



care[®]

Defending dignity.
Fighting poverty.

Annual Report and Accounts

For the year ended 30th June 2011
CARE International UK



CARE International UK

Key Information

The Trustees of CARE International UK are Directors for the purposes of company law and Trustees for the purposes of charity law (hereinafter referred to as “the Trustees”). Those having served as Trustees during the year were as follows:

Richard Greenhalgh (chair) ^{1,3}

Professor Michael Adler ⁴

Neil Alldred ⁴

Andy Bearpark ^{1,4}

Angela Cluff ³

Dr Alison Fielding ³

Frances House

Stephen King ²

Susan Liautaud ³

William Macpherson ²

Michael Rogerson ^{1,2}

Dharmender Singh ⁴

Richard Street ^{1,3,4}

Dr Fiona Thompson ^{1,2,3}

Additional Committee Members

Edward Bickham ⁴

Michael Dyson ⁴

Nick Edwards ²

David Sanderson ⁴

Anne Siddell ²

Lyndall Stein ⁴

Andrew Studd ²

Senior Management Team

Geoffrey Dennis - Chief Executive

Sarah Taylor Peace - Marketing Director

John Plastow - Programme Director

Mark Salway - Finance Director

Lucy Stoner - Human Resources Director

Registered office

CARE International UK, 9th Floor, 89 Albert Embankment, London SE1 7TP. Tel: 0207-091-6000, Fax: 0207-582-0728. For more information about our work, go to www.careinternational.org.uk

CARE International UK is a registered charity (registration number 292506). It is also a company limited by guarantee and was established on 7 May 1985, with registration number 01911651 (England and Wales).

1 Nominations and remuneration committee

2 Finance and audit committee

3 Marketing working groups

4 Programme committee

Annual Report and Accounts

Key information	2
Index	3
About us	4
A message from our Chair	4
A message from Kofi Annan	6
Trustees' Report	
CARE International UK's goals	7
2011 Overview against priorities.....	8
Progress against our six core roles within the CARE International confederation.....	16
Structure, governance and management.....	21
Operational structure of CARE International UK.....	22
Statement of Trustees' responsibilities.....	23
Internal controls	24
Financial review	25
Thanks to all supporters, staff and volunteers.....	29
Report of the Independent Auditors to the members of CARE International UK	30
Financial Statements	
Consolidated statement of financial activities.....	32
Consolidated and charity balance sheet	33
Consolidated cashflow statement.....	34
Notes to the financial statements	35
Advisors	45
Thanks to our donors	46
Map of CARE's work	47

To avoid confusion in this report we refer to the following:

'CARE', 'CARE International' or 'CARE International confederation' where we consider CARE globally; and 'CARE International UK' or 'CIUK' when we talk about the UK-based organisation and activities.

About Us

CARE International's Vision

CARE International seeks a world of hope, tolerance and social justice, where poverty has been overcome and people live in dignity and security. We will be a global force and partner of choice within a worldwide movement dedicated to ending poverty. We will be known everywhere for our unshakeable commitment to the dignity of people.

We work in 87 countries across five continents. In the past year, we have reached more than 82 million people. This makes us one of the biggest aid and development agencies in the world. 97% of CARE staff are citizens of the countries where they work – helping local communities to help themselves.

When emergency strikes, we get there fast because we already have staff nearby. We save lives and meet immediate needs. And once the world's focus has moved on, we're still there - helping to rebuild devastated homes and livelihoods.

In areas where famine and flooding are serious threats, we work with communities to help them prepare for the worst, building their resilience to disaster.

For others, where emergency is not such a threat, but poverty prevails, we help people tackle the root causes. These may be very tangible, improved health services for example, or may involve helping people to be in control of their own situation by strengthening their ability to influence decision-makers.

To bring about lasting change, we build strong understanding of the local context, hiring local staff and working in partnership with local organisations.

CARE International UK's Mission

CARE International UK is a driving force within the worldwide CARE International confederation, which has its secretariat in Geneva.

We are recognised within the global organisation for:

- Making resources available for overseas activities
- Influencing the policies and practices of government, business and other organisations
- Inspiring and engaging the public
- Continuously improving the impact of our work.

A Message from our Chair



The year started with the flooding in Pakistan, and finished with the famine in the Horn of Africa. But CARE International responded not just to these major events, but to over 40 emergencies, and assisted 6.5 million people affected by these throughout the year. We have been there to offer help and assistance to rebuild shattered lives, and we are proud of the fact that we stay to help millions, well after the cameras have gone.

In the UK, this past year has seen many achievements. We did a number of things to mark our 25th anniversary. A 25 km walkathon, a stunning photo-exhibition on London's Southbank and a panel discussion on working with the private sector, chaired by CARE Ambassador Alastair Stewart. In addition, another of our

Ambassadors, the composer David Arnold, brought a significant boost to our profile and raised much-needed funds by masterminding a concert for CARE at the Royal Albert Hall. The year culminated in a fully-sponsored event, attended by 550 guests. These anniversary events provided great opportunities to reflect on our mission, and our unshakeable commitment to fighting poverty and defending dignity.

This has been a very strong 12 months financially. Our year-on-year increase in non-emergency funding continued. Our annual turnover increased to a new high of £51.2m. We successfully applied for funding under the Department for International Development's (DFID) Programme Partnership Agreement 4, and our major contract funded by DFID in Bihar has seen a successful first year. We continued to work within CARE International on its development as a global organisation. In particular, we've been supporting CARE Peru and India to become full voting members of the confederation. This is incredibly important work, helping to strengthen CARE's global relevance and the representation from operational and southern countries in the confederation's governance structures.

The year has seen continued, rapid growth in our engagement with the private sector. We now have a significant number of major corporate partnerships, and this area will continue to be a key aspect of our work as we move forward. We have substantially developed our work reporting on the impact of our programmes and projects. We funded CARE's first ever regional impact assessment, which covered South and Central America. We will now do the same in West Africa and the whole of Asia. We are also working on impact measurement with other organisations – particularly in association with DFID.

Our innovative peer-to-peer micro-lending scheme, www.lendwithcare.org, is really gathering strength. Lendwithcare gives individuals in the UK an opportunity to loan a small sum directly to an entrepreneur in a poor country to start up a small business. In the summer, we reached a total of 1,725 lenders and I am delighted to say that The Co-operative has become our partner to progress it further. Dragons' Den's Deborah Meaden travelled to Cambodia, and breakfast television's Kate Garraway travelled to Togo, to meet people who've set up or developed their small businesses with the help of a [lendwithcare.org](http://www.lendwithcare.org) loan.

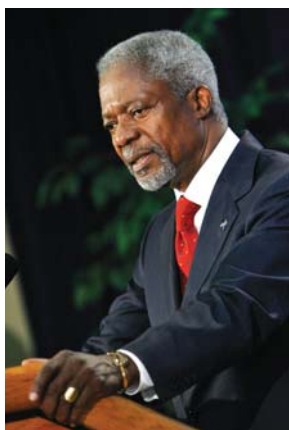
We completed a successful move to new premises on the Thames Embankment. We have worked hard to keep costs down and will be saving over 21% on rent and associated costs each year. Our new home is an open-plan office in a building shared by many UK charities.

I would very much like to thank the CEO, Senior Management Team, staff and volunteers who have worked really hard over the past year, helping us achieve so much in our drive to alleviate poverty and bring dignity to people's lives. We have grown considerably from our beginnings 25 years ago, when Robin Needham established the UK arm of the confederation, and we are proud that Pranee Nou, our Senior Contract Management Officer, has worked for CARE International UK since that time. She highlights the magnificent input and effort of CARE International UK staff over the past 25 years, and we look forward to the future.

I would also like to thank our very committed and enthusiastic Trustees and committee members.

Richard Greenhalgh, Chairman
25 October 2011

A Message from Kofi Annan



It is my great pleasure to congratulate CARE International UK at the end of their 25th year of fighting poverty and injustice around the world.

It is an enormous achievement for a global organisation to have created a network that spans 87 countries and administers help to more than 82 million people every year.

This work makes a huge difference to the hopes, opportunities and lives of millions of people and it is on their behalf that I wish to thank you and congratulate the organisation.

The task of administering developmental assistance has changed a great deal over the last 25 years, and CARE has had to evolve effectively, while ensuring that it continues to meet the needs of those at risk.

Today we face new global challenges, such as the all-encompassing threat of climate change. This requires all of us to adapt if we are to provide appropriate support to assist the most vulnerable.

There is such great value in the way CARE International UK constantly rises to meet global challenges and strives to take positive action in the face of disaster.

I believe there is much to be proud of over the last 25 years, and I would like to wish you every success for the years ahead.

Kofi Annan
Seventh Secretary-General of the United Nations

CARE International UK's Goals

Our Priorities

CARE International UK's primary focus is in the following areas, building on our significant expertise and sharing our knowledge with the wider non-governmental organisation (NGO) community:

- **Private sector** - the private sector has a critical role to play in reducing poverty. We engage with companies to improve the impact of their activities on poverty, develop innovative partnerships and challenge market systems to be more inclusive so that real opportunities are created for poor people.
- **Conflict and peace building** - in an increasingly turbulent world, we provide expertise and support to our field operations working in countries in conflict, by supporting programmes spanning peace-building, reconciliation and rehabilitation.
- **Governance** - the capacity of poor people to influence the institutions that govern their lives is fundamental to addressing the underlying causes of poverty. Our work spans urban poverty, gender, civil society and workings of the aid system.
- **Emergency shelter and reconstruction** - with a long term presence in many of the world's most vulnerable countries, CARE takes a comprehensive approach to emergency response including preparedness, immediate assistance and long term recovery. CARE International UK is a major contributor to CARE's global response to emergencies and we lead on the provision of high quality shelter support in humanitarian situations.

Progress against our priorities is outlined on pages 8 to 15.

We also contribute to the following key areas, following the global leadership of others within CARE: Climate Change Adaptation, Food Security, Maternal and Reproductive Health, Economic Development, Water and Sanitation, Education and HIV/Aids. Across all our work, we are committed to gender sensitivity with a particular focus on women and girls and to a more 'long-term programme' approach to fighting poverty.

Our role in the CARE International confederation

CARE International UK has six key roles within the confederation:

- **Enhancing programme quality:** using our extensive experience and understanding to work with our Country Offices to improve the quality of our programmes worldwide.
- **Raising new funds and resources:** developing a new approach - becoming less dependent on institutional income - to source more flexible funds for investment in high quality programmes, and to respond fast to the growing number of emergencies.
- **Influencing policy:** drawing on our experience and engaging with policy-makers to address the barriers to fighting poverty at the policy level.
- **Raising profile and awareness:** becoming a credible source of information for policy-makers, opinion-formers and the UK public in our areas of expertise, and working with peers to raise public awareness of global poverty issues.
- **Linking into CARE International globally:** ensuring the confederation benefits from the expertise we develop - including playing an integral part in our emergency response - and supporting its drive to become more representative of its beneficiary constituency.
- **Becoming a more efficient and effective organisation:** building the effectiveness and skills of our workforce, maintaining appropriate levels of overheads and achieving high standards of donor accountability, compliance and reporting.

