



CARE International UK
Annual Report and Accounts
for the year ended 30 June 2019



ORGANISATIONAL DETAILS

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'). The trustees are as follows:

Oliver Stocken CBE (Chair)¹ [retired 31 December 2018]
Carolyn Clarke (Chair) [appointed as Chair 1 January 2019]
Edward Bickham³
Nigel Chapman^{1,2}
Michael Dyson³
Esther Kwaku³ [appointed 13 December 2018]
Nadine Nohr⁴
David Campbell Robb⁴ [retired 13 June 2019]
Marian Rose²
Federica Sambiasi²
Yusaf Samiullah OBE³
Erin Segilia Chase² [appointed 13 December 2018; resigned 2 October 2019]
Edward Sparrow⁴ [appointed 13 December 2018]

Additional committee members

Michael Fanning²
Wendy Fenton³
Olivia Lankester³ [retired 25 March 2019]
Kim Price² [appointed 6 September 2018]
Stuart Seymour⁴
Willem van Eekelen³

¹ Nominations and Remuneration Committee

² Finance and Audit Committee

³ Programme and Policy Committee

⁴ Ethics and Risk Committee

Senior management team

Laurie Lee	Chief Executive
Shabnam Amini	Director, Fundraising, Partnerships and Communications [to 20 September 2019]
Andres Gomez de la Torre	Programme Director [to 30 November 2018]
Rachel Hewitt	Finance Director/Chief Operating Officer
Harbinder Kaur	Director, People and Organisational Development [to 31 July 2019]
Frances Longley	Director, Programmes and Policy [from 1 July 2019]
Erin Segilia Chase	Director, Fundraising, Partnerships and Communications [from 21 October 2019]

Registered office

CARE International UK, 9th Floor, 89 Albert Embankment, London SE1 7TP

CARE International UK is a registered charity (registration number 292506) and a company limited by guarantee (registration number 01911651, England and Wales)

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MESSAGE FROM THE CHAIR

After four years on the Board of CARE International UK I was proud to be elected as the new Chair in November 2018 and I assumed responsibilities in January 2019.

I passionately believe in CARE's focus on gender equality and ensuring women and girls, and men and boys, have equal rights and opportunities. In 2018-19, we have seen some real achievements, both in terms of supporting positive changes in people's lives through our programmes, and delivering long-lasting, systemic change through our policy and advocacy work.

For the last two years, CARE's #March4Women campaign has focused on stopping sexual harassment and violence at work. The world knows from #MeToo how prevalent this is. CARE research in Cambodia showed that nearly one in three women garment factory workers report experiencing sexual harassment in the workplace in a 12-month period. Yet, more than one-third of the world's countries have no laws against sexual harassment at work.

The first year of our campaign culminated in the agreement in June 2018, by the International Labour Organisation (ILO), to establish a global Convention to protect workers everywhere. But our work didn't finish there. In March 2019, CARE campaigned in 50 countries around the world to ensure the ILO Convention would protect all workers in any form of work or workplace. CARE supporters lobbied over 60 MPs in the UK Parliament. Companies that work with CARE – including Avon, Diageo, M&S and Unilever – called publicly for a strong and inclusive ILO Convention. In July 2019, this was achieved, with the ILO Violence and Harassment Convention 190 passed by a huge majority. We are now working to help ensure that the Convention is ratified by national parliaments, enters into force and is implemented worldwide.

These positive achievements are tempered by growing instability and insecurity across the world, and an ever-increasing number of people suffering from humanitarian emergencies caused by conflicts, natural disasters, and the worsening impacts of the climate crisis.

Almost half of CARE International UK's funding goes to support people suffering from the long-running conflicts in Syria and Yemen. I visited our work in Jordan with Syrian refugees in 2017. Our Chief Executive, Laurie Lee, visited Yemen earlier this year. We have seen for ourselves the incredible resilience and courage of the people we work with and for – and the importance of CARE's work in supporting them, and particularly women and girls who are hardest hit by emergencies, but who also play a key role in responding, recovering and rebuilding.

The Cyclones Idai and Kenneth in March 2019 – which affected millions of people across Mozambique, Malawi, and Zimbabwe – were the worst the region has ever seen. Until 1994, there had been no Category 5 cyclones off the coast of the African continent. In this year alone, two major cyclones have hit Mozambique. With the increasing frequency and severity of droughts, floods, and cyclones, we see the terrible impact of the climate crisis on people and communities today.

The number of people affected by humanitarian crises is staggering. This year alone, CARE made a massive contribution by providing emergency assistance to 7.8 million people – yet that is only 6% of the total number of affected people. Despite all the progress we have made in helping people respond to crises and overcome poverty, our work has never been more crucial.

The Board and I are grateful to Oliver Stocken, who stepped down as Chair in December 2018, after serving two full three-year terms. He gave a huge amount of time and energy to CARE, travelling to visit many of our country programmes and serving as the Vice Chair of the CARE International Council. I would also like to thank Campbell Robb, who retired from the Board in June 2019, and Olivia Lankester who retired as a Committee Member in March 2019. They have all contributed a huge amount to CARE and I know will remain supporters of CARE's mission for a long time to come. I also extend my thanks to the dedicated team at CARE International UK, the wider CARE confederation, and all who work alongside us to deliver this critical work.

I am inspired every day by CARE's commitment to making a lasting difference to those who need it most, particularly women and girls affected by humanitarian crisis, whether caused by natural disasters or conflict. We will continue to do all we can to assist people, wherever and whenever they need help.

A handwritten signature in black ink, appearing to read 'C. Clarke', followed by a period.

Carolyn Clarke
Chair of Trustees

ABOUT CARE INTERNATIONAL

Vision

We seek a world of hope, tolerance, and social justice, where poverty has been overcome and all people live with dignity and security.

Mission

CARE works around the globe to save lives, defeat poverty and achieve social justice.

