	1,125	517	793	1,310
Cost of sales	-	6	6	-	18	18
Depreciation	-	8	8	-	8	8
Grants to connected charities	508	-	508	508	-	508
Other operating costs	9	298	307	9	276	285
<b>Total expenditure</b>	517	312	829	517	302	819
Net profit	-	296	296	-	491	491
Gift aided to Christian Aid	-	(296)	(296)	-	(491)	(491)
Retained by subsidiary	-	-	-	-	-	-
Opening reserves	14	25	39	14	25	39
<b>Closing reserves</b>	14	25	39	14	25	39

	2008 CANI £'000	2008 CARI £'000	2008 Total £'000
Incoming resources	2,956	5,493	8,449
<b>Total incoming resources</b>	2,956	5,493	8,449
<b>Resources expended</b>			
Costs of generating funds	297	260	557
Charitable activities	2,027	3,290	5,317
Governance costs	13	28	41
<b>Total resources expended</b>	2,337	3,578	5,915
Net movement in funds	619	1,915	2,534
<b>Closing reserves</b>	619	1,915	2,534



## 5. Total resources expended

	Grants to partner organisations £'000	Staff costs £'000	Other direct costs £'000	Allocation of central costs £'000	<b>2008 Total £'000</b>	2007 Total £'000
Costs of generating voluntary income	-	4,962	9,023	1,149	<b>15,134</b>	13,944
Fundraising trading: cost of goods sold and other costs	-	-	306	-	<b>306</b>	307
Investment management costs	-	44	88	10	<b>142</b>	116
<b>Cost of generating funds</b>	-	5,006	9,417	1,159	<b>15,582</b>	14,367
Development	28,867	5,461	3,598	1,092	<b>39,018</b>	36,014
Emergencies	10,572	2,333	1,621	462	<b>14,988</b>	27,845
Campaigning, advocacy and education programmes	476	5,810	4,669	1,218	<b>12,173</b>	12,144
<b>Total charitable activities</b>	39,915	13,604	9,888	2,772	<b>66,179</b>	76,003
Governance	-	385	272	75	<b>732</b>	562
<b>Total resources expended</b>	39,915	18,995	19,577	4,006	<b>82,493</b>	90,932

### Grant expenditure analysed by region

Africa	<b>16,224</b>	16,946
Latin America and the Caribbean	<b>7,012</b>	6,757
Asia and Middle East	<b>15,620</b>	25,797
Global	<b>996</b>	768
UK and Ireland	<b>63</b>	328
<b>Total grants to partner organisations</b>	<b>39,915</b>	50,596

The above table includes £81.6m expenditure incurred by the parent charity.

All our grants are to organisations not individuals. Details of grants made are available from the associate director of Finance and Information Management at Christian Aid.

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

**Charitable expenditure** includes expenditure incurred through grants to partners and operational activities. Grants to partners are recognised as expenditure at the time of approval, when the partner is notified of the grant. Grants approved and notified to partners that have not been remitted by the end of the financial year are carried forward as current liabilities.

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

<b>Governance costs</b>	<b>2008 £'000</b>	2007 £'000
Internal audit	<b>97</b>	65
External audit	<b>56</b>	40
Board expenses	<b>14</b>	12
Strategic management	<b>565</b>	445
	<b>732</b>	562

<b>Allocation of central costs</b>	Basis of allocation	<b>2008 £'000</b>	2007 £'000
Facilities management	Headcount	<b>2,298</b>	1,605
Human resources	Headcount	<b>558</b>	408
Information systems	Headcount	<b>1,150</b>	1,552
		<b>4,006</b>	3,565

## 6. Staff costs

	2008 £'000	2007 £'000
<b>Staff costs of UK and Ireland contracted staff</b>		
Salaries	14,100	13,774
Pension contributions	1,086	1,128
National Insurance contributions	1,325	1,144
Benefits in kind	37	54
Total staff costs UK and Ireland	16,548	16,100
Staff cost of overseas contracted staff	2,485	1,698
<b>Total staff costs</b>	<b>19,033</b>	<b>17,798</b>

	2008 FTE	2007 FTE
UK and Ireland based staff	453	436
Overseas based staff	306	309
<b>Total staff FTE</b>	<b>759</b>	<b>745</b>

FTE = Full-time equivalent

Overseas staff includes 30 employees (2007: 39 employees) on UK and Ireland contracts based in the charity's overseas offices.