Progress against each of these key roles during the year is outlined on pages 16 to 19.

2011 Overview against priorities

Private Sector Engagement

More than 2.6 billion people worldwide live on less than two dollars a day. Many of these people interact with markets - as producers, workers, traders or consumers.

We believe that a responsible and accountable private sector can be a major driving force to reduce poverty, in the same way that weak (or poorly enforced) business regulation and irresponsible business practices can keep poor people locked in a cycle of poverty. Companies and development agencies have common interests in tackling some of these issues together, and we see working with leading companies as a way to combine expertise and resources, from which both economic and social gains can be derived.

We work in partnership with the corporate sector in the UK as well as supporting a variety of private sector programmes across CARE International. We look to engage with the private sector to develop services, products and markets for poor, vulnerable and marginalised people. We also work with companies (small, large, local and international) to improve their social responsibility policies and practice, and to make market systems more inclusive, socially responsible and accountable.

Our work is seen as more advanced than others in the sector by DFID, and we are now focusing on three different areas of work:

1. Responsible business practices
2. Microfinance and access to financial services; and
3. Market-based initiatives to drive economic development for poor people.

Our commercial partners include AngloAmerican, Ashurst, Barclays, Cadbury Kraft, Estee Lauder, the Ethical Tea Partnership, GlaxoSmithKline, Venus (Procter&Gamble), and Starbucks.

Last year CARE International UK spent £2.7m on private sector engagement work, accounting for 17% of our total programme expenditure (excluding emergencies).

- Our Banking on Change partnership with Barclays and Plan is running well, bringing access to financial services to over 230,000 people across Africa.
- This year we engaged with 35 communities for the Cocoa Partnership in Ghana. Our work has enabled a total of 6,474 farmers to be trained in good agricultural practices over the last six months. We are currently working with Cadbury to set up solar panels for Ghanaian Farming Communities.
- The GSK 20% reinvestment initiative, under which GSK invests 20% of profits from specific products, to strengthen community health systems in the most rural and marginalized communities, was launched officially in Bangladesh with CARE as a partner.
- By working with Estee Lauder we have been able to expand our Village Savings and Loan Schemes (VSLA), whereby local communities 'pool' their fund and lend to each other. For example, in Uganda we are providing credit schemes to village groups and this will benefit 900 vanilla farmers, 60% of them women living in rural communities.
- We are working with P&G Venus to support the Power Within programme and Girls Education in India through donations and awareness raising.

Nyanza Women's Economic Empowerment

The Cherie Blair Foundation for Women and CARE are training 5,000 Kenyan women entrepreneurs in business management skills. Using mobile phone technology, the project will eventually connect them with financial institutions in order to address the barriers that prevent women from scaling up their businesses.

The training incorporates five elements: selection of income generating activity, marketing, profitability analysis, business planning, and steps in business initiation and diversification.

Through the growth of their businesses, women are better able to provide food and education for their families as well as gain vital business skills.

Lillian Adiambe, a thirty year old mother of three, started her own clothing business in 2006 but it wasn't until she joined a women's group in 2007 and received some training that she saw a real difference in her life.

"The training I attended that was run by CARE was very helpful in teaching me how to run my business and how to help it expand. I have now made a very good profit from my business, which is selling clothes, and have been able to buy my own plot of land. I have also managed to buy a motor bike taxi and I pay a man to run this for me. The women's group lent me KSh 40,000 to help me buy this bike. I also used the KSh 45,000 that I made when the group gave out our dividends at the end of last year from the Group Savings account. This is money that I had paid in every month to the group for a year. With the interest I had nearly doubled what I had put in.

I am now able to meet my household expenses as well as being able to save a small amount every month. I am also able to buy my children what they need for school, like books and uniforms.

I like being a business woman and working out what it is that people need and will spend their money on."



Photo credit: © CARE/Kate Holt

Conflict

Violent conflict disproportionately affects some of the poorest countries in the world. Poverty and conflict are often inter-linked: either can cause or exacerbate the other.

Besides bringing death, injury, trauma and displacement, violent conflict disrupts livelihoods and food production. It destroys economies, infrastructure, and both social and natural resources. It prevents governance systems from functioning effectively, and creates social tensions which take generations to heal. All of these things can undermine long-term development work.

Much of our work involves support to CARE Country Offices - carrying out research for them, building their capacity to tackle the issues they face, providing technical support and writing funding proposals. We also work with peer agencies and governments to share better practice and influence policy.

We seek to embed *conflict sensitivity* in our programmes - analysing the context, and ensuring our work has maximum benefit and avoids inflaming conflict.

We work in many countries currently affected by, or recently emerging from, violent conflict - including Afghanistan, Yemen, Nepal, Uganda, Georgia, Somalia, Burundi, Bolivia, Peru and Ecuador.

Last year, we spent £2.2m on conflict and peace-building activities, accounting for 14% of total programme expenditure (excluding emergencies). Key highlights include:

- Leading the “Conflict Sensitivity Consortium”, a DFID-funded project of 37 agencies in four countries. This produced the “Emergency Learning Review”, which has highlighted key gaps in conflict sensitivity in humanitarian emergencies and has identified recommendations for addressing these.
- A wide roll out of our ‘Do No Harm’ framework across CARE country offices. The application of the ‘Do No Harm’ framework enables staff to ensure that their programming is not inadvertently contributing to conflict.
- Convening CARE International’s first ever meeting of the Conflict Community of Practice to share knowledge and learning.
- Developing methods to monitor and evaluate peacebuilding – a challenge to the peacebuilding sector. We have piloted projects in the Caucasus and Burundi, generating valuable learning and identifying our impact clearly.
- Working on gender based violence in Afghanistan, Nepal, Uganda and Rwanda. This included working at all levels from grassroots to national level. One strand of this – research to understand how women in communities affected by conflict can have a voice in peace processes – resulted in commitments by the UN and national governments to strengthen the role of women.

Burundi Peace Club

For Elizabeth, forgiving her neighbour - the man who killed her husband and children - must have been unimaginable. But, with the support of CARE and a Peace Club, the unimaginable became possible.

Elizabeth told her story while sitting next to Amatus, her neighbour and the man responsible for murdering her family. *"In 1993 Hutus came and they killed my husband who was a Tutsi and they also killed my children, who were considered Tutsis. He took my husband and son to be killed. He was the one who had the power to save or kill. Before he killed my husband and son he was my neighbour. We were living together as neighbours, as friends. When we faced hard times we would always help each other."*

"The CARE workshops helped to teach reconciliation and peace building. In one meeting I dared to testify that I forgave the man who killed my family. Before this, every time I would see him I would look into his eyes and I could see how tired he was. He was burdened, he had no peace. I forgave him to set an example, to teach people not to hate or seek revenge but rather to forgive, to restore lives and relationships in our communities. This is how I came to forgive him and now I love him."

Amatus shares Elizabeth's hope for peace: *"When the President was killed everything changed in my mind. The politicians taught us to hate people from different ethnic groups. I cannot thank CARE enough for what they have done for me. I find myself living in peace again with my neighbour Elizabeth. We tell our neighbours and friends who experienced the same tragedies that it is still possible to live in peace, to forgive and to reconcile. We now fight against division. We are now viewed as the lights of peace in our community."*



Photo credit: © CARE

Having recently come out of decades of war and conflict, the current peace in Burundi is still fragile. Conflict can arise because of ethnic or political tensions, competition for scarce resources, the increase of returning refugees, unresolved land-tenure issues, gender-based violence and social exclusion, to name a few. CARE works with 'Peace Clubs' that are committed to building peace and unity.

Governance

Governance is the sum of the many ways individuals and institutions manage their common affairs. It is a dynamic, political process through which decisions are made, conflicts are resolved, diverse interests are negotiated, and resources are allocated. So it's important that poor and marginalised people, particularly women and girls, have a say.

We are supporting poor people to raise their voices, while at the same time we work with public authorities to ensure that their voices are heard. By supporting this dialogue between citizens and power holders, we believe that better decisions can be made, resulting in benefits for poor citizens, such as improved health care.

Last year, CARE International UK spent £7.4m on governance activities, accounting for 45% of our total programme expenditure (excluding emergencies). Highlights include:

- CARE Bangladesh's governance initiative helping 20,000 poor households access better services and participate in decision-making processes. This has helped establish 25 organisations representing poor people in each participating Union Parishad (UP). All participating UPs now evaluate performance using citizen feedback. They conduct open budget meetings, include citizens in budget planning and report on the previous year's expenditure openly.
- CARE Angola has played an integral role in urban governance programmes since 2002, and was key to establishing 'Resident Development Organisations' (ODAs) as a vehicle for state-citizen collaboration. In the Kilamba Kiaxi municipality, the ODA model achieved notable success in improving local services such as solid waste collection, construction of bridges and public toilets, amongst other initiatives. Additionally a survey found that 44% of women and 77% of men regarded ODAs as having the capacity to influence local development and central government. ODA fora have been replicated across Angola by our partners, representing a remarkable achievement in terms of introducing a space for debate between state and society where previously this was missing.
- CARE International UK has funded CARE Peru to support partner ForoSalud's work with Ombudsman's offices in Puno and Piura regions through its Participatory Voices initiative. This promotes citizen surveillance of health services with 120 women having been trained and accredited to monitor eight health facilities twice weekly. They have successfully documented many problems, such as no or incomplete delivery of drugs to health facilities, discrimination against patients and mistreatment of patients. Since citizen surveillance began in health centres, significant positive change has occurred by holding the providers to account.
- CARE Ecuador's 'Transparent and Accountable Local Governments' initiative strengthens accountability by increasing the transparency of municipal and provincial government budget processes while building citizens' capacity to monitor these. The number of budget disclosure meetings has increased by 25% since the initiative began in 2008, and there has been a 19% rise in the number of people who know that government has an obligation to be accountable. 77% of citizens now know what governments have committed to do, compared to 11% in 2009.

Citizen mobilisation in Nepal

After attending a discussion on poverty and injustice organised by a Popular Education Committee, Lalo Devi Paswan, 65, realised she had been oppressed her whole working life. *“While discussing the causes of poverty with the facilitator and social mobilizer, we realized that our daily salary of Rs.60 (approximately 60 pence) was not enough or sufficient.”*

Lalo Devi and other agricultural labourers in her village work in the fields at nine o'clock every morning and continue until six in the evening. Despite their demanding working hours, issues such as stagnant wages against the ever-increasing price of food, had never been discussed before.

When they realised they were highly underpaid, the labourers decided to mobilize to increase their wages. They refused to work until their wages were increased to Rs.100 per day. They were willing to go hungry for several days in order to have their demands met. The landlords agreed to provide Rs.100 or 7 kilograms of rice for a day's work.