Focus

We put women and girls in the centre because we know that we cannot overcome poverty until all people have equal rights and opportunities.

CARE's goals

CARE focuses on taking action to improve the lives of poor and marginalised people in four outcome areas:

- humanitarian response
- women's economic empowerment
- maternal and child health
- food and nutrition.

Across all our work, we tackle the underlying causes of poverty and social injustice by:

- strengthening gender equality and women's voice
- promoting inclusive governance
- increasing resilience.

CARE International UK

CARE International UK is a member of the global CARE International confederation and plays a major role in achieving CARE's goals by raising funds for CARE's work around the world and by providing leadership and expertise on key areas of CARE's work.

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

In this report, CARE International UK refers specifically to the UK-based organisation; CARE refers to the global CARE International confederation and our life-saving and poverty-fighting work in 100 countries around the world.

HIGHLIGHTS

Highlights from our programmes in 2018-19 in the four outcome areas of CARE's global programme strategy include:

Humanitarian response

SYRIA

CARE continued to provide assistance to people in the north-west and north-east of Syria, with funding from the UK government (Department for International Development – DFID) and the European Union.

Despite ongoing challenges caused by frequent fighting in the north-west and the presence of proscribed groups in both areas, CARE has helped 859,000 people¹ under the DFID-funded Syria Resilience Project since it began in January 2017. The mid-term evaluation conducted in 2019 found that 84% of people who received basic needs support (cash, food, non-food items like blankets and warm clothing, hygiene kits) said their needs were fully or partially met, and 88% of people who received psychosocial support said it had a positive impact.

CARE and our partners in the Syria Resilience Consortium, with funding from the European Commission, helped 336,000 people in the two years ending in December 2018. This included providing agricultural inputs to 18,600 households, small business grants to 1,200 micro-enterprises, and placing 690 people in internships or apprenticeships. The project helped people affected by the ongoing conflict and instability in Syria to generate their own income, increase their resilience, and improve their ability to adapt to and cope with shocks.

BANGLADESH

Since August 2017, 742,000 Rohingya refugees from Rakhine State in Myanmar have arrived in Cox's Bazar, Bangladesh, bringing the total number of Rohingya refugees in the area to 911,000 (in 210,000 families). The influx has also affected 336,000 people in host communities. CARE has helped 216,000 people through our response focusing on shelter, WASH (water, sanitation, hygiene), sexual and reproductive health, protection, and nutrition. CARE International UK contributed through funding from the Disasters Emergency Committee and Islamic Relief Worldwide, and with multiple deployments from our Emergency Shelter Team.

With funding from the Disasters Emergency Committee, we provided WASH and protection support to 23,200 people. Working with our partner COAST, we constructed 15 new deep-tube wells and maintained another 92 existing wells, providing clean and safe water to 11,500 people. We also provided 16,600 people with protection and gender-based violence services, which included safe spaces for women and girls, awareness sessions, referral services, and community outreach groups. With funding from Islamic Relief Worldwide, we are providing further WASH and shelter assistance, as well as supporting site development through improvements to roads, footbridges, footpaths, and lighting.

¹ In this report, three-figure numbers have been rounded to the nearest 10; four- and five-figure numbers have been rounded to the nearest 100; six-figure numbers have been rounded to the nearest 1,000; seven-figure numbers have been rounded to the nearest 100,000.

Women's economic empowerment

WORK AND OPPORTUNITIES FOR WOMEN

Through the Work and Opportunities for Women programme, CARE aims to enhance the economic empowerment of 300,000 women by September 2022. This means access to higher productivity jobs, improved working conditions, or better roles in the supply chain. The programme is funded by DFID and the commercial contract is managed through PWC and an alliance of CARE, Business for Social Responsibility, Social Development Direct, and the University of Manchester. So far, partnerships have been secured with M&S, the Body Shop, and a UK fashion retailer – with several more under development covering sectors as diverse as tea, garments, and personal care. Through these partnerships, CARE works to identify and tackle the barriers that women face in improving their working conditions and advancing their careers, such as a lack of promotion and leadership opportunities and the double burden of paid work and unpaid care.

SHAKTI

In December 2018, CARE began working in partnership with Unilever in Guatemala to train women in business skills and increase their self-confidence. As part of their training, women are supported to join Unilever's Shakti network which aims to improve livelihood opportunities for women by offering them positions as sales entrepreneurs. The project supports the economic development of women and their families by building on the strengths of CARE's community know-how and Unilever's commercial presence.

Maternal and child health

GSK – SOCIAL HEALTH ENTREPRENEURS

The CARE-GSK Community Health Worker Initiative aims to reduce child and maternal mortality and morbidity in rural communities of Sunamganj, Bangladesh – a remote area that is underwater half the year and which has significant wealth disparities in access to healthcare services.

The project trains and supports community health workers to become Social Health Entrepreneurs. After six months of training they are accredited by the Bangladesh Nursing Council. They receive training on how to help people manage childhood illness, as well as on nutrition, family planning and social entrepreneurship. The project sets up community support systems and makes links to local government, to help the entrepreneurs determine locally appropriate prices for the services they provide and support them in developing and monitoring the quality of their services.

This year, the project supported 300 Social Health Entrepreneurs. Since the project began in 2013, Social Health Entrepreneurs have provided 299,000 households (out of 375,000 households in Sunamganj district) with support on under-5 child care, birth planning, and health education including nutrition and hygiene. To date, Social Health Entrepreneurs have supported 44,000 births and provided 550,000 ante-natal care visits.

CHANGES

Challenging Harmful Attitudes and Norms for Gender Equality and Empowerment in Somalia (CHANGES) is a four-year DFID-funded project implemented by a consortium led by Save the Children UK, with CARE and International Rescue Committee as partners, in 13 districts of Somalia, three of which CARE leads on (Kismayo in Jubaland, and Erigavo and Badhan in Somaliland). The project will directly help 18,100 participants and aims to benefit 186,000 people across the 13 districts.