Staff by activity	2008 FTE	2007 FTE
Generating funds	139	118
Charitable activities	614	624
Governance	6	3
<b>Total staff FTE</b>	<b>759</b>	<b>745</b>

The emoluments of the director, the highest-paid employee, were £90,123 (2007: £88,428).

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

	2008	2007
£90,000 to £99,999	1	-
£80,000 to £89,999	-	1
£60,000 to £69,999	5	3

Trustees' expenses	2008		2007	
	No. of trustees	£'000	No. of trustees	£'000
Reimbursed to trustees	16	14	18	11
UK-related expenses				

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.

## 7. Statement of financial activities

Net movement in funds is stated after the following charges:

	Consolidated group		Parent charity	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
Auditors' remuneration				
Fees payable to parent charity's auditors for the audit of the charity's annual accounts	40	29	40	29
Fees payable to parent charity's auditors for the audit of the charity's subsidiaries pursuant to legislation	16	6	-	-
<b>Total audit fees</b>	<b>56</b>	<b>35</b>	<b>40</b>	<b>29</b>
Tax services	-	-	-	-
Other services	11	4	11	4
<b>Total non-audit fees</b>	<b>11</b>	<b>4</b>	<b>11</b>	<b>4</b>
Operating lease – land and buildings (>5 year expiry)	-	-	205	205
Investment manager's fee	53	51	53	51

**8. Tangible fixed assets**

	Central office freehold	Other leasehold/ freehold property	Leasehold improvements	Computer equipment	Office furniture, fittings & equipment	Assets in the course of construction	Motor vehicles	<b>Total</b>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	<b>£'000</b>
<b>Cost</b>								
At 1 April 2007	1,855	263	2,709	2,717	588	392	565	<b>9,089</b>
Additions	-	-	26	104	-	99	191	<b>420</b>
Transfer between categories	-	-	-	388	-	(388)	-	<b>-</b>
Disposals	-	(35)	(126)	(104)	(31)	-	(56)	<b>(352)</b>
<b>At 31 March 2008</b>	<b>1,855</b>	<b>228</b>	<b>2,609</b>	<b>3,105</b>	<b>557</b>	<b>103</b>	<b>700</b>	<b>9,157</b>
<b>Depreciation</b>								
At 1 April 2007	555	23	1,731	1,519	438	-	291	<b>4,557</b>
Charge in year	43	3	514	632	99	-	112	<b>1,403</b>
Disposals	-	(2)	(126)	(104)	(30)	-	(43)	<b>(305)</b>
<b>At 31 March 2008</b>	<b>598</b>	<b>24</b>	<b>2,119</b>	<b>2,047</b>	<b>507</b>	<b>-</b>	<b>360</b>	<b>5,655</b>
<b>Net book value</b>								
<b>At 31 March 2008</b>	<b>1,257</b>	<b>204</b>	<b>490</b>	<b>1,058</b>	<b>50</b>	<b>103</b>	<b>340</b>	<b>3,502</b>
At 1 April 2007	1,300	240	978	1,198	150	392	274	4,532
Held by parent charity	1,257	204	490	1,058	50	103	340	3,502
Held by subsidiaries	-	-	-	-	-	-	-	-

## 9. Investments

	Consolidated group		Parent charity	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
<b>As at 31 March</b>				
Gilts – UK	13,613	12,704	13,613	12,704
Fixed interest securities	1,192	930	1,192	930
Floating rates notes	749	669	749	669
Sterling deposits	96	193	96	193
<b>Total investments</b>	<b>15,650</b>	<b>14,496</b>	<b>15,650</b>	<b>14,496</b>
<b>Movements during the year</b>				
At the beginning of the year	14,496	14,109	14,496	14,109
Cost of acquisitions	44,009	28,158	44,009	28,158
Disposals	(43,321)	(27,476)	(43,321)	(27,476)
Unrealised gain/(loss)	466	(295)	466	(295)
<b>Total investments</b>	<b>15,650</b>	<b>14,496</b>	<b>15,650</b>	<b>14,496</b>

Investments forming more than 5 per cent of the investment portfolio were as follows:

	2008	2008	2007	2007
	£'000	%	£'000	%
UK Treasury Government Bond 4.25% 07/03/2011	2,698	17.2	1,757	12.2
UK Treasury Government Bond 4.75% 07/06/2010	2,646	17.1	6,577	46.2
UK Treasury Government Bond 5.75% 07/12/2009	2,383	15.4	-	-
UK Treasury Government Bond 5.25% 07/06/2012	2,205	14.3	-	-
UK Treasury Government Bond 4% 07/03/2009	-	-	3,714	25.8

## 10. Debtors

	Consolidated group		Parent charity	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
Payments in advance for Christian Aid Week	416	329	416	329
Other prepayments	121	60	121	60
Grant income debtors	761	780	761	780
Other accrued income	7,484	4,436	7,316	4,436
Other debtors	830	679	561	272
Amounts due from subsidiary undertakings	-	(32)	558	631
Amounts due from connected charities	-	-	2,731	-
<b>Total debtors</b>	<b>9,612</b>	<b>6,252</b>	<b>12,464</b>	<b>6,508</b>

**11. Creditors: amounts falling due within one year**

	Consolidated group		Parent charity	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
Interest-free loans from supporters	286	334	286	334
Trade creditors	1,446	1,433	1,446	1,433
Project creditors	6,497	8,351	6,466	8,351
Deferred income	1,692	250	1,692	250
Other creditors	1,073	1,279	1,105	1,192
Accruals	268	131	251	131
Amounts due to connected charities	-	-	529	-
<b>Total creditors</b>	<b>11,262</b>	<b>11,778</b>	<b>11,775</b>	<b>11,691</b>

Movement on deferred income during the year:

	Consolidated group		Parent charity	
	2008 £'000	2008 £'000	2008 £'000	2008 £'000
Balance brought forward	250		250	
Released to income	(250)		(250)	
Received in year	1,692		1,692	
<b>Balance carried forward</b>	<b>1,692</b>		<b>1,692</b>	

**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 of Trustees and are expected to be recommended for funding in 2008/09.

	Consolidated group		Parent charity	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
<b>Commitments</b>	<b>19,418</b>	<b>16,857</b>	<b>19,418</b>	<b>16,857</b>

### 13. Restricted funds

<b>Consolidated group</b>	Opening balance £'000	Incoming resources £'000	Expenditure £'000	<b>Closing balance £'000</b>
<b>Appeal funds</b>				
Christian Aid appeals				
Indian Ocean tsunami	5,241	286	(1,390)	<b>4,137</b>
Niger	2,054	74	(845)	<b>1,283</b>
Three Continents	1,805	303	(1,062)	<b>1,046</b>
Middle East	1,343	79	(436)	<b>986</b>
East Africa	1,328	54	(295)	<b>1,087</b>
Sudan 2004	1,245	64	(665)	<b>644</b>
Darfur, Sudan	-	1,688	(236)	<b>1,452</b>
South Asia floods	-	1,425	(1,047)	<b>378</b>
Bangladesh cyclone	-	1,800	(446)	<b>1,354</b>
Other Christian Aid appeals	205	285	(183)	<b>307</b>
Present Aid	269	1,654	(1,861)	<b>62</b>
Other earmarked income	706	1,921	(2,395)	<b>232</b>
DEC appeals				
Niger	(233)	692	(346)	<b>113</b>
Asia earthquake	-	184	(197)	<b>(13)</b>
Indian Ocean tsunami	(1,843)	4,551	(3,258)	<b>(550)</b>
Bangladesh cyclone	-	273	(273)	<b>-</b>
Sudan	-	509	(525)	<b>(16)</b>
Total appeal restricted funds	12,120	15,842	(15,460)	<b>12,502</b>
Government and other restricted grants	1,800	12,602	(13,180)	<b>1,222</b>
<b>Total restricted funds</b>	<b>13,920</b>	<b>28,444</b>	<b>(28,640)</b>	<b>13,724</b>

The balances on government and other restricted grants consist of:	<b>2008</b>	2007
	<b>£'000</b>	£'000
Total funds in surplus at the balance sheet date	<b>4,442</b>	4,261
Total funds in deficit at the balance sheet date	<b>(3,220)</b>	(2,461)
	<b>1,222</b>	1,800