Due to rising inflation the wage increase was minimal and still far less than the daily minimum wage of Rs.170 fixed by the District Development Committee. The labourers mobilised for a second time and demanded Rs.150 per day. *“We explained that Rs.100 was not enough for us to eat and survive, and thus there was no point for us to work. Only after the landlords agreed to increase our wages to Rs.150 did we return to work in the fields,”* explained Lalo Devi, with a new sense of confidence.

Mobilising marginalised people to address the causes of their own vulnerability and poverty is a key foundation of CARE's work in Nepal. This has been achieved through an analysis, with the communities, of the causes of poverty. Once the most marginalised communities and households have been identified, they are organised into Popular Education Centres to take collective action. This action might address intra-community issues, such as sanitation, which are within their own control. It might require engagement with local government or landlords, to advocate for wider changes and more equitable decision-making.



Photo credit: © CARE

Emergency and Humanitarian Relief

Disasters and conflict disrupted the lives of more than 300 million⁵ in 2010, especially poor people and communities. Because CARE International is already working in many countries where emergencies strike, staff are well-placed to meet immediate needs. And we stay there for the long-haul, continuing to rebuild lives and livelihoods.

Our humanitarian and emergencies work includes both fast financial and practical support, and activities to tackle long-term vulnerability. Within this context, CARE International UK provides expertise in shelter, food security and chronic vulnerability.

CARE International responded to over 40 emergencies in 2010-2011. This includes six conflicts, such as response to the refugee crisis in Cote d'Ivoire, 26 natural disasters such as the Haiti earthquake and Pakistan floods, 12 complex/chronic crises such as the Niger food crisis and the drought impacting the Horn of Africa. Over 45 million people were affected by these crises and CARE assisted 6.5 million people during this period.

Our donors include the Disasters Emergency Committee (DEC), the Department for International Development (DFID) and the European Union (EU), as well as fundraising from private individuals, trusts and corporate donors. CARE International UK is a member of the DEC, of which our Chief Executive, Geoffrey Dennis, is a Trustee.

Last year, we spent £23.7m on emergency and humanitarian relief work, accounting for 59% (2010: 39%) of total programme expenditure:

- We responded to the July 2010 flooding in Pakistan, which devastated 20% of Pakistan's total area, severely affecting 18 million people, destroying 1.7 million homes and killing 2,000 people. CARE International responded straight away, scaling up to work in nine districts, and three of Pakistan's provinces. One hundred days after the flooding hit, CARE International had reached 170,000 people with emergency food aid, mobile health clinics, water and shelter. During the early recovery phase, we have continued to provide support to 580,000 flood affected people with water and sanitation, support to re-start farming and small businesses, shelter and essential health services.
- We provided over £6 million to support the Haiti earthquake response, and around £4.5 million to support the Niger food crisis. In both cases, we provided both funds to respond to the emergency crisis and expertise to develop shelter and livelihoods to get people safe as soon as possible, and help rebuild lives.
- We have continued to support our operations in Dadaab (the world's largest refugee camp), Kenya, where CARE International is providing water and food to around 450,000 Somali refugees.
- We supported programmes aimed at building resilience to droughts and other disasters in the Horn of Africa and Bangladesh and we have supported longer term hunger reduction programmes in Ghana and Kenya, helping to stave off disaster before it happens and building resilience. Climate change is a growing area of our work and we have led with CARE Denmark on the Adaptive Learning Programme, a £5m DFID-funded project – learning different approaches to working with the impact of climate change and sharing this with other African countries.
- CARE International UK is a member of the Consortium of British Humanitarian Agencies (CBHA), an initiative seeking to strengthen the coordination and capacity of the NGO sector.

⁵ IFRC World Disasters Report 2011

Cash grant helps children learn to read and write in Pakistan

When Tehmeena Fatima, 25, received a cash grant of Rs.25,000 (US\$290) from CARE's partner organisation SPO following the floods of 2010 she established a school in an area where children have never learnt to read or write.

"We had a good life before the floods devastated my small world," explains Tehmeena. "Finally when the water receded and we came back, the whole village was gone. There was a huge plain ground in front of us. It was hard to believe that this desolate place once had a good number of people living in it."

"It was hard to recognise it as a place I once called home. I cried so much; I felt miserable but did not lose hope."

Tehmeena received a single room shelter where she was able to live with her family and a cash grant that was used to buy two goats. She started selling the goat's kids every six months for about Rs.4,000 (\$US45) and also milk every day for RS.100 (US\$1.20).

However, it wasn't long before the women in the village discussed another idea that could benefit their entire village.

As Tehmeena explains, *"Women from my village came to me and asked me to help them educate their children. I sold one of my goats to buy a chair, a table, a water cooler and a mat for the children to sit on. I will buy a black board very soon. I take Rs.30 (35 cents) each month from every student and make about Rs.1,500 (US\$17) from the 35-40 children studying in my tuition centre."*

"It's been only one and a half months since I started this small set up. The children are all different ages, but they are at the same level. I am teaching them basic writing, reading and counting."

In the coming months, Tehmeena aims to extend the school outside her house under some trees where there will be extra room to educate more children. At nights she has started teaching the women in her village handicraft skills.

CARE has supported 6,711 households since the floods with cash grants to set up small businesses in their villages, with 4,189 further grants still to be given. Cash grants have also been used for small enterprises and agricultural products. Women are selected in the most



Photo credit: © CARE/ Warrick Page

vulnerable communities and given the opportunity to develop a business plan that will create a reliable source of income and help them to support their families and recover from the impact of the flood. Many women buy goats or chickens to develop their livelihood, others set up shops selling food, drinks and vegetables, or bangles and accessories.

Progress against our six core roles within the CARE International confederation

After a mid-term review of our five year strategy 2008-2013, we have reconfirmed the six key work areas to transform our organisation and coordinate better with the wider CARE International confederation. CARE International UK has a full strategic implementation plan for this strategy, including risk management and key performance indicators. These have been endorsed by the Trustees and embedded in all our work.

Enhancing programme quality

Our priorities for FY11 were to use flexible funds from DFID wisely and to secure PPA4 funding (the Programme Partnership Agreement with DFID).

We successfully won PPA4 funds and these flexible funds allow us to measure the impact of our work better, and provide real 'learning' opportunities. Our PPA3 was identified as one of the "best examples of a PPA" by DFID and the PPA4 funds will provide us with £3.25m p.a. over the next few years to transform CARE International and promote better outcomes for the wider NGO community.

We have developed strategies to work more effectively through ten key Country Offices via strategic partnership agreements – to ensure we continue to be as effective as possible, and learn more together. In a survey of these Country Offices, 59% of respondents gave CARE International UK the highest graded response. Our strongest area was seen as sharing knowledge. Our Key Performance Indicator of increasing our graded response year on year has been achieved.

We have continued to work on our primary focus areas of private sector engagement, conflict, governance and emergencies. Only 3% of our projects are not focussed in these areas. In addition we are trying to build a shift to more flexible funds, which will enable us to have the maximum impact to help the most marginalised people – this has grown to 21% of our programme portfolio (from 16% last year).

Priorities for next year include:

- Cement our leadership within CARE International around our focus areas of private sector engagement, conflict, governance and emergency shelter in ways that promote inclusive engagement across the confederation.
- Focus on drawing out lessons around new models for engagement that can be replicated or taken to scale.
- Promote greater synergy between CIUK's Programme Quality, advocacy and funding agendas.

Raising new funds and resources

We remain on target to meet our Key Performance Objectives of doubling both fundraising income and donor numbers within five years from 2008-2013. This will enable us to meet the need of more beneficiaries and have flexible funds for innovation.

Voluntary and events income has increased by 19% year on year, and donor numbers have increased 2% to 47,000 (despite a really difficult time for direct marketing activity). At the end of the year, marketing income accounted for 24% of all income (24% last year). However, the harsh economic environment has put pressure on our original donor growth plans and we took some corrective action in FY11, in order to protect our return on investment, by cancelling some appeals and TV marketing. Despite the pressure on our fundraising programmes, we delivered a better than budget return on investment across all our marketing activities.

In addition, we have:

- Continued to significantly grow income streams from companies and trusts in FY11 and will build on this going forward.
- Continued to roll out Mycarezone – a way to build engagement with donors, enabling them to follow their interests online. This won a Third Sector Excellence award last year and helped us minimise our donor attrition rates.
- Successfully restructured our programme and marketing teams to drive our future income and also to actively learn from our work and turn this into messages for our marketing and advocacy work.

Priorities for the year ahead include:

- Continuing to invest in our donor marketing to meet our objective of doubling both fundraising income and donor numbers by 2013.
- Build and extend the profile of our innovative private sector engagement work.
- Continue to develop mass participation events in our 'Challenge' programme.

Influencing policy

Last year we set ourselves the objective of improved learning from our programme work to influence policy and inform the general public, policy makers and key donors. We also set ourselves the target of growing our CARE Action network. Both of these have been achieved and specifically we have increased our 'active campaigners' by 65% year on year (our target was 20%).

However, we have not finalised our advocacy engagement strategy as planned. Given the importance of this work, we decided to strengthen our capacity by replacing our Advocacy Manager post with a two-person team, led by a Head of Advocacy. We have now filled these new posts and will complete our advocacy strategy in the coming year. In the meantime, we've continued to push ahead with our Voices Against Violence campaign to end violence against women in conflict. Our achievements have included:

- Contributing to the Government's publishing of a brand new strategy on women, peace and security.
- Contributing to the Government decision to appoint a champion for tackling international violence against women.
- Recruiting Helen Pankhurst, a direct descendent of the British suffragette, as our campaign ambassador. Her involvement secured us a double-page spread in the Mirror on the 100th anniversary of International Women's Day.

Priorities for the year ahead include:

- Completing and implementing an advocacy strategy for CIUK's private sector engagement work to ensure that our innovative programming in this area is effectively influencing government, companies and donors, and we are seen as a lead agency in this emerging area.
- Improving CIUK's publications to ensure that our programme expertise more effectively influences governments, donors, peers and parliamentarians.
- Supporting the growth of CARE International's global advocacy ambition by strengthening the capacity of three priority Country Offices to do more advocacy.
- Set new Key Performance Indicators and targets for this work.

Raising profile and awareness

Our 25th anniversary year ended in May, and we undertook a wide range of events – from a 25km walkathon, to a panel debate on Private Sector Engagement chaired by Alistair Stewart. We took our photographic exhibition to London, Brighton and Birmingham. An estimated 5.4 million people saw the exhibition and it created a new audience for our work. We also distributed 1,000 commemorative photobooks and hosted a special reception for 550 close friends and supporters of CARE.

In September 2010 we launched our new innovative micro lending site – www.lendwithcare.org. We are now excited to say that we are taking this forward in partnership with The Co-operative. Lendwithcare.org has generated a great deal of attention and coverage in the British national press and broadcast media. It has certainly helped develop our reach and awareness.