CHANGES seeks to challenge harmful social norms including female genital mutilation (FGM) and child/early/forced marriage and to increase women's social and economic empowerment through interventions at the individual, household, community, and societal levels. Activities include community dialogues to engage men and boys as participants in and drivers of change; a school curriculum on gender equality to encourage girls and boys to become agents of change in their own households and communities; and discussions around shifting power relations between husband and wife through Village Savings and Loan Associations. At the midline evaluation the incidence of FGM had decreased in our areas of intervention, especially for girls aged up to 5 (the number of girls aged up to 5 undergoing FGM fell by nearly half, from 13% at the start of the project to 7%). The evaluation also showed an improvement in awareness of issues around FGM and child/early/forced marriage among both women and men, and the beginnings of a reduction in the number of girls aged 15 to 19 who are married.

INDASHYIKIRWA

Indashyikirwa was a five-year (2014-19) DFID-funded project in Rwanda aiming to prevent and reduce intimate partner violence, shift social norms and attitudes related to gender-based violence, and provide more empowering responses to survivors. The project worked with couples to challenge and change attitudes; provided safe spaces to support survivors of intimate partner violence; trained and supported community activists; and engaged with opinion leaders to help tackle harmful social norms and unequal power relations at community level. The project reached 83,500 people. Achievements included a 15-percentage-point reduction in intimate partner violence; reductions in violence against children; a 25% reduction in symptoms of depression among couples participating in the project; as well as improvements in food security and income for project participants. Delivered through a partnership with Rwanda Women's Network, Rwanda Men's Resource Centre, the What Works research programme, and collaboration with civil society groups and the government of Rwanda at local and national levels, the project provides a strong example of how to effectively prevent and reduce gender-based violence, not just in Rwanda but globally.

Food and nutrition

YEMEN MULTI-YEAR HUMANITARIAN RESPONSE PROGRAMME

In 2019, the UN reported that nearly 20 million people in Yemen are food insecure and 10 million are on the brink of famine. The hunger crisis is accompanied by a malnutrition crisis, with around 360,000 children aged under 5 suffering from severe acute malnutrition.

With funding from DFID, CARE works in partnership with three other organisations (Mercy Corps, Action Against Hunger, and the Norwegian Refugee Council) to deliver a comprehensive programme of assistance to reduce malnutrition in children and pregnant or lactating women. The programme provides food security, health and nutrition, and water, sanitation, and hygiene assistance. This integrated package means that malnourished children and mothers are treated, their families have enough to eat, and they are protected from the spread of waterborne diseases such as cholera which are prevalent in the country.

Since the programme began in April 2017, we have provided food security support to 250,000 Yemenis. This is mostly in the form of unconditional cash transfers, which means people can choose how they use the money to meet their specific needs. The consortium works in the same communities to rehabilitate health centres and provide curative treatments for moderate and severe acute malnutrition. By March 2019, we had helped over 22,000 malnourished children aged under 5 and pregnant or lactating women.

PROGRESS AGAINST OUR PRIORITIES 2018-19

We set out the following priorities for 2018-19:

Programmes

Our objectives were:

- *strengthen our understanding and approaches to women's economic empowerment in value chains, financial inclusion, dignified work, and entrepreneurship*
- *scale up our work in support of Village Savings and Loan Associations*
- *strengthen our programmes on supporting good governance, participatory mechanisms, social accountability, more responsive institutions, and women's political participation*
- *seek new corporate partners with shared values to support our goals of empowering women economically.*

WOMEN'S ECONOMIC EMPOWERMENT

CARE International UK leads CARE's work globally on women's economic empowerment. In 2019, we published CARE's first Women's Economic Empowerment Impact Report showing that our work has so far economically empowered 4.5 million women. This year we also established a network of more than 800 CARE staff worldwide working on women's economic empowerment, including providing monthly updates on the latest initiatives and online networking to enable peer-to-peer learning and support. The CARE International UK team provides technical support to CARE country offices, including helping with designing projects and applying for funding from donors.

Value chains

In the DFID-funded Work and Opportunities for Women programme, we carried out research to better understand the barriers preventing women from obtaining leadership positions in small businesses and in the garment industry. We worked with consortium partners to design a programme to help more women into supervisory roles in Bangladesh.

We also worked with the World Cocoa Foundation to develop guidance and training to help their members ensure they are addressing the needs of women in cocoa value chains. We designed a practical tool for members to assess their current performance and identify priorities to improve their support for women cocoa farmers. We provided training to World Cocoa Foundation members in Côte d'Ivoire and Ghana on how to use the tool and provide better support to women.

Financial inclusion

We supported the launch of CARE's global strategy to increase the number of women worldwide joining and benefiting from Village Savings and Loan Associations. CARE sees savings groups not just as the foundation for women's economic empowerment, but as a platform for wider empowerment in areas such as food security and increased agricultural productivity, maternal health and child nutrition, family planning, women's social and political participation, and changing social norms that prevent women and girls from achieving their full potential. The strategy aims to see 50 million women and girls economically and socially empowered through savings groups by 2030. We're also helping to develop a monitoring guide for the strategy to make sure we can constantly learn from and improve our approach.

Dignified work

We continued to provide technical leadership on the Made by Women Impact Growth Strategy in south and south-east Asia. So far, the strategy has achieved tangible improvements in access to rights for 37,000 women garment workers, and 2.3 million workers stand to benefit from improved legal protections as a result of CARE's advocacy.

In partnership with Fashion Revolution, we provided content for an online course targeting people working in the fashion industry. We presented the 'Gender in the Fashion Industry' module which has been used by 10,000 learners.

Entrepreneurship

We supported a CARE-wide review of entrepreneurship programming and provided technical support to CARE programming across three continents, contributing to increased understanding of new approaches across the CARE confederation.