<b>Parent charity</b>	Opening balance £'000	Incoming resources £'000	Expenditure £'000	<b>Closing balance £'000</b>
Total appeal restricted funds	12,120	15,842	(15,460)	<b>12,502</b>
Government and other restricted grants	1,800	11,411	(13,727)	<b>(516)</b>
<b>Total restricted funds</b>	<b>13,920</b>	<b>27,253</b>	<b>(29,187)</b>	<b>11,986</b>

The balances on government and other restricted grants consist of:	<b>2008</b>	2007
	<b>£'000</b>	£'000
Total funds in surplus at the balance sheet date	<b>2,713</b>	4,261
Total funds in deficit at the balance sheet date	<b>(3,229)</b>	(2,461)
	<b>(516)</b>	1,800

#### 14. Unrestricted funds

	Opening balance £'000	Incoming resources £'000	Expenditure £'000	Unrealised gains £'000	Transfer £'000	Closing balance £'000
<b>Consolidated group</b>						
Operational reserve	11,000	-	-	-	1,000	<b>12,000</b>
Fixed asset fund	4,532	-	(1,403)	-	373	<b>3,502</b>
Latin America foreign exchange stabilisation	-	-	-	-	500	<b>500</b>
Christian Aid Ireland operational reserve	-	-	-	-	270	<b>270</b>
Other designated funds	1,575	-	-	-	176	<b>1,751</b>
<b>Total designated funds</b>	<b>17,107</b>	<b>-</b>	<b>(1,403)</b>	<b>-</b>	<b>2,319</b>	<b>18,023</b>
Other unrestricted funds	1,070	54,779	(51,245)	466	(2,023)	<b>3,047</b>
Christian Aid Ireland unrestricted funds	-	2,671	(2,161)	-	-	<b>510</b>
Non-charitable trading funds	25	608	(312)	-	(296)	<b>25</b>
Pension reserve	(11,973)	-	1,268	406	-	<b>(10,299)</b>
<b>Consolidated group total unrestricted funds</b>	<b>6,229</b>	<b>58,058</b>	<b>(53,853)</b>	<b>872</b>	<b>-</b>	<b>11,306</b>
<b>Parent charity</b>						
Total designated funds	17,099	-	(1,403)	-	2,031	<b>17,727</b>
Other unrestricted funds	1,064	54,793	(51,245)	466	(2,031)	<b>3,047</b>
Pension reserve	(11,973)	-	1,268	406	-	<b>(10,299)</b>
<b>Parent charity total unrestricted funds</b>	<b>6,190</b>	<b>54,793</b>	<b>(51,380)</b>	<b>872</b>	<b>-</b>	<b>10,475</b>

#### 15. Department for International Development funding

In the year ended 31 March 2008 grants totalling £7,803,000 (2007: £9,178,000) were received by Christian Aid from the Department for International Development, as follows:

	2008 Unrestricted £'000	2008 Restricted £'000	2008 Total £'000	2007 Total £'000
Programme Partnership Agreement	5,030	-	<b>5,030</b>	5,030
Building disaster resilient communities	-	623	<b>623</b>	242
For African programmes				
South Africa	-	-	-	387
Sudan	-	226	<b>226</b>	972
Democratic Republic of Congo	-	1,132	<b>1,132</b>	1,902
Angola	-	-	-	30
For Asian programmes				
Pakistan earthquake relief *	-	-	-	(33)
Burma	-	772	<b>772</b>	611
India	-	20	<b>20</b>	37
<b>Total</b>	<b>5,030</b>	<b>2,773</b>	<b>7,803</b>	9,178

\*(Negative) balances reflect underspends on prior-year projects returned to DFID.

## 16. Comic Relief funding

In the year ended 31 March 2008 grants totalling £191,000 (2007: £371,000) were received by Christian Aid from Comic Relief, as follows:

	2008 Unrestricted £'000	2008 Restricted £'000	<b>2008 Total £'000</b>	2007 Total £'000
Asia	-	41	<b>41</b>	46
Latin America	-	150	<b>150</b>	105
Africa				
Mozambique	-	-	-	20
Angola	-	-	-	200
<b>Total</b>	<b>-</b>	<b>191</b>	<b>191</b>	371

## 17. Analysis of net assets

Fund balances as at 31 March 2008 are represented by:

	Unrestricted funds		Restricted funds	<b>Total</b>
	Designated £'000	Other £'000	£'000	<b>£'000</b>
<b>Consolidated group</b>				
Fixed assets	3,502	-	-	<b>3,502</b>
Investments	12,500	3,150	-	<b>15,650</b>
Short-term cash deposits	-	-	1,281	<b>1,281</b>
Deposits and cash at bank and in hand	1,751	(1,694)	16,358	<b>16,415</b>
Other current assets	-	8,982	761	<b>9,743</b>
Current liabilities	-	(6,586)	(4,676)	<b>(11,262)</b>
Pension liability	(10,299)	-	-	<b>(10,299)</b>
<b>Total net assets</b>	<b>7,454</b>	<b>3,852</b>	<b>13,724</b>	<b>25,030</b>
<b>Parent charity</b>				
Fixed assets	3,502	-	-	<b>3,502</b>
Investments	12,500	3,150	-	<b>15,650</b>
Short-term cash deposits	-	-	1,281	<b>1,281</b>
Deposits and cash at bank and in hand	1,725	(4,781)	14,589	<b>11,533</b>
Other current assets	-	11,808	761	<b>12,569</b>
Current liabilities	-	(7,130)	(4,645)	<b>(11,775)</b>
Pension liability	(10,299)	-	-	<b>(10,299)</b>
<b>Total net assets</b>	<b>7,428</b>	<b>3,047</b>	<b>11,986</b>	<b>22,461</b>



## 18. Pension costs

Christian Aid operates a funded defined benefit pension scheme but the scheme was closed to new members and to future accrual for existing members on 30 June 2007.

The last formal valuation of the scheme was performed as at 30 September 2005 by a professionally qualified actuary. The employer paid contributions at the rate of 12.9 per cent until the scheme closed, after which £15,000 was paid each month to cover scheme administration costs. In the year ended 31 March 2008, Christian Aid made additional payments of £1,560,000 in order to reduce the deficit on the scheme.

The market value of the scheme assets at the valuation date was £17,005,000 and the actuarial value of those assets represented 62 per cent of the benefits that had accrued to members, after allowing for expected future increases in earnings and for the discretionary increases to pensions.

The actuarial valuation described above has been updated at 31 March 2008 by a qualified actuary using revised assumptions that are consistent with the requirements of FRS 17. Investments have been valued for this purpose, at fair value. The table below shows the effect that FRS 17 has had on the financial statements for the year to 31 March 2008.

<b>Movement in pension scheme deficit on the year</b>	<b>2008 £'000</b>	2007 £'000	2006 £'000	2005 £'000	2004 £'000
Deficit in scheme at beginning of year	<b>(11,973)</b>	(10,984)	(9,079)	(9,730)	(10,286)
Amounts charged in statement of financial activities for the year:					
Current service cost	<b>(454)</b>	(1,241)	(943)	(904)	(844)
Past service costs	-	-	-	-	-
Gains and losses on any curtailments	-	-	-	-	-
	<b>(454)</b>	(1,241)	(943)	(904)	(844)
Other finance (charges)/income charged in statement of financial activities for the year:					
Expected return on pension scheme assets	<b>1,576</b>	1,375	1,154	949	833
Interest on pension scheme liabilities	<b>(1,845)</b>	(1,540)	(1,353)	(1,260)	(1,113)
	<b>(269)</b>	(165)	(199)	(311)	(280)
Actuarial gain/(loss) recognised in the statement of financial activities for the year:					
Gain/(loss) on pension scheme assets	<b>(2,404)</b>	(291)	1,720	349	984
Experience gains/(losses) on scheme liabilities	<b>(7)</b>	-	420	157	(582)
(Loss)/gain on changes in assumptions underlying the present value of scheme liabilities	<b>2,817</b>	(402)	(4,726)	432	448
	<b>406</b>	(693)	(2,586)	938	850
Currency gain/(loss)	-	-	-	-	-
Contributions paid by Christian Aid	<b>1,991</b>	1,110	1,823	928	830
<b>Deficit in scheme at end of year</b>	<b>(10,299)</b>	(11,973)	(10,984)	(9,079)	(9,730)

## 18. Pension costs continued

The financial assumptions used to calculate scheme liabilities under FRS17 are as follows:

	<b>2008</b> <b>% p.a.</b>	2007 % p.a.	2006 % p.a.	2005 % p.a.	2004 % p.a.
Price inflation	<b>3.35</b>	3.00	2.50	2.50	2.50
Rate of increase in salaries	<b>4.85</b>	4.00	4.00	3.50	4.50
Rate of increase for pensions in payment and deferred pensions	<b>3.35</b>	3.00	2.50	2.50	2.50
Discount rate	<b>6.30</b>	5.40	4.90	5.40	5.50