Our objectives from last year were to deliver our awareness strategy, continue to work with coalitions and also to drive our online communications work – including growing traffic through our new website. These objectives have been achieved as follows, we have:

- Increased our proactive media coverage by 56% during the year, and the number of website visitors continued to grow following the rework of our main website www.careinternational.org.uk.
- Become a more visible and credible player amongst target opinion formers in our areas of expertise - particularly women in conflict, reflected at UN policy-making level and amongst our coalitions.
- Doubled the number of twitter and facebook followers, and the number of videos watched.
- Held our second Concert for CARE at the Albert Hall organised by CARE International UK Ambassador composer, David Arnold.

We are on course to reach our total awareness Key Performance Indicator of 20% in the UK within five years.

Priorities for the year ahead include:

- Focusing our proactive communications work around three themes: emergencies and our specialist shelter work; women's economic empowerment and women and girls in conflict.
- The completion of a major review into our brand and communication which will give us a stronger platform to engage with our key audiences and tell the story of our work.
- Increasing media coverage in broadcast media channels and focus on growing our voice in social networking channels.

Linking into CARE International globally

The last year has seen CARE International UK continue to develop its role as a catalyst within the global CARE confederation.

Our objectives for the year and achievements against these have been as follows:

- To help the whole of CARE International build Centres of Expertise, which is a key part of the global strategic plan - this has been achieved. We have used the PPA funding to bring about learning on behalf of the confederation, and help shift CARE International from individual projects, where work ceases when the project is completed, to 'longer-term' holistic programme work. We have also help significantly advance the Climate Change Centre of Expertise in Denmark, as well as develop CARE India and CARE Peru as full members of the confederation.
- To develop our private sector engagement, conflict and governance work into centres of expertise for the confederation – while we have not formally created Centres of Expertise in

these areas, we have launched our Community of Practice in Conflict, and are seen as the de facto lead in governance for the confederation.

- To secure agreement from the CARE International Board that we in the UK take the global lead on shelter in emergencies – this has not been formally agreed, but we have built capacity and are seen as the de facto lead in this area.

Our achievements in our key priority areas are listed in pages 8-15 of this report and accounts.

Increasingly, CARE International UK is seen as a proactive and forward looking member of the CARE International movement. We have also been involved in a wide range of initiatives on behalf of CARE International:

- Improving its governance and sitting on the Global Executive Committee.
- Helping to improve our emergency and development work, including measuring impact.
- Assisting on joint finance and programme systems.
- Helped rewrite the legal framework and the CARE code to better coordinate activities.
- Helped focus on Centres of Expertise and learning for the confederation.
- Developed Safety and Security policies and closer integration of our Human Resources work.
- Supported the implementation of collaborative IT and Knowledge Management systems.

In the next year we aim to help build the CARE International Vision for the future and further develop the inter-dependent model of us all working together with common objectives.

Becoming a more efficient and effective organisation

Last year we set the objectives as follows:

- To set clear priorities in light of the change in the general NGO environment and ensure our resources are focused in the best way possible.
- To continue to improve internal communications.

In the last year, our strategic plan review has given us an integrated planning cycle linked to Annual Plans, Budgets and Appraisals. It gave clear focus to how best to use our resources and also identified areas of our work which should be prioritised or held back. As part of this we considered the changing NGO environment and the move to a more 'contract-based' culture. Our refreshed strategic direction acknowledges this.

We have continued to develop our internal communications through the intranet (now fully operational and used widely), and have built a management group to help break down silos and build a common understanding of our priorities as we implement these.

Our office move has been a major step forward. It has enabled us to improve working conditions and connectivity, whilst giving us an ongoing saving of 21% per year. We have also focused on building a new IT infrastructure and are now pushing forward on consolidating the confederation IT across Europe.

Our Key Performance Indicators around reducing staff turnover, reducing overheads and improving compliance have all been achieved.

In the next year our key aims are focused on the following two areas:

- Improve our contract management and compliance systems (and implement our new finance / programme system)
- Improve our staff retention, talent management and learning and development opportunities.

This is one of the powerful images from the CARE International UK 25th Anniversary Exhibition. This boy's mother is HIV positive. He is in the rice field his mother was able to purchase with a microfinance loan from a CARE-initiated support group. Selling rice in the local market enables her and her husband to build a stronger future for their five children.

You can view all 25 of the photographs from our 25th Anniversary Exhibition on our website at <http://www.careinternational.org.uk/news-and-press/latest-news-features/1468-slideshow-care-international-photo-exhibition>



Photo credit: ©CARE/Phil Borges

Structure, Governance and Management

CARE International is one of the biggest International Non-Governmental Organisations (INGOs) in the world. CARE International works in 87 countries and its global expenditure each year is around US\$800m. CARE International UK is the UK based entity within this, providing around 7% of the confederation's resource, in addition, we run a number of core skill technical areas on behalf of the whole of CARE International.

CARE International works through 905 major projects either directly or with local partners, and has over 11,000 employees – with 97% of these being citizens from countries where we work. Through its network of Country Offices, CARE International continues to provide high quality programme delivery and project management with funding from a wide range of institutional donors, governments, and private funders. Geographically, CARE International operates in all major areas of need in the developing world, with the most significant amounts of programme expenditure in Asia and Africa.

CARE International is a non-sectarian and non-partisan organisation.

Structure of CARE International

CARE International comprises 14⁶ member organisations, separate national bodies which work within the principles and guidelines of the CARE International confederation. Each is represented on the CARE International Board.

In an effort to move the balance of representation from Northern countries to Southern countries, where the vast majority of aid is being delivered, CARE India has become a full member this year. In addition, CARE Peru is an affiliate member in its own right and should become a full member in the next year or so.

All income, apart from that applied towards administrative support and fundraising costs, is directed towards anti-poverty programmes in the countries where CARE International works to alleviate poverty and its causes. The CARE International Secretariat based in Geneva provides coordination and administrative support to the confederation.

Together the members implement programmes through Country Offices. Each Country Office is administered by one "lead" member (primarily CARE International Australia, CARE International Canada and CARE International USA) on behalf of the membership. At the same time, individual members such as CARE International UK remain accountable for the direction and success of projects for which they have obtained funding and support. We also provide expertise to ensure the quality of projects and programmes.

In the view of the Board and of the management, CARE International UK is an operational Charity and is not a grant-making body.

⁶ Australia, Austria, Canada, Denmark, France, Germany, India, Japan, Netherlands, Norway, Peru, Thailand, UK, and USA.

Statement of Public Benefit

CARE International UK's objectives are to defend dignity and fight poverty for the poorest and most vulnerable people in the world. Our approach to poverty allows us to meet directly the following criteria for public benefit as defined by the Charity Commission guidance:

- the prevention or relief of poverty;
- the advancement of education;
- the advancement of health and the saving of lives;
- the advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity;
- the advancement of environmental protection or improvement; and
- the relief of those in need, by reason of gender, age, ill-health, disability, financial hardship or other disadvantage.

We are clear in our aims and objectives and our recent strategic review has helped to refine our focus. We also take great care to 'do no harm' with our work. Internal systems and codes of governance across CARE International and the broader NGO community address this.

We aim to help the poorest and most marginalised members of society, and no person is excluded on the grounds of race, religion, gender, sexuality or social position. Any private benefit in our work is certainly incidental to our main objective – that of fighting poverty.

In making this statement, the Trustees have regard to the Charity Commission's general guidance on public benefit and the prevention and relief of poverty for the public benefit.

The detail in this Annual Report and Accounts highlights the impact of our work to lift people out of poverty. CARE International UK's work helps millions of people each year.

Operational Structure of CARE International UK

Governance

The governing body of the Charity is the Board of Trustees. The Board meets formally five times a year, with significant other ongoing involvement. In addition there are a number of standing committees and working groups:

- Finance and Audit Committee
- Nominations and Remuneration Committee
- Programme Committee; and
- Marketing Working Groups

These committees and working groups are made up of members of the Board and other independent individuals with relevant experience. All committees operate under specific terms of reference which delegate certain functions from the Board.

Potential candidates for both the Board and Committee are recruited through an open and transparent process, including by advertisement in the national press and full display on the CARE International UK web site. The Nominations and Remuneration Committee selects potential new members of the Board who are then approved by the full Board before appointment. Members of the Board and Committees serve for a three-year period and may be re-elected for a maximum of two further three-year terms.

A formal induction process is offered to Board and Committee members, comprising various meetings and presentations with executive staff as well as specific training from both UK staff and other CARE International members.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of CARE International UK for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the "Accounting and Reporting by Charities: Statement of Recommended Practice" (SORP), issued by the Charity Commission;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

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

In so far as each of the Trustees is aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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.

Internal Controls

The Trustees have overall responsibility for ensuring that the Charity has an appropriate system of control, financial and otherwise. They are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the Financial Statements comply with the Companies Act 2006.

The systems of internal control are designed to provide assurance against material misstatement or loss. They include:

- a five-year strategic and business plan, which has been reviewed after three years, a linked annual operating plan and an annual budget all approved by the Board;
- regular monitoring of Key Performance Indicators ('KPIs') and a full implementation plan developed from the strategic plan;
- regular consideration by the Board of financial results and variance from budgets;
- the use of Committees in meeting their duties and delegating certain functions of the Board;
- appropriate identification and management of risk; and
- internal auditing, as carried out in accordance with the CARE International UK Audit Charter, focused on overseas projects and CARE International UK processes and procedures.

As part of this process, Trustees continue to review the adequacy of the Charity's internal controls. They consider whether controls are sufficient on an annual basis. In the interim they discharge their responsibility to the Finance and Audit Committee which reviews the control environment annually, and reviews risk on a half-yearly basis.

Risk Management

CARE International UK is committed to a risk management process and accordingly the position of Head of Internal Audit and Risk Management reports through the Finance and Audit Committee to the Board. The role ensures that a formal process to assess business risks and implement appropriate risk management strategies is carried out on a regular basis.

Various types of risks faced by the Charity are identified and prioritised in terms of their potential impact and likelihood of occurrence. The key risks identified are as follows:

- CARE International UK has a much lower balance of unrestricted to restricted income compared to similar NGOs. This means unrestricted income is precious. One of our major risks is that we do not have sufficient flexible unrestricted funds to meet our ambitions. We are focussed on addressing this as part of our strategic plan.
- CARE International UK manages projects through our Country Offices. As such, we spend significant effort on managing these remotely. Our risk is that projects fail to spend as expected, e.g. due to natural weather cycles. We are working to ensure that projects continue to spend as per plans to ensure donor confidence and effective overhead recovery.
- We have a major risk when we handle large amounts of funds in emergency contexts, which is in line with other NGOs. Scaling up, proper fund management and resourcing quickly are all risks. We have a wide range of mitigating controls to reduce this risk.

A review of all risks, and progress against mitigating these, is completed quarterly by a risk committee comprising senior staff members and their work in turn is reviewed half-yearly by the Finance and Audit Committee which reports to the Trustees. The Board formally considers risk on an annual basis.