During the year, our microfinance initiative Lendwithcare worked with 13 local partners in 10 countries to provide 21,700 micro-entrepreneurs (72% women) with affordable and appropriate finance to grow their businesses. In total, £4.6 million was loaned to entrepreneurs in 2018-19. The most popular types of businesses supported through Lendwithcare this year were small-scale rice and vegetable farming, running small food stalls or shops, sewing and tailoring, raising livestock, and manufacturing.

INCLUSIVE GOVERNANCE

CARE International UK leads CARE's work globally on inclusive governance. We provide technical guidance and support to the CARE confederation to ensure that CARE programmes include interventions that increase people's ability to participate in the decisions that affect their lives and to hold governments and service providers to account.

Supporting good governance

In 2018-19, the inclusive governance approach to influencing policies, laws, budgets, and programmes was applied in 125 projects across 43 countries. During the year, the inclusive governance technical team supported new projects in Yemen, the Occupied Palestinian Territories, Malawi, Benin, South Sudan, Nigeria, Uganda, and Cambodia. In total, our work contributed to more than 1.2 million people participating in formal or informal decision-making spaces (55% women) with more than 81,000 assuming leadership positions (34% women).

Participatory mechanisms

CARE International UK was awarded research funding from the Open Government Partnership's Feminist Open Government Initiative to pilot a participatory and gendered political economy analysis within a national action planning process in the Philippines (Jan-Sept 2019). The research, to be published, aims to provide insight on whether participatory and gendered political economy analysis makes open government processes more responsive to women.

Social accountability

Our technical team, in partnership with Kwantu (a data management app designer), developed a CARE Community Score Card App so that CARE's programmes using the Community Score Card process can collect, track and use citizen data in order to identify problems, develop solutions, and

improve services. The app makes it easier to collect data; track where data has been provided or is missing; analyse and interpret data; use data to develop action plans; and feedback to citizens on changes.

This year, CARE International UK, CARE Malawi, Palladium, and Kwantu won a new £12 million, five-year DFID commercial contract to strengthen transparency and accountability in Malawi. Using the CARE Community Score Card App, the programme will support issue-based coalitions to use large sets of citizen-generated data to support their demands for improvements in services. By using this citizen data (or feedback) to make governments more responsive to the real concerns of local people, especially the most vulnerable, we aim to contribute to more effective and inclusive governance, better services, and economic growth.

CARE International UK and CARE Benin won our first grant from the World Bank's Global Partnership for Social Accountability to tackle malnutrition in Benin. Many actors across many sectors are involved in nutrition programming in Benin but their work is fragmented and uncoordinated, reaching only a small fraction of the population at a time and achieving minimal impact (according to UNICEF, 34% of children aged under 5 in Benin are stunted, amounting to a reduction of only 5% since 1996). This programme will address this issue by bringing stakeholders together at national, regional, and local levels to increase accountability and drive improvements in nutrition and early childhood services for children in Benin.

More responsive institutions

In 2019, we completed a three-year pilot project with Keystone Accountability to establish CARE's Feedback Commons – a unified feedback system with easy-to-use tools and helpful guidance. This will enable us to listen to the people we serve more effectively, use their feedback to build stronger and more equal relationships between CARE and our stakeholders, and understand better how to increase our impact. The Feedback Commons can be used across all our humanitarian and development programming by our country offices who deliver and implement CARE programmes. This year, CARE won USAID funding (through CARE USA) to adapt and test the Feedback Commons platform (in Nigeria, South Sudan, and Syria) as a feedback mechanism in humanitarian settings, as part of a project that aims to ensure that the voices of women and girls are heard within humanitarian responses.

Women's political participation

This year, we began piloting a Women Lead in Emergencies approach in Niger, Tonga, and Uganda which aims to put control of decision-making in the hands of women throughout the project cycle for emergency response programmes. The five-step process supports women's groups to identify and challenge barriers to their participation in humanitarian response and local governance. It also works with men to reduce the risk of violence against women leaders.

Our Every Voice Counts programme, a collaboration with CARE Netherlands and others, aims to support local authorities to proactively engage grassroots women and girls in planning and budgeting processes related to gender-based violence prevention and response. The mid-term evaluation found that in Rwanda, one of the six target countries, women and youth are actively influencing decisions that affect their lives; civil society organisations are more effectively holding public authorities and other power holders to account in order to influence policies and practices on behalf of women and youth; power holders are becoming more responsive to the needs of women and youth; and grassroots women, civil society organisations, and public authorities are moving towards more effective dialogue and negotiation in both formal and informal spaces.

CORPORATE PARTNERSHIPS

The world's poorest people come into contact with companies as customers, suppliers, and employees every day. We partner with private sector companies to develop inclusive business models which deliver both social and business returns, and contribute to the Global Goals for Sustainable Development. During 2018-19, our 10 strategic private sector partners invested over £4.5 million in CARE's work.

The partnerships also catalyse business transformation. Our partnership with Unilever on women's entrepreneurship has led to wider conversations with the Unilever team on women's safety and how Unilever brands can progressively support gender equality. In April 2019, Unilever joined our partners M&S, Diageo, and Avon in signing a letter supporting CARE's work advocating for a strong and inclusive international convention to end violence and harassment in the workplace.

We continue to be seen as the organisation to advise business on progressive gender equality strategies and implementation. We continue to advise Diageo on embedding best practice and are embarking on a new project with the Intercontinental Hotels Group (IHG) to assess the impact of their business from a gender perspective. We will follow the journey of their textile products from source all the way through manufacturing, head offices, and hotel environments, to look at the risks and opportunities which women within the company face.