Scheme assets and expectation of return

	<b>At 31 March 2008</b>		At 31 March 2007		At 31 March 2006		At 31 March 2005		At 31 March 2004	
	<b>Fair value</b>	<b>Expected rate of return</b>	Fair value	Expected rate of return	Fair value	Expected rate of return	Fair value	Expected rate of return	Fair value	Expected rate of return
	<b>£'000</b>	<b>% pa</b>	£'000	% pa	£'000	% pa	£'000	% pa	£'000	% pa
Equities	<b>14,481</b>	<b>8.00</b>	14,474	8.00	13,005	8.00	11,112	8.00	9,505	8.00
Bonds	<b>8,261</b>	<b>4.50</b>	7,521	4.70	6,735	4.30	3,743	5.00	3,185	4.80
Cash	<b>216</b>	<b>5.25</b>	133	5.25	140	4.50	123	4.25	-	4.00
Market value of assets	<b>22,958</b>	<b>6.71</b>	22,128	6.86	19,880	6.72	14,978	7.22	12,690	7.20
Present value of liabilities	<b>(33,257)</b>		(34,101)		(30,864)		(24,057)		(22,420)	
<b>Net pension liability</b>	<b>(10,299)</b>		(11,973)		(10,984)		(9,079)		(9,730)	

## 18. Pension costs continued

History of experience gains/(losses)

	<b>At 31 March 2008</b>		At 31 March 2007		At 31 March 2006		At 31 March 2005		At 31 March 2004	
	<b>£'000</b>	<b>% of scheme assets/liabilities</b>	£'000	% of scheme assets/liabilities	£'000	% of scheme assets/liabilities	£'000	% of scheme assets/liabilities	£'000	% of scheme assets/liabilities
Gain/(loss) on assets	<b>(2,404)</b>	<b>(10.5)</b>	(291)	(1.3)	1,720	8.7	349	2.3	984	7.8
Experience gain/(loss) on liabilities	<b>(7)</b>	<b>0.0</b>	-	0.0	420	1.4	157	0.7	(582)	(2.6)
Total actuarial gains/(losses) recognised in the statement of financial activities	<b>406</b>	<b>1.2</b>	(693)	(2.0)	(2,586)	(8.4)	938	3.9	850	3.8

<b>Analysis of reserves</b>	<b>2008</b>	2007	2006	2005	2004
	<b>£'000</b>	£'000	£'000	£'000	£'000
Accumulated funds excluding pensions liability	<b>35,329</b>	32,122	29,761	31,117	22,341
Pensions liability	<b>(10,299)</b>	(11,973)	(10,984)	(9,079)	(9,730)
Accumulated funds including pensions liability	<b>25,030</b>	20,149	18,777	22,038	12,611

Christian Aid also participates in The Pensions Trust Growth Plan. The Growth Plan is a multi-employer pension plan which is in most respects a money purchase arrangement but it does have some guarantees. Because of the pension guarantees there is a defined benefit pension obligation. Following a change in legislation in September 2005, there is a potential debt due on participating employers of The Growth Plan in the event of an employer ceasing to participate in the scheme or the scheme winding up at a time when it is not fully funded on a buy-out basis. At this point in time the trustee does not intend to wind up the Growth Plan. Following the triennial growth plan valuation as at 30 September 2007, the updated estimated employer debt on withdrawal for Christian Aid as at 30 September 2007 was £417,000 (30 September 2006: £750,000).

Since July 2007 the charity has also contributed to a defined contribution scheme for employees. The total pension cost for the charity was £808,639 (2007: £Nil). There were no outstanding or prepaid contributions at the balance sheet date.