In accordance with the CARE International UK Charter, a Risk Based Assessment of Audit Need (RBANA) is used to plan annual internal audit work. As part of this process the organisation has been divided

into distinct business areas and audit priority is given to each of these areas based on a risk indicator. Some of the factors taken into account when determining risks are results of prior audits, volume of transactions, and total value of transactions. Country Offices are also included in this risk assessment.

The Head of Internal Audit and Risk Management is sufficiently independent, with unrestricted access to both the Finance and Audit Committee, and the Boards of CARE International UK and CARE International. The Board believes that the Charity's internal financial controls conform to good practice and guidelines issued by the Charity Commission.

Equal Opportunities Policy

CARE International UK strives to be an equal opportunities employer and applies objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability. Selection criteria and procedures are in place to ensure that individuals are selected, promoted and treated on the basis of their relevant abilities and merits.

Financial Review

The Financial Statements have been prepared in accordance with the accounting policies set out on pages 35 to 37 of the attached Financial Statements and comply with provisions of the Companies Act 2006, applicable laws and the requirements of the "Accounting and Reporting by Charities: Statement of Recommended Practice" (SORP), issued by the Charity Commission.

Results in Overview

The year ended 30 June 2011 saw restricted income and expenditure increase significantly. This is a result of two dynamics:

- We responded to a number of large emergencies – specifically in Haiti, Pakistan, Niger and the Horn of Africa. This increase in emergency activity has moved our main focus of work away from development work this year, and towards emergencies.
- We have caught up on slow spending on projects from the previous year.

Our pipeline for next year is strong and reflects some recent large contract awards, and specifically further emergency activities. The overall unrestricted reserves remain healthy, and the Charity is on a sound financial footing.

A key distinction in the charity sector is between restricted income, given for the purpose specified by the donor, and unrestricted income, which may be used by the Charity for its general purposes to fulfil its charitable objectives. The overall results show a net surplus of £3.8m for the year (2010: £0.3m surplus) being the result of two forces:

- An unrestricted deficit of £0.1m as we have continued to invest some of our unrestricted reserves in marketing and fundraising to increase future unrestricted income; and
- A restricted surplus of £3.9m where we have recognised our entitlement to programme income in the financial statements, but no money has been spent yet. This is mainly in advance of our emergency response in the Horn of Africa.

Income

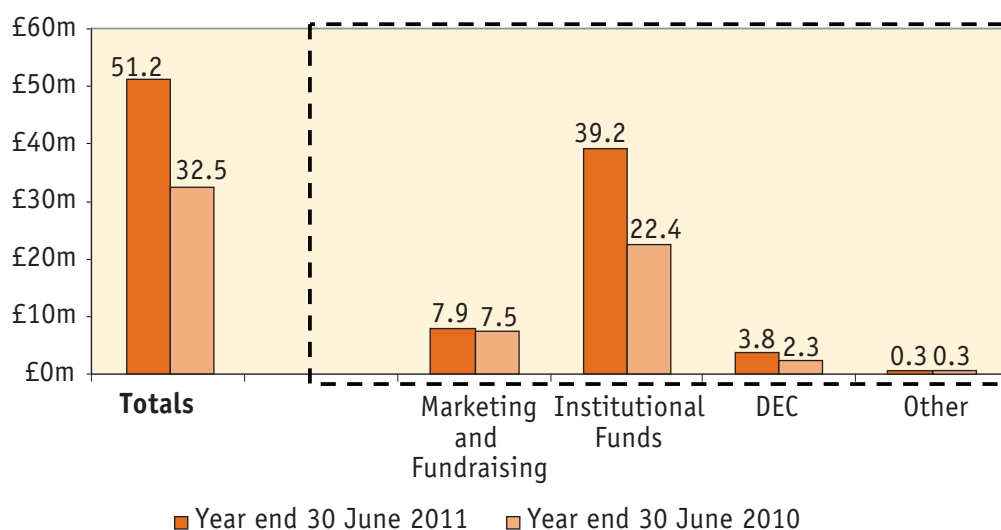
The Charity's total income for the year was £51.2m (2010: £32.5m), an increase of 58% on the previous financial year, and our highest ever level. We have been selective in our grant applications and have won a greater proportion of submissions as a result. Equally, we now lead several large consortia and regional contracts which allow us to deliver a greater impact for the poor. However, the large increase has been mainly driven from increased emergency activities in response to global crises.

We continued to grow our income from private donors, which is the main source of unrestricted funding for CARE International UK. We have also reclassified our Disasters Emergency Committee (DEC) income as voluntary income this year from income from other charitable activities, to make us comparable with our peers. We raised £7.3m (2010: £6.1m) from individual donors, and received a further £5.4m (2010: £4.6m) from other sources, including companies, trusts and foundations and challenge events (our successful outdoor events activities).

Overall, our income from non-institutional sources grew by 26% against the previous year, representing the fourth year of our strategy to double this by 2013. This is a positive picture, especially against an economic environment still impacted by the recession.

During the year, we received £5.5m (2010: £3.4m) from DFID for the Partnership Programme Agreement ('PPA'), an important strategic element of our work, to understand better some of the root causes of poverty. This allows us to share with DFID, and the wider NGO community, findings from a number of key focus areas including governance, private sector engagement, climate change, and conflict. We have been successful in winning PPA4 funds and have been identified as one of the best examples of PPA use by DFID.

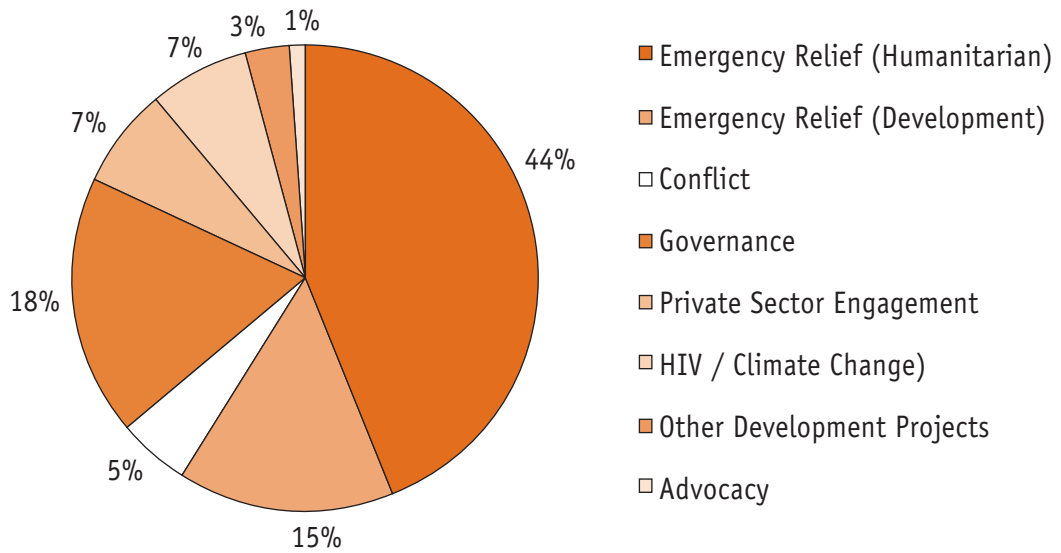
Income sources were as follows:



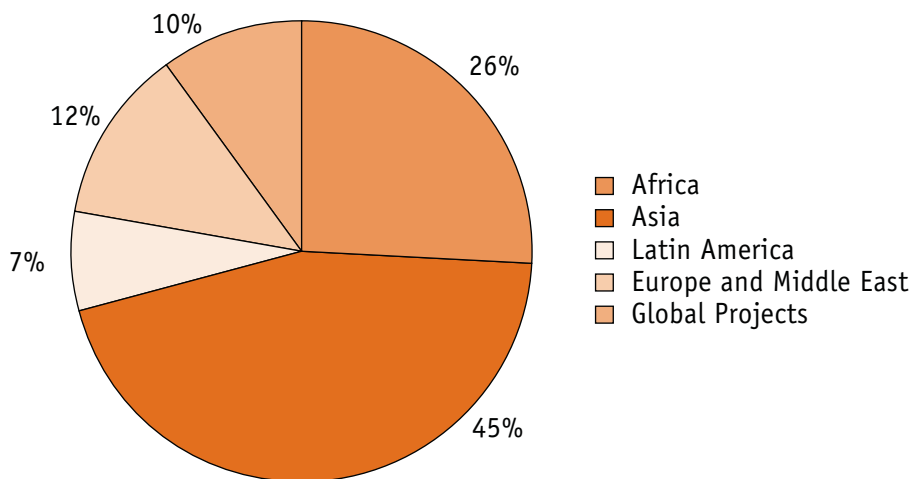
Expenditure

The total expenditure on charitable objectives for the year ended 30 June 2011 was £43.1m (2010: £28.1m).

Of these funds the split between our emergencies and humanitarian relief work versus our long-term development work was 59%:41% (2010: 39%:61%). Again our response to large scale emergencies has influenced trends heavily. The percentage breakdown of programme based expenditure is shown overleaf.



CARE International UK has a global presence delivering large programmes of work in each geographical region, and Asia is where the majority (45%) of our work has been focused in 2011:



Financial Risk

The charity's income is mainly sensitive to changes in donor marketing and overhead recovery on contracts. We are also dependent on ensuring we spend appropriately against project plans for our overhead recovery. We monitor these risks closely through the Senior Management Team and Finance and Audit Committee.

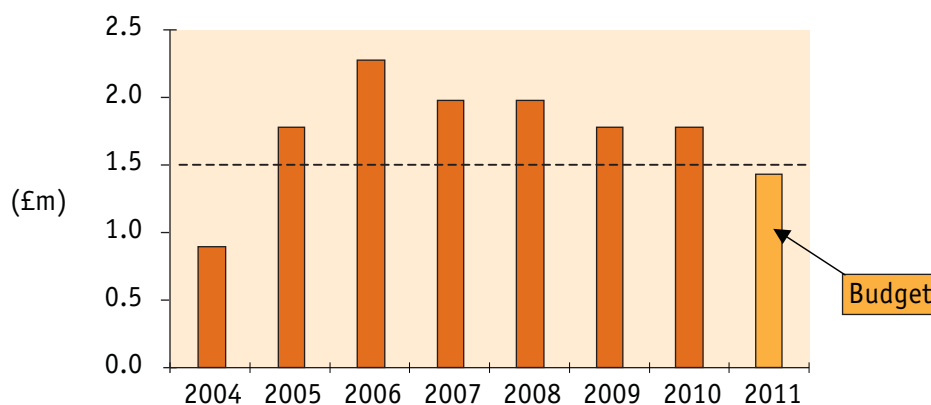
Cashflow risks are minimised by retaining an appropriate reserves policy, which covers cashflow for our activities, but also any bank guarantees.