Humanitarian response

Our objectives were:

- *increase our efforts to raise funds from the British public and institutional donors*
- *provide technical shelter, resilience, and protection support to humanitarian programme teams and local communities.*

RAISING FUNDS

In 2018-19, CARE helped 6.4 million people (7% of the affected population) in 10 large-scale crises in Mozambique, Yemen, South Sudan, Syria, Iraq, Democratic Republic of Congo (DRC), Ethiopia, Somalia, the Lake Chad Basin, and the Venezuela crisis. In total, including the 10 large-scale crises, CARE responded to 43 humanitarian crises across 40 countries – helping 7.8 million people (6% of the affected people). CARE International UK provided direct institutional funding for 15 emergency responses, including securing over £7 million of funding from the Disasters Emergency Committee and DFID to respond to the devastation caused by Cyclone Idai in Mozambique; supporting CARE Uganda to carry out preparedness work for the anticipated risk of Ebola spreading from the DRC; and supporting Venezuelan refugees in Ecuador to cover their basic needs. In 2018-19, we raised £1.5m from the UK public (including through the Disasters Emergency Committee) and £12.5 million from institutional donors for 19 projects. Our corporate partners (GSK, IHG, Hogan Lovells, Diageo, and Stars Group) donated a total of £279,000 to emergency appeals.

During the year, our partnership with IHG has gone from strength to strength after eight years of building working relationships and demonstrating CARE's impact and value. Since 2011, IHG has donated over US\$640,000 to specific CARE emergency responses in 11 different countries. They have now provided further funds to be used as needed in future emergency responses. They are also providing opportunities for their staff, shareholders, and customers (through cashing in their loyalty points) to donate to CARE.

TECHNICAL SUPPORT

During the year, CARE International UK staff in our shelter, gender and protection, and resilience teams deployed 15 times to 10 different countries to support CARE's emergency and recovery responses. Of particular note is our support for the CARE response to Cyclones Idai and Kenneth in March and April 2019. This included helping to provide emergency shelter in Mozambique, Malawi, and Zimbabwe, and conducting a Rapid Gender Analysis to support the Cyclone Kenneth response in Mozambique. Discussions with the community included focus group discussions and interviews to understand the different ways in which the crisis affects women and men, girls and boys, and vulnerable groups. The findings were published to help inform the humanitarian response across every sector and organisation.

We provided substantial shelter and camp management support to CARE Bangladesh for the response to the Rohingya refugee crisis. This included providing a shelter adviser for a total of seven months, with funding from the players of the People's Postcode Lottery. The adviser supported the CARE Bangladesh team in the day-to-day management of programmes providing emergency shelter, household items, site management, and basic infrastructure in Camps 13 and 16 of the Cox's Bazar mega-camp.

In August 2018 a short-term deployment to Vanuatu resulted in a successful funding bid that has allowed CARE Vanuatu to complete a project to strengthen the schools and church buildings used as cyclone shelters on the remote island of Maewo. This was an urgent necessity following an increase in the island's population when residents of neighbouring Ambae island were evacuated after the eruption of Manaro Voui volcano.

In November 2018, we published a research report, *Women responders: Placing local action at the centre of humanitarian protection programming*, and held a series of advocacy events to promote increased and more meaningful participation of women in humanitarian responses, particularly local women.

From September 2018, we supported the humanitarian response for refugees from South Sudan now living in settlements in northern Uganda, by evaluating an 18-month multi-sector project incorporating gender-based violence, shelter, and WASH support. We provided gender and protection technical support by conducting focus group discussions, key informant interviews, and working with colleagues on a household survey to assess the impact of the humanitarian operation for women and men, boys and girls, people with disabilities, and older people.

Our resilience experts work to help strengthen people's ability to prepare for and deal with the impacts of climate change, natural disasters, and conflict. During the year we supported communities in Bangladesh to prepare for floods; in Malawi, Tanzania and Niger to deal with drought; and in Kenya to improve weather forecasts and early warning information. In Syria and Yemen, we provided technical assistance for programmes providing cash support, building resilience through livelihoods support, and reducing gender-based violence. We have also been involved in advocacy efforts alongside other organisations to lobby governments to meet their international commitments on climate change.

Mobilising funding

Our objectives were:

- *diversify our institutional funding to ensure sustainability of our programmes*
- *as one of Heathrow airport's charity partners through the Lendwithcare.org initiative, engage with the public and Heathrow employees through a variety of fundraising activities.*

We submitted a total of 24 proposals to 14 organisations classified as new donors, including the UK government's Conflict, Stability and Security Fund; Cotton Trust; People's Postcode Lottery; United Nations Peacebuilding Fund; and Power of Nutrition. From these proposals, we secured eight new contracts worth a total of £4.3 million. We also had great success with proposals to trusts and foundations for match funding – the proportion of a project grant from an institutional donor that we are required to contribute from separate funds. Relatively small amounts of match funding can therefore unlock millions of pounds of funding from institutional donors. This year, we secured five new sources of match funding worth £128,000. This covered all our match funding requirements for this financial year and a portion of our requirements for 2019-20.

This year we won our first project under the Conflict, Stability and Security Fund framework: a £1 million project supporting women to engage in community-level peacebuilding in Yemen. During the year, we applied to become a supplier on the second phase of the framework and we have already won a project worth £2.3 million to support women's leadership in the security and justice sectors in the West Bank and Gaza.

CARE was invited to join a consortium led by Marie Stopes International under DFID's UK Aid Connect programme. We are working with consortium partners to design interventions that increase access to and uptake of sexual and reproductive health services and family planning in Uganda and Niger. We hope to continue our collaboration with Marie Stopes International under this project for a further three years.

Lendwithcare (our peer-to-peer lending platform between people in the UK and the developing world) continued to grow, supporting over 26,000 entrepreneurs with £4.6 million of loans (from new funds and funds re-loaned) during 2019.