# Reference and administrative details

## Details for the year ended 31 March 2008

### Board of Trustees

#### Chair

John Gladwin<sup>2,4</sup>

#### Vice-chair

Noel Davies<sup>2</sup>

#### Other trustees

Felicity Blair (joined November 2007)

David Deeks (resigned November 2007)

Christine Eames

Bob Fyffe<sup>2</sup>

Ceri George

Carolyn Gray<sup>3,4</sup>

(joined November 2007)

Stephen Hale<sup>4</sup>

Philip Hodgkinson<sup>1</sup> (joined November 2007)

Helen Hood (resigned November 2007)

Kumar Jacob<sup>1,3</sup>

Gillian Kingston

Katei Kirby

Michael Langrish

Kenneth Mackenzie

George McSorley (joined November 2007)

David Pocock (resigned November 2007)

Roger Purce

Brian Ridsdale<sup>1,4</sup>

Charlotte Seymour-Smith<sup>4</sup>

(joined November 2007)

Graham Sparkes

Bridget Walker

Jane Williams (resigned September 2007)

#### Advisors

Duncan Brown<sup>3</sup>

Hiranthi Fernando<sup>1</sup>

Sheilagh Kesting<sup>2</sup>

Jenine Langrish<sup>1</sup>

Graham O'Connell<sup>3</sup>

1 – Member of finance and audit committee

2 – Member of nominations and procedures committee

3 – Member of human resources advisory committee

4 – Member of remuneration committee

### Executive officers

#### Director

Daleep Mukarji

#### Associate directors

Martin Birch – Finance and Information Management

Martin Kyndt – Corporate Affairs and acting associate director of Marketing and Communications

Matthew Reed – Church and Community

Maria Standingford – Human Resources

Paul Valentin – International

#### Legal status

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

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

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

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

### Registered office

Inter-Church House  
35 Lower Marsh  
London SE1 7RL

### Professional advisors

#### Auditors

Deloitte & Touche LLP  
2 New Street Square  
London EC4A 3BZ

#### Solicitors

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

Gregory Rowcliffe & Milners  
1 Bedford Row  
London WC1R 4BZ

#### Bankers

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

#### Investment managers

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

#### Investment and pension advisors

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

### **Sponsoring churches**

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

### **Acknowledgements**

All of Christian Aid's work is based on the spirit of cooperation and partnership. We would like to express our sincere thanks to the many organisations and individuals who make our work possible.

#### **Institutions and trusts**

We want to give special thanks to:  
Department for International Development  
European Commission  
European Commission Humanitarian Aid Office  
Irish Aid  
United States Agency for International Development

We would also like to give thanks to:  
Action by Churches Together International  
Aprodev  
The Band Aid Charitable Trust  
Canadian International Development Agency  
Comic Relief  
Disasters Emergency Committee  
Dutch Ministry of Foreign Affairs  
Foreign & Commonwealth Office  
Isle of Man Government's Overseas Aid Commission  
States of Guernsey Overseas Aid Commission  
States of Jersey Overseas Aid Commission  
Swedish International Development Co-operation Agency  
United Nations

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EMI  
Environmental Business Products  
GAIA Communications  
Greener Solutions  
Resource Utilities  
Switch and Give

# Further information and current contact details

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

www.christianaid.org.uk  
www.christianaid.ie  
www.christianaidscotland.org  
www.ctrlaltshift.co.uk  
www.cymorthcristnogol.org  
www.globalgang.org  
www.presentaid.org  
www.surefish.co.uk  
www.togethertv.org

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

or phone us on:  
+44 (0)20 7523 2225

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## International department

### Head of Africa

David Pain

### Head of Asia and Middle East

Robin Greenwood

### Head of Latin America and Caribbean

Andrew Croggon

### Head of humanitarian

Nick Guttman

### Head of programme support and development

Henrietta Blyth

### Head of programme funding

Dominic Brain

## Advocacy and Communications department

### Head of publishing

Sarah Bennison

### Head of campaigns

Paul Brannen

### Head of media

John Davison

### Head of information and internal communications

Steven Buckley

### Head of global advocacy and policy

Charles Abugre

## Marketing and Supporter Care department

### Head of innovations

Paul Langley

### Head of international marketing

Nick Marsh

### Head of fundraising

Ruth Ruderham

## Finance and Information Management department

### Head of finance

John Rew

### Head of information systems

Sarah Robson

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### Chief Executive Christian Aid Ireland

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**Christian Aid works with the world's poorest people, of all faiths and none, to tackle the causes and consequences of poverty and injustice and to campaign for change.**

**We work in around 50 countries with more than 650 local organisations, wherever the need is greatest.**

**Our essential purpose is to expose the scandal of poverty, to help in practical ways to root it out from the world, and to challenge and change the systems that favour the rich and powerful over the poor and marginalised.**

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