Reserves Policy

Unrestricted reserves are defined as general funds and are available to enable CARE International UK to meet its objectives. Net free reserves are defined as unrestricted reserves less the net book value of the tangible fixed assets.

Following a review in September 2011 the Trustees have confirmed the existing reserves policy of retaining net free reserves equivalent of up to six months of unrestricted essential expenditure. The figure has reduced slightly over the last year, due primarily to our office move. Currently the target reserve figure is £1.5m. This is to ensure that CARE International UK can continue to operate in times of substantial income fluctuation or unexpected expenditure. The figure has reduced slightly over last year.

Currently, our net free reserves equate to £1.7m as nearly seven months' essential expenditure – a strong picture. We aim to spend some of this buffer next year reducing reserves to £1.45m, and then return to £1.5m in the following year. The following graph shows our unrestricted net free reserves. The horizontal line shows the minimum level of reserves that we aim for under our reserves policy. The green bar shows next year's budgeted reserves – this illustrates that while implementing our strategic plan we are aiming for financial stability, and remain in sound financial health.



At 30 June 2011 our restricted reserves were £13.3m (2010: £9.4m). This represents committed funds en-route to their final destination in the communities in which CARE International UK works. In the highly unlikely event of any such funds not being able to be used for their intended purposes in their entirety, any balance would be returned to the original donors.

The majority of our funds are donor funds en route to projects. As such the Board has taken the decision to keep this in cash and not invest these for the long-term.

Trading Subsidiary

The Charity's wholly owned subsidiary carries out trading activities for the Charity. These activities provided a surplus of £108,000 (2010: £80,000).

Thanks to all supporters, staff and volunteers



We will continue to promote lasting change in poor communities around the world. This year CARE International expects to touch the lives of over 82 million people. We will continue to concentrate on the deep-seated causes of poverty to ensure lasting change.

This would not be possible without the dedicated support and hard work of staff, supporters and volunteers.

On behalf of the Board,

Richard Greenhalgh
Chairman
25 October 2011

Also signed by,

Geoffrey Dennis
Chief Executive
25 October 2011

Independent auditor's report to the members of CARE International UK

We have audited the financial statements of CARE International UK for the year ended 30 June 2011 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page 23, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 June 2011 and of the group's charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Grant Thornton UK LLP

Carol Rudge
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

25 October 2011

Consolidated Statement Of Financial Activities

(Incorporating an Income and Expenditure Account)

For the year ended 30 June 2011

	Notes	2011 Unrestricted funds £'000	2011 Restricted funds £'000	2011 Total funds £'000	2010 Total funds £'000
Incoming resources					
Incoming resources from generated funds					
Voluntary income		4,107	6,863	10,970	9,015
Donations and sponsorships	2	3,737	6,862	10,599	8,753
Legacies		370	1	371	262
Activities for generating funds		749	71	820	907
Fundraising events		611	71	682	746
Rental income		0	-	0	51
Trading income		138	-	138	110
Investment income		17	6	23	20
Incoming resources from charitable activities	2	2,081	37,146	39,227	22,434
Other income		130	-	130	133
Total incoming resources	12	7,084	44,086	51,170	32,509
Cost of generating funds					
Fundraising costs	3	3,867	41	3,908	3,788
Trading costs		24	-	24	18
Total cost of generating funds		3,891	41	3,932	3,806
Charitable activities					
	4				
Emergency and humanitarian relief		1,306	18,516	19,822	7,643
Development work		1,510	21,426	22,936	20,184
Advocacy		117	223	340	276
Total charitable activity costs		2,933	40,165	43,098	28,103
Governance	5	286	-	286	275
Total resources expended	12	7,110	40,206	47,316	32,184
Net incoming/(outgoing) and net expenditure		(26)	3,880	3,854	325
Funds balances brought forward		1,900	9,433	11,333	11,008
Funds balances carried forward		1,874	13,313	15,187	11,333

The results for the year shown above all derive from continuing operations. There are no recognised gains or losses for the year other than those shown above.

There are no material differences between the results for the year as stated above and those calculated on a historical cost basis.

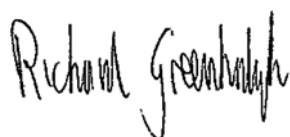
Consolidated And Charity Balance Sheet

For the year ended 30 June 2011

	Notes	Group 2011 £'000	Group 2010 £'000	Group 2011 £'000	Group 2010 £'000
Fixed assets					
Tangible assets	8	204	136	204	136
Investments	9	41	37	41	37
		245	173	245	173
Current assets					
Debtors	10	11,410	9,816	11,463	9,814
Cash at bank & in hand-general funds		2,188	1,632	2,133	1,596
Cash at bank & in hand-overseas projects		8,135	6,417	8,135	6,417
		21,733	17,865	21,731	17,827
Creditors: amounts falling due within one year	11	(6,641)	(6,579)	(6,639)	(6,541)
Net current assets		15,092	11,286	15,092	11,286
Total assets less current liabilities		15,337	11,459	15,337	11,459
Provision for liabilities	14	(150)	(126)	(150)	(126)
Net assets		15,187	11,333	15,187	11,333
Represented by					
Restricted funds	12	13,313	9,433	13,313	9,433
Unrestricted funds	12	1,874	1,900	1,874	1,900
Total	13	15,187	11,333	15,187	11,333

The accompanying notes on pages 35 to 45 form an integral part of these Financial Statements.

Signed on behalf of the Board of the Trustees by:



Richard Greenhalgh
Chairman

25 October 2011

Registered company number: 1911651



William Macpherson
Chairman Finance & Audit Committee

25 October 2011

Consolidated Cashflow Statement

For the year ended 30 June 2011

	Notes	Group 2011 £'000	Group 2010 £'000
Net cash inflow / (outflow) from operating activity	17a	2,486	(1,605)
Returns on investment and servicing of finance	17b	23	19
Capital expenditure and financial investment	17c	(235)	(119)
		<u>2,274</u>	<u>(1,705)</u>
Financing		-	-
Increase / (Decrease) in cash in the year		<u>2,274</u>	<u>(1,705)</u>
Reconciliation of net cash flow to movement in net funds			
Increase / (Decrease) in cash in the year		<u>2,274</u>	<u>(1,705)</u>
Movement in net funds in the year		2,274	(1,705)
Net funds at the beginning of the year		8,049	9,754
Net funds at the end of the year	17d	<u>10,323</u>	<u>8,049</u>

Notes To The Accounts

For the year ended 30 June 2011

1. Accounting Policies

a) Basis of preparation

The Financial Statements are prepared under the historical cost convention and in accordance with the "Accounting and Reporting by Charities: Statement of Recommended Practice" (SORP), issued by the Charity Commission, and applicable UK accounting standards.

The Statement of Financial Activities ('SOFA') and Balance Sheet consolidate the Financial Statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis. No separate SOFA has been presented for the Charity alone as permitted by Section 408 of the Companies Act 2006.

The Accounting Policies are consistent with the previous year, and have been prepared on a going concern basis.

The financial statements of CARE International UK's trading subsidiary company, CI Enterprises Limited, are consolidated with the accounts of CARE International UK on a line by line basis.

b) Incoming resources

All incoming resources are included in the SOFA when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy and receipt is virtually certain.

All income is considered unrestricted unless specifically restricted by the donor, or raised in an appeal for a specific purpose.

Income is only deferred when the Charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Grants receivable based on performance are accounted for as the Charity earns the right to consideration by its performance. Where income is received in advance of performance its recognition is deferred and included in creditors. Where entitlement occurs before income is received the income is accrued.

c) Contributions in kind

Contributions and donations in kind are recorded at fair values on the date of contribution.

d) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings, where practicable, they have been allocated to activities on a basis consistent with use of the resources. Central overhead costs are allocated to operational and fundraising functions on the basis of their use of support services measured by direct cost.

CARE International UK sub-contracts its work to CARE country offices, but continues to provide effective management and oversight over these. As such we account for our project work as an operational charity, and our expenditure reflects funds utilised by Country Offices.

Fund raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Governance costs are those which relate to the provision of the governance infrastructure of the Charity as opposed to those costs associated with fundraising or charitable activity. Included within this category are costs associated with the strategic as opposed to day-to-day management of the Charity's activities. They also include all Trustee and committee costs.

Irrecoverable VAT is not separately analysed and is charged to the SOFA when the expenditure to which it relates is incurred, and is allocated as part of the expenditure to which it relates.

e) Property and equipment

Non-programme expenditure of more than £1,000 per item for buildings, equipment and leasehold improvements is capitalised at cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold improvements	over the remaining life of the lease
IT equipment	3 years
Other equipment	7 years

f) Finance and operating leases

Rentals paid under operating leases are charged to the SOFA on a straight-line basis over the term of the lease.

Assets purchased under finance leases are capitalised as fixed assets. Obligations under such agreements are included in creditors. The difference between the capitalised cost and the total obligation under the lease represents the finance charges. Finance charges are written-off to the SOFA over the period of the lease at a constant proportion of the balance of capital repayments outstanding.

g) Fund accounting

Unrestricted funds comprise funds available for use at the discretion of the Board in furtherance of the general objectives of the Charity.

Restricted funds are funds subject to specific restrictions imposed by donors or by the purpose of the appeal under which they were raised.

h) Investments

Investments held as cash deposits denominated in foreign currency are translated into UK sterling at the rate of exchange prevailing at the balance sheet date. Differences arising on currency translation are expressed as movements in the market value of investments.

i) Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

j) Pensions

Contributions to the defined contribution pension scheme are recognised in the SOFA when they are payable. The money purchase nature of the scheme assures there will be no funding deficit or surplus accruing to the Charity in the future. The pension scheme is independently administered and the assets of the scheme are held separately from those of the Charity.

The Charity also participates in the Pensions Trust Growth Plan, a multi-employer pension scheme where it is not possible to separately identify the assets and liabilities of participating employers. This is a money purchase arrangement but it has some historical guarantees. These Financial Statements include pension costs payable on a defined contribution basis in accordance with Financial Reporting Standard 17, Retirement Benefits. The current overall position of the fund and the assumptions made are provided in note 21.

k) Taxation

As a registered charity, CARE International UK is exempt from taxation of income and gains to the extent these are applied to charitable objectives.

l) Provision for liabilities

Provision is made for future liabilities for dilapidations to the UK premises at 10-13 Rushworth Street, London, SE1 ORB. This is a liability which is provided for as our best estimate of future costs having been established by external surveyors.

2. Consolidated incoming resources

	2011	2011	2011	2010
	Unrestricted	Restricted	Total	Total
	funds	funds	funds	funds
	£'000	£'000	£'000	£'000
Donations and sponsorship				
Individuals	3,221	281	3,502	3,749
Charitable foundations	55	1,035	1,090	412
Corporate donors	210	1,983	2,193	2,282
Disasters Emergency Committee (DEC)	251	3,563	3,814	2,310
Total	3,737	6,862	10,599	8,753

The DEC income has moved from Charitable Activities to Donations and Sponsorship in line with our peers.