In October 2018 Heathrow Airport Limited selected CARE as their international charity partner, enabling Heathrow passengers and colleagues to support entrepreneurs living in poverty around the world through our Lendwithcare initiative. So far £158,000 has been collected from the public, and a further £9,000 donated by Heathrow colleagues and suppliers. These funds have been loaned to 1,250 small-scale entrepreneurs who have in turn supported 4,000 family members and created 750 jobs in their local communities. Businesses supported have included farmers in Rwanda, Cambodia, Vietnam, and Ecuador, artisans in Pakistan and Peru, and market stall holders in Zambia and Malawi.

Measuring our impact

Our objectives were:

- *invest in research, participatory programme design, monitoring, and evaluations*
- *strengthen our learning and knowledge management to promote evidence-based good practice.*

During the year we published CARE's first ever Women's Economic Empowerment Impact Report. To date we have evidence of almost 4.5 million women having increased their access to and control

of economic resources. In addition, CARE has made a contribution to over 375,000 women being able to participate equally in household decision-making and more than 520,000 women having access to financial services. The report provided considerable learning on how to design effective programmes, work with marginalised women to advocate for policy change, and ensure we are effectively measuring the complex results of our women's empowerment programming.

Our research report *Women's economic empowerment in emergency contexts – Niger: A case study* provided important learning on how community-led savings groups and income-generation activities can not only increase women's economic empowerment but also help women and communities to respond to crises, even in highly fluid and challenging contexts.

CARE has, over the last few years, worked to improve the quality of evaluations. This includes using experimental and theory-based methods in order to develop a better understanding of CARE's contributions to change. This year, as part of our continued focus on measuring the hard-to-measure, we trialled a version of Contribution Tracing methodology in our Cocoa Life project in Côte d'Ivoire. It revealed significant positive outcomes, particularly around our work on Community Development Committees and Village Savings and Loan Associations, and provided valuable evidence of our contribution to improvements in community infrastructure. It also highlighted how incorporating Contribution Tracing methodology into programme design and monitoring can help drive improvements in programme quality.

We have also increased the extent to which we use control or comparison groups in evaluations, helping us to better understand our impact. Our partnership with GSK and M&S on the HALOW+ project uses a control trial in order to understand the impacts that the project is having in factories on working health, wellbeing, and factory productivity. Midway through, the project has had positive impacts on behaviours like handwashing, menstrual hygiene, and consumption of iron rich foods. It has also seen reductions in symptoms of lower abdominal pain (reduced by 13%), menstruation-related problems (reduced by 14%), and backache (reduced by 6.5%). There have also been improvements in worker-management dynamics and indications of improved productivity.

We have been using the principles of participatory programme design to design the Mobilisation of Young People for Peacebuilding project in Côte d'Ivoire, funded by the UN Peacebuilding Fund. Partners, including local youth groups, women's groups, and humanitarian assistance councils, among others, were brought together for participatory project design workshops. These workshops provided a space for partners to share their perspectives on what is appropriate and relevant for the project design and implementation, based on their lived experience of the challenges and opportunities. The approach also helped secure commitment to the project from local organisations, which is essential in being able to meet the project goal of increasing civic participation of youth in Côte d'Ivoire.

CARE International UK has a Green Office policy addressing our carbon footprint and promoting more environmentally sustainable practices, particularly in the areas of travel, energy consumption, and paper use/recycling. During the year we carried out an audit of all environment-related measures within the office environment and monitored CO₂ emissions from travel, energy, and paper usage. These results fed into a global CARE report in support of CARE's global efforts to become a climate smart organisation.

Multiplying impact

Our objectives were:

- *advocate for a new international convention on ending violence and harassment in the world of work*
- *advocate for women's access to financial services.*

2018-19 marked the second year of CARE's global campaign for an ILO convention to end violence and harassment in the world of work. CARE International UK continued to lead on policy analysis and coordination for the global CARE campaign, including providing ongoing analysis on country positions on the proposed convention, and providing technical advice to external organisations including Business Fights Poverty.

Our annual #March4Women event in March 2019 was strongly linked to our ILO campaign and included a postcard action to Alok Sharma MP, the UK minister responsible for the UK's ILO negotiations. We organised a parliamentary Day of Action working closely with the Centenary Action Group and partners the Fawcett Society, Muslim Women's Network, and NotTheJob, and co-hosted by Maria Miller MP and Jess Phillips MP. Over 100 people attended the event, including more than 40 MPs, and we reached over 70 MPs with the supporter action. As a result, MPs wrote over 30 letters to ministers responsible for UK and ILO positions on harassment at work and maintained pressure and scrutiny on the UK government.

In addition, we worked with our private sector partners to get signatories from four global corporations to a letter in support of the ILO convention, and then worked to get coverage for this letter in press and social media. Our influencing work included a letter of support for a strong and inclusive convention signed by #March4Women ambassadors and campaigners, published in *The Guardian* newspaper, and articles by Annie Lennox on *The Times* website and by Zelda Perkins in the *Financial Times*.

In June 2019, the convention was adopted by the International Labour Conference, with provisions addressing all of CARE's key demands, including that the convention will apply to all workers in all sectors, both formal and informal, and in all places where they are doing their jobs, including travelling to and from work and in online workspaces.

This year, our advocacy for increasing women's access to financial services included working with the global SEEP Network (a collaborative learning network on resilient markets and livelihoods) to interview governments from across the world and produce the first ever research tracking how savings groups are included and considered in national government policy. As a direct result of this work and CARE's campaigning, we were invited to help lead a Peer Learning Group that brings together government officials who are responsible for linking savings groups into national social safety net strategies in order to graduate the poorest communities from social support to sustainable livelihoods.

During the year we provided advice to the global Alliance for Financial Inclusion that brings together national regulators and national banks from across the globe. We are also leading the research for a project funded by the Gates Foundation to design a regional advisory body for savings group creation in East Africa.

We supported CARE Netherlands to launch in the UK their Access Approved campaign with H&M Foundation, which highlighted lack of access to finance as a major barrier for women entrepreneurs globally and called on the financial sector to develop products and services suitable for marginalised women.