From charitable activities

Department For International Development (DFID)	626	16,845	17,471	9,538
DFID Partnership Programme Agreement (PPA)	300	5,241	5,541	3,404
European Union (EU)	441	4,040	4,481	6,319
European Common Humanitarian Aid Office(ECHO)	547	9,147	9,694	2,138
Big Lottery Fund-COPE Afghanistan	-	0	0	51
Big Lottery Fund- EMPHASIS Development Grant	-	798	798	602
Other	167	1,075	1,242	382
Total	2,081	37,146	39,227	22,434

2a. Included in the above are the following projects

Donor	Project Name	2011	2011	2011	2010
		Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Total funds £'000
DFID	ART Adherence Research in Zambia	6	257	263	0
DFID	Bihar Health Sector Reform	65	3,043	3,108	1,051
DFID	CBHA Partnership	0	57	57	53
DFID	Child & Maternal Health in Sierra Leone	(2)	(62)	(64)	362
DFID	Cholera Response in Cameroon	3	131	134	0
DFID	Conflict Management in Somalia	5	77	82	0
DFID	Conflict sensitivity in Afghanistan	0	0	0	87
DFID	Conflict Sensitivity in Sri Lanka	0	127	127	86
DFID	Disaster Risk Reduction (I) in Niger	0	0	0	667
DFID	Disaster Risk Reduction (II) in Niger	17	998	1,015	0
DFID	Emergency livelihood in Gaza	0	0	0	612
DFID	Emergency Response in West Africa	27	201	228	121
DFID	Emergency Shelter in Indonesia	0	0	0	1,085
DFID	Emergency Shelter in Madagascar	0	0	0	185
DFID	ENCISS Media Support in Sierra Leone	0	43	43	147
DFID	ENCISS Project in Sierra Leone	39	915	954	1,445
DFID	Flood Response in Benin	5	269	274	0
DFID	Global Conflict Sensitivity	18	513	531	415
DFID	Global Climate Change	43	617	660	260
DFID	Humanitarian Assistance in Sri Lanka	3	47	50	0
DFID	Hunger Safety in Kenya	0	157	157	151
DFID	INGOs Emergency Response in Yemen	140	1,860	2,000	0
DFID	Malnutrition & Pastrolism in Niger	13	634	647	373
DFID	MicroFinance Innovation Fund in Zimbabwe	0	73	73	0
DFID	Protracted Relief Project (II) in Zimbabwe	40	942	982	855
DFID	Shelter Deployment in Haiti	0	274	274	0
DFID	Support Refugees in Ivory Coast	21	304	325	0
DFID	Train Mums to Support Girls in Malawi	0	152	152	0
DFID	WASH in Pakistan	65	1,934	1,999	0
Total		508	13,563	14,071	7,955

The table provides details of balances only on certain DFID projects where the contractual terms require such disclosure.

3. Fundraising costs

	2011	2011	2011	2010
	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Total funds £'000
Individuals	3,088	36	3,124	2,864
Charitable foundations	103	0	103	108
Corporate donors	205	5	210	276
Fundraising events	292	0	292	315
Support costs (Note 6)	179	0	179	225
Total	3,867	41	3,908	3,788

4. Charitable activities

	Emergency & Humanitarian Relief £'000	Development Activities £'000	Advocacy £'000	2011 Total £'000	2010 Total £'000
Emergency & humanitarian relief	17,826	5,840	-	23,666	9,988
Core development areas:					
Private sector engagement	0	2,710	-	2,710	3,216
Governance	0	7,378	-	7,378	6,491
Conflict	0	2,196	-	2,196	1,845
Secondary themes:					
HIV / climate change	690	2,083	-	2,773	2,168
Other development projects	0	1,219	-	1,219	1,695
Advocacy	0	0	223	223	134
Other direct costs (unattributed)	384	444	106	934	846
Support costs (Note 6)	922	1,066	11	1,999	1,720
Total charitable activity costs	19,822	22,936	340	43,098	28,103

Expenditure was incurred in the following geographic areas:

	Emergency & Humanitarian Relief £'000	Development Activities £'000	Advocacy £'000	2011 Total £'000	2010 Total £'000
Africa	4,332	6,200	0	10,532	10,112
Asia	8,717	9,572	152	18,441	6,866
Europe & Middle East	2,592	405	0	2,997	2,651
Latin America	2,142	2,731	0	4,873	3,356
Other	1,117	2,962	177	4,256	3,398
Support costs (Note 6)	922	1,066	11	1,999	1,720
Total	19,822	22,936	340	43,098	28,103

5. Governance costs

	Total 2011 £'000	Total 2010 £'000
Internal audit (in house)	69	76
External audit	44	40
Consultancy	-	10
Legal expenses	-	7
Trustees' expenses	28	13
Trustees' indemnity insurance	4	3
Apportionment of senior management costs	133	118
Company secretarial	8	8
Total	286	275

6. Support costs

	Management £'000	Office costs £'000	Finance & IT £'000	Human resources £'000	Total 2011 £'000	Total 2010 £'000
Charitable activities						
Emergency & humanitarian relief	187	276	329	130	922	441
Development work	216	319	381	150	1,066	1,186
Advocacy	2	3	4	2	11	93
	405	598	714	282	1,999	1,720
Cost of generating funds						
Fundraising costs	38	53	63	25	179	225
Total	443	651	777	307	2,178	1,945

7. Staff costs

	Total 2011 £'000	Total 2010 £'000
Wages & salaries	3,335	2,917
Social security costs	348	299
Pension costs	161	134
Other staff costs	172	156
Total	4,016	3,506

	2011 Number	2010 Number
The average number of UK employees was:		
Programme and programme support	49	41
Marketing	30	26
Management and administration	22	19
Total	101	86

In addition to full-time permanent staff, CARE International UK employed a small number of temporary staff at a cost of £49,405 (2010: £65,952) and made use of local staff in overseas offices where CARE International UK projects are implemented.

The number of employees whose emoluments in the year as defined for taxation purposes amounted to over £60,000 was as follows:

	2011 No.	2010 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£100,001 - £110,000	1	1

Employer contributions are made to a money purchase scheme in respect of three higher paid employees (2010: three). Total employer contributions in respect of higher paid employees during the year amount to £18,006 (2010: £17,755).

None of the members of the Board received any remuneration (2010: Nil). Expenses reimbursed to members for travel undertaken on the Charity's behalf amounted to £29,796 for twelve members (2010: £9,026 for two members).

The Charity paid £3,833 (2010: £2,966) for Trustees' Indemnity Insurance cover of £3.5m (2010: £3.5m).

8. Tangible Fixed Assets

Group and Charity	Leasehold improvements £'000	Office equipment £'000	IT equipment £'000	Total £'000
Cost				
At 1 July 2010	377	206	502	1,085
Additions	92	45	94	231
Disposals	-	-	-	-
At 30 June 2011	469	251	596	1,316
Depreciation				
At 1 July 2010	283	198	468	949
Charge for the year	115	6	42	163
Disposals	-	-	-	-
At 30 June 2011	398	204	510	1,112
Net book values				
At 30 June 2011	71	47	86	204
At 30 June 2010	94	8	34	136

9. Investments

	Group and Charity £000
Market value	
At 1 July 2010	37
Movement in year	4
At 30 June 2011	41

a) Subsidiary Company

Investments held by the Charity include a £2 (2010 - £2) investment in the subsidiary company at cost. The Charity holds 100% of the issued share capital of CI Enterprises Limited, which is registered in England and Wales. The company's principal activity is to undertake trading for the Charity. A summary of the subsidiary's results and its position at 30 June 2011 is given in note 16.

b) CARE International

During the year, the Charity participated in the Revolving Fund established with other members of the CARE International confederation. The Fund, which is administered by the CARE International Secretariat in Geneva, is used to provide short-term interest-bearing loans to finance projects across CARE International. The cost of the investment is EURO 45,500.

10. Debtors

	Group 2011 £'000	Group 2010 £'000	Charity 2011 £'000	Charity 2010 £'000
Due from EU/ECHO	3,260	4,652	3,260	4,652
Due from DFID	5,073	1,268	5,073	1,268
Due from other donors	-	77	-	77
Due from other CARE International offices	78	61	78	61
Sundry debtors	147	558	128	495
Due from subsidiary undertaking	-	-	72	61
Prepayments and accrued income	172	59	172	59
Project balances held overseas in Country Offices	2,680	3,141	2,680	3,141
Total	11,410	9,816	11,463	9,814

Project balances held overseas represent monies transferred to other CARE International offices but not yet expended. Likewise, a programme creditor is where money has been expended by other CARE International offices in advance of funding and we are entitled to recover this money.

11. Creditors: amounts falling due within one year

	Group 2011 £'000	Group 2010 £'000	Charity 2011 £'000	Charity 2010 £'000
Programme creditors and other CARE offices	5,683	3,434	5,683	3,434
Suppliers	261	140	261	140
Taxation and social security	106	287	106	287
Sundry creditors	34	40	34	38
Due to subsidiary undertaking	-	-	-	-
Accruals	265	89	263	89
Deferred income	292	2,589	292	2,553
Total	6,641	6,579	6,639	6,541

12. Consolidated statement of funds

	1 July 2010 £'000	Incoming resources £'000	Resources expended £'000	30 June 2011 £'000
Restricted funds				
Africa	3,527	9,545	10,533	2,539
Asia	3,307	22,283	18,441	7,149
Europe and Middle East	338	2,943	2,997	284
Latin America	1,091	4,767	4,873	985
Other	1,170	4,548	3,362	2,356
Total restricted funds	9,433	44,086	40,206	13,313
Unrestricted funds				
General funds	1,900	7,084	7,110	1,874
Total unrestricted funds	1,900	7,084	7,110	1,874
Total funds	11,333	51,170	47,316	15,187

Restricted funds are those project balances held on behalf institutional donors, trusts funds, corporate entities and foundations for future work.

13. Analysis of net assets between funds

Group	Fixed Assets £'000	Current Assets £'000	Current Liabilities £'000	Long-term Liabilities £'000	Total £'000
Restricted funds	-	19,149	(5,836)	-	13,313
Unrestricted funds	245	2,584	(805)	(150)	1,874
Total	245	21,733	(6,641)	(150)	15,187

14. Provision for liabilities

	Group & Charity £'000
Provision at 1st July 2010	126
Released in the Period	24
Provision at 30th June 2011	150

The provision is made for dilapidations to the UK premises at 10-13 Rushworth Street, London SE1 0RB when the lease ended in August 2011. Following settlement with the landlord no additional provision is required.

15. Commitments

	Land and buildings Group and Charity 2011 £'000	Group and Charity 2010 £'000	Equipment Group and Charity 2011 £'000	Group and Charity 2010 £'000
Operating leases expiring				
- within one year	-	-	2	-
- within two to five years	-	-	4	16
- over five years	156	282	-	-
Total	156	282	6	16

16. Subsidiary company

The Charity owns the whole of the issued ordinary share capital of CI Enterprises Ltd, a company registered in England and Wales (Company number 2306212). The subsidiary is used for trading activities to provide income for the Charity. The company's main activities during the year were the provision of IT support to three European CARE International offices, and receiving royalties for book sales.

CI Enterprises Ltd	2011 £'000	2010 £'000
Total trading income	138	110
Cost of sales	(30)	(28)
Gross profit	108	82
Administrative expenses	(2)	(2)
Profit before charitable donations and taxation	106	80
Charitable donation	(106)	(80)
Net profit/(loss)	-	-
The aggregate of the assets and liabilities was:		
Assets	74	99
Liabilities	(74)	(99)
Funds	-	-

18. Notes to the consolidated cashflow statement

	2011 £'000	2010 £'000		
a) Reconciliation of net incoming resources to net cash (outflow)/inflow from operating activities				
Net incoming resources for year	3,854	325		
Interest receivable	(23)	(20)		
Interest payable	0	1		
Operating surplus	3,831	306		
Depreciation charges /investment written off	163	112		
Increase in debtors	(1,594)	(1,907)		
Increase in creditors and provisions	86	(116)		
Net cash flow from operating activities	2,486	(1,605)		
b) Returns on investment and servicing of finance				
Interest received	23	20		
Interest paid	0	(1)		
Net cash inflow	23	19		
c) Capital expenditure and financial investment				
Purchase of tangible fixed assets & investments	(235)	(119)		
Net cash outflow	(235)	(119)		
d) Analysis of changes in cash	At 30 June 2010	Cash flow	Foreign exchange	At 30 June 2011
	£'000	£'000	£'000	£'000
Cash at bank and in hand	8,049	1,868	406	10,323
Total funds	8,049	1,868	406	10,323

18. Contingent Liabilities

There are no contingent liabilities at 30 June 2011 (2010: none).

19. Related Party Transactions

The Charity is a member of the Disasters Emergency Committee ('DEC') and in the year paid a subscription of £26,836 (2010: £25,427). In addition, CARE International UK's Chief Executive is a Trustee of the DEC. The Charity receives funds from DEC appeals and amounts received and receivable in the year were £3.81m (2010: £2.31m).

The Management Centre, for which Angela Cluff is an employee, undertook work on behalf of the CARE International confederation during the year. Angela is a Trustee of CARE International UK and, while strictly not necessary, this work is disclosed for the sake of transparency.

20. Taxation

CARE International UK is a registered charity and is not liable therefore to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities. Irrecoverable VAT is charged to its associated expenditure.

21. Pension Costs

The Charity participates in a defined contribution scheme and a multi-employer scheme administered by The Pensions Trust. Contributions to the multi-employer scheme paid into The Pension's Trust Growth Plan up to and including September 2001 have been converted to defined amounts of pension payable from Normal Retirement Date. From October 2001, contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either with the Growth Plan or by purchasing an annuity.

Following a change in legislation in September 2005, there is technically a potential liability to CARE International UK that could be levied by the Trustees of the Plan, which would apply to employers with pre-October 2001 liabilities in the Plan. If Plan liabilities exceed assets, a buy-out debt will exist if CARE International UK withdraws all employees from the scheme. The leaving employer's share of the buy-out debt is the proportion of the Plan's pre-October 2001 liability attributable to employment with the leaving employer compared with the total amount of the Plan's pre-October 2001 liabilities. Given the number of factors to be considered in determining the liabilities the debt can fluctuate over time.

The Pensions Trust has advised that an employer will only be deemed to have withdrawn if it has no active members remaining in the Plan and no eligible employees to whom to offer membership to the Plan. The Pensions Trust estimates that the liability of CARE International UK on withdrawing from the plan would be £663,764 (2010: £639,252) based on the financial position of the Plan at 30th September 2010. The chance of this debt crystallising is considered remote.

The Charity continues to offer membership of the Plan to its employees and contributions to the schemes for the year were £161,000 (2010: £134,000). The employer's and employees' rates are 7.5% and 4% respectively.

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Thanks to our donors

Thank you to everyone who has supported CARE in the last year. Your donations are invaluable in helping us to fight poverty around the world.

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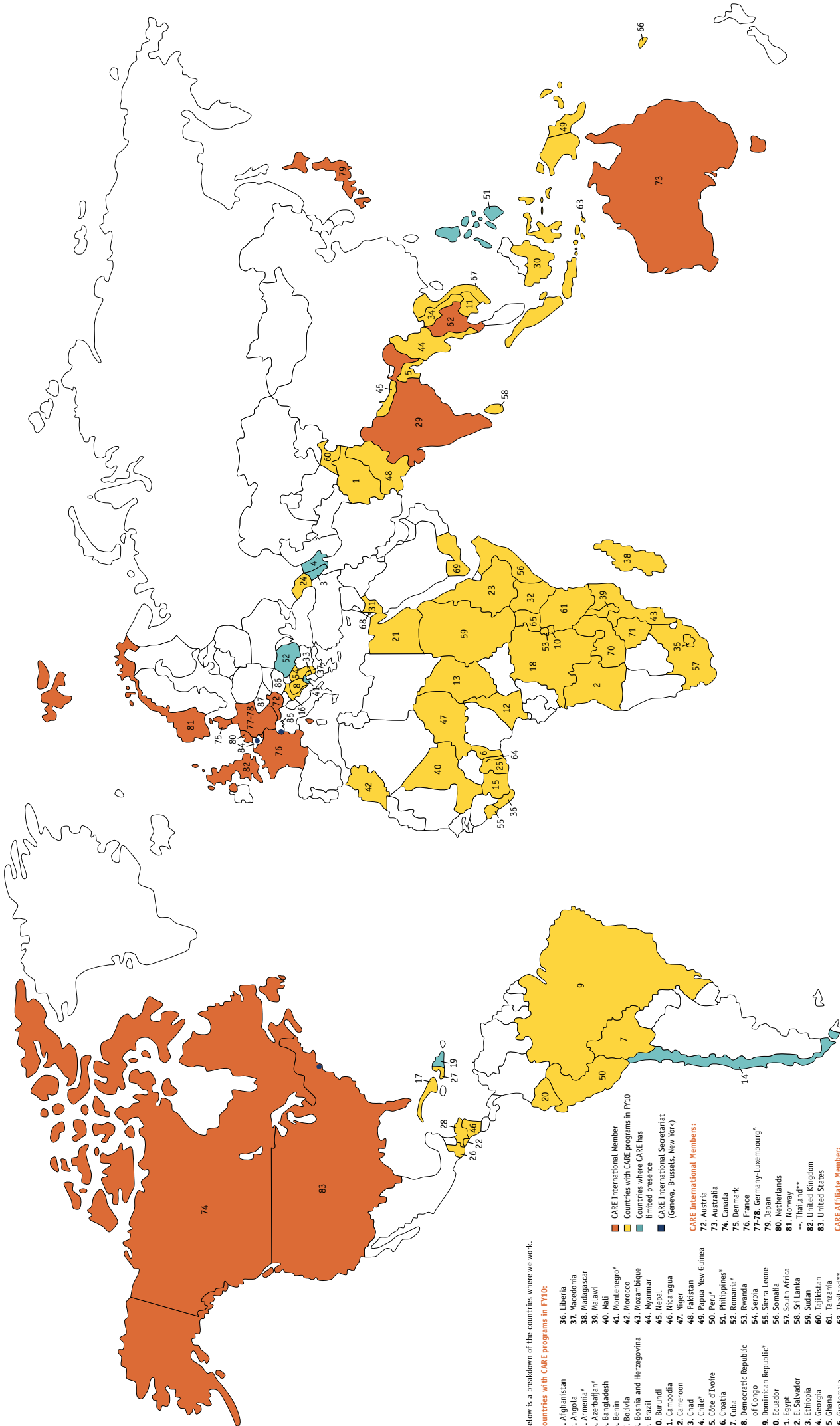
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Photo credit: ©CARE/Howard Mayson



One of our supporters, Howard Mayson, running for CARE International in the Leadville Silver Rush 50 Trail Run.

World of CARE



Below is a breakdown of the countries where we work.

Countries with CARE programs in FY10:

1. Afghanistan
2. Angola
3. Armenia*
4. Azerbaijan*
5. Bangladesh
6. Benin
7. Bolivia
8. Bosnia and Herzegovina
9. Brazil
10. Burundi
11. Cambodia
12. Cameroon
13. Chad
14. Chile*
15. Côte d'Ivoire
16. Croatia
17. Cuba
18. Democratic Republic of Congo
19. Dominican Republic*
20. Ecuador
21. Egypt
22. El Salvador
23. Ethiopia
24. Georgia
25. Ghana
26. Guatemala
27. Haiti
28. Honduras
29. India
30. Indonesia
31. Jordan
32. Kenya
33. Kosovo
34. Laos
35. Lesotho
36. Liberia
37. Macedonia
38. Madagascar
39. Malawi
40. Mali
41. Montenegro*
42. Morocco
43. Mozambique
44. Myanmar
45. Nepal
46. Nicaragua
47. Niger
48. Pakistan
49. Papua New Guinea
50. Peru*
51. Philippines*
52. Romania*
53. Rwanda
54. Serbia
55. Sierra Leone
56. Somalia
57. South Africa
58. Sri Lanka
59. Sudan
60. Tajikistan
61. Tanzania
62. Thailand**
63. Timor Leste
64. Togo
65. Uganda
66. Vanuatu
67. Vietnam
68. West Bank Gaza
69. Yemen
70. Zambia
71. Zimbabwe
72. Austria
73. Australia
74. Canada
75. Denmark
76. France
- 77-78. Germany-Luxembourg*
79. Japan
80. Netherlands
81. Norway
82. United Kingdom
83. United States

* Limited presence.
 * CARE Peru is in the process of becoming an Affiliate Member of CARE International.
 ** Thailand is both a Member of CARE International and a country with ongoing programs.
 *** CARE India is both an Affiliate Member and a country with ongoing programs.
 * CARE Germany-Luxembourg has offices in both Germany and Luxembourg.

CARE International Secretariat:
 84. Geneva, Switzerland
 85. Brussels, Belgium
 --, New York, United States
Sub-offices:
 86. Hungary (of CARE Austria)
 87. Czech Republic (of CARE Austria)
 --, India***

CARE International's Vision

CARE International seeks a world of hope, tolerance and social justice, where poverty has been overcome and people live in dignity and security. We will be a global force and partner of choice within a worldwide movement dedicated to ending poverty. We will be known everywhere for our unshakeable commitment to the dignity of people.

CARE International UK's Mission

We are a driving force within the worldwide CARE network, recognised in the UK for:

- Making resources available for overseas activities
- Influencing the policies and practices of government, business and other organisations
 - Inspiring and engaging the public
- Continuously improving the impact of our work.

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Registered charity number: 292506.