Safeguarding

Our objectives were:

- *train our staff on how to prevent sexual exploitation and abuse*
- *encourage staff to report cases of harassment, exploitation or abuse.*

Just over a year ago, CARE was assessed by Keeping Children Safe – on behalf of DFID – on our safeguarding procedures and implementation. This year we received their feedback. We got the highest possible score – rated as ‘satisfactory’ across all the standards. We are proud of this result but not complacent. As an organisation that champions the rights of women and girls, CARE recognises the responsibility we have to protect the people we work with. During the year we have reviewed and improved the policies and processes that we have in place to prevent abuse by our staff. This includes training our staff, introducing more stringent recruitment processes, and improving reporting mechanisms.

CARE staff undertook mandatory training on how to prevent sexual exploitation and abuse, and what to do if there is a suspicion of abusive behaviour. This is part of a rolling plan for training to ensure that all new starters at CARE know what is expected of them. Additional training on ‘no bystanders’ has helped encourage a climate of collective responsibility and empowered everyone to speak up. Our human resources team, union reps, and staff reps have been collaborating on improvements to our processes for raising staff awareness about issues of bullying and harassment, encouraging and enabling staff to raise any concerns, and addressing any concerns or complaints. Our Gender Equity and Diversity training also helps educate staff on the underlying causes of abuse – including power imbalances and prejudice – and thus helps to prevent abuses.

We have been working across the sector on the Misconduct Disclosure Scheme. This has been designed to address the specific issue of sexual predators using their positions in international NGOs to exploit vulnerable people. The scheme sets minimum standards for sharing information about people who have been found to have committed sexual harassment. CARE International UK has signed up to the scheme and we include statements on our website and in recruitment packs noting that applicants will be screened for sexual harassment, exploitation, abuse, and child protection offences. Questions on safeguarding are included in all job interviews and a question on safeguarding issues is asked in all reference checks.

CARE has a reporting system in place that enables reports to be anonymously made in over 100 languages. We recognise that building trust in mechanisms for raising concerns is key to ensuring survivors feel confident their complaints will be treated confidentially and appropriately, and that action will be taken to address any wrongdoing. This year we have also been working across the CARE confederation to support the development of agreed standards, applicable to CARE and our partners, for feedback and accountability mechanisms in our programme design. We will be supporting our staff to think through safeguarding issues in the context of wider programme design and will provide additional training to project managers on monitoring programme delivery from a safeguarding perspective.

Transparency is one of the ways to assure survivors that reporting will make a difference, and publishing figures is one way of being transparent. In January 2019, CARE published its 2018 figures regarding cases of sexual harassment and abuse. Globally, CARE has more than 9,000 staff working in 100 countries. In 2018 CARE recorded 47 reports of sexual abuse or exploitation of community members by CARE staff or related personnel (partner staff, consultants, and contractors). Eighteen of these complaints were substantiated: 15 resulted in dismissal, two in a warning being issued, and one coincided with the ending of the contract. This is higher than the number of reports made in 2017 (total of 28), which is an indication that while we know there is still more to be done to prevent sexual misconduct, our strengthened reporting systems and safeguarding mechanisms are contributing to a speak-up culture of confidence and trust. CARE will continue to publish these figures on an annual basis, and the latest figures, as well as further information about our safeguarding policies and procedures, is available on the safeguarding page of our website.

Gender equity and diversity commitment

Our objectives were:

- *continue to train CARE staff through our staff trainers in gender equity and diversity*
- *start to offer this training to our strategic partners including corporate partners and donors.*

We have continued to invest in gender equity and diversity. Our cohort of certified facilitators have provided quarterly two-day workshops for our staff. Our completion rate is now 85% of all staff. New starters participate in the training within their first year with CARE. We have started to offer our gender equity and diversity training to strategic partners, in recognition of its importance to achieving the women's empowerment and gender equality objectives of CARE's humanitarian and development programmes. This year we delivered gender equity and diversity training to peers and the private sector, including CARE Norway, Family for Every Child, the World Cocoa Foundation, and Diageo in Ethiopia.

In April 2019, we evaluated our progress in implementing the 12 commitments in CARE's Gender Equality Policy. We are mostly or partially meeting all commitments. We have used this assessment and our 2018 gender and diversity audit to develop an action plan for 2019-2021 to drive continued progress around four themes: representation, leadership and trust, accountability, and learning. A cross-organisational diversity team, chaired by the Chief Executive Officer, will coordinate and monitor implementation of the action plan.

All staff are encouraged to include a gender and diversity objective in their annual performance plan and in 2018-19 just under two-thirds of staff (64%) did so.

During the year we began a comprehensive review of workplace culture at CARE International UK, overseen by a steering group led by the Chair of the Board of Trustees and including management, union, and staff representatives. The first stage of the review, comprising an online survey of all staff, focus group discussions and interviews with staff, and a report with findings and recommendations, was undertaken by a consultant. The report has been shared with all staff and the steering group is leading a process to involve staff in discussing the findings and developing and implementing an action plan.

OUR PRIORITIES FOR 2019-20

Programmes

We will provide technical support to CARE's humanitarian and development programmes to ensure that CARE helps as many people as possible, wherever and whenever they need help.

Our women's economic empowerment team will support the scale-up of approaches including savings groups and resilient market programmes. We will strengthen our programmes on dignified work, women in value chains, and entrepreneurship through our learning agenda on what works, direct technical support, and strategic partnerships.

Our inclusive governance team will focus on learning from the digitisation of citizen data from Community Score Cards in Malawi and elsewhere; and sharing our approach in order to multiply the impact of social accountability across CARE programmes from the local to the national (and international) levels. We will learn from this year's Women Lead pilots in order to grow this approach in a sustainable way across CARE.

Working with business is crucial to reaching our goals and creating safe and equal opportunities for women. We will grow our existing partnerships through advisory approaches on gender and will continue to seek new corporate partners with shared values. One area of focus will be to develop and trial our offer to social impact investors.

Humanitarian response

We will continue to support CARE's goal of helping 10% of people in humanitarian crises through high quality programming. We will seek funding from the UK government to maintain CARE's vital work in Syria and Yemen, and new opportunities to support protracted crises including in the Sahel and the Horn of Africa.

We will provide high quality technical support to humanitarian and recovery responses where emergencies arise – ensuring gender, protection, and preventing gender-based violence are strongly prioritised in CARE's responses; upholding best practice in shelter programming; and helping affected people to recover from emergencies and prepare for future ones.

We will work with the Humanitarian Quality Assurance Initiative to secure Core Humanitarian Standard Verification for the entire CARE federation.

Mobilising funding

We will prioritise diversification of funding sources, including to offset the loss of European funding, and proactively forge new alliances with trusts and foundations.

We will develop a new public fundraising and engagement strategy to ensure supporters have a greater choice in how they support CARE's work and to increase the value of their support in both financial and non-financial ways.

Evaluation and learning

We will continue to evaluate, analyse, and learn from our programming and share good practice across the CARE confederation and with our peers and partners across the sector. We will explore new approaches, engage in high quality research, and work closely with communities in order to build our understanding of what works, where, and why; and use this insight to build better programmes.

Promoting gender justice

Our annual #March4Women will focus on raising awareness and building support for our new global advocacy campaign, Women on the frontlines. This campaign recognises that women are the hardest hit by humanitarian crises, including those made worse by climate change, but also that they are best placed to help lead the response. This campaign will argue for increased funding and support for the role of women and girls in designing policies and implementing actions to address humanitarian crises, particularly the climate crisis.

CARE's campaign on the ILO Convention 190 to prevent violence and harassment in the workplace will now focus on ratification and implementation of the convention that was adopted in 2019.

Safeguarding

CARE is a signatory to the Inter-Agency Scheme for the Disclosure of Safeguarding-related Misconduct in Recruitment Process within the Humanitarian and Development Sector (Misconduct Disclosure Scheme). We will continue to incorporate this into our recruitment processes.

We know that programme design is key to protecting people and communities from a range of safeguarding threats; in 2019-20 we will extend our safeguarding training to focus on this.

Operations

We are re-vamping our Sustainability Policy and operationalising this through our Green Team. We will also contribute to the CARE global indicators, reporting our global carbon footprint and climate smart practices in support of CARE's efforts to become a climate smart organisation.

Gender equity and diversity commitment

We will implement our gender and diversity action plan. We will maintain our team of gender equity and diversity facilitators, ensuring all our staff are appropriately trained. We will offer gender equity and diversity training to our strategic partners.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing body and governance

CARE International UK is a private company limited by guarantee. The objects of the company, as set out in the Memorandum and Articles of Association, are to relieve poverty and sickness, to promote the preservation and protection of health and to advance education among the world's poor. The governing body of the Charity is the Board of Trustees. The Board meets formally four times a year. In addition, there are four standing committees:

- Programme and Policy Committee
- Finance and Audit Committee
- Ethics and Risk Committee
- Nominations and Remuneration Committee

These committees are made up of members of the Board and other independent individuals with relevant experience under specific terms of reference from the Board. Potential candidates for both the Board and committees are recruited through an open and transparent process, including by advertisement in the press, online and through trustee recruitment organisations, as well as on the CARE International UK website. The Nominations and Remuneration Committee selects potential new members of the Board who are then approved by the Board before appointment.

Members of the Board and committees serve for a three-year period and may be re-elected for normally one and a maximum of two further three-year terms. A formal induction process is followed for new Board and committee members. None of the members of the Board received any remuneration for their work as trustees.

Following the Board's self-assessment against the recommendations of the Charity Governance Code for larger charities (published in July 2018) the Nominations and Remuneration Committee agreed that the Board met the recommendations of the code but needed to focus on diversity. During 2018-19 recruitment of new trustees has been used to address this.

The key management personnel of the Charity are the Senior Management Team (as listed under *Organisational Details* above). The remuneration of the Chief Executive is set by the Nominations and Remuneration Committee, and the remuneration of the Senior Management Team is set by the Nominations and Remuneration Committee in consultation with the Chief Executive.

Trustees' responsibilities statement

The trustees (who are also directors of CARE International UK for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic 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), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and 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 Charities Statement of Recommended Practice (Financial Reporting Standard 102)
- make judgements 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 company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable 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:

- strategic plan and budgets approved by the Board
- regular monitoring of Key Performance Indicators (KPIs) and progress against the strategic plan

TRUSTEES' ANNUAL REPORT (INCLUDING THE STRATEGIC REPORT)

- quarterly consideration by the Board of financial performance and variance from budgets
- the use of committees in meeting their duties and delegating certain functions of the Board
- appropriate identification, management and reporting of risks
- implementation of key policies and procedures
- structured delegated and financial authorities which are signed off by the Board
- internal auditing, carried out in accordance with the Audit Charter, encompassing overseas projects and UK processes and procedures.

Trustees continue to review the adequacy of the Charity's internal control systems with the Senior Management Team and Head of Internal Audit and Risk Management. They consider whether controls are sufficient on an annual basis.

In accordance with the Audit Charter, a risk-based assessment internal audit approach is taken, and the annual audit plan is approved by the Finance and Audit Committee.

In the view of the Board, Internal Audit is sufficiently independent, with unrestricted access to the Finance and Audit Committee, the Ethics and Risk Committee, and the Board of CARE International UK.

The Board believes that the Charity's internal controls conform with best practice and with guidelines issued by the Charity Commission.

Principal risks

CARE International UK recognises the risks that we face due to the nature and context of our work. The Board of Trustees, as the ultimate risk owner, has a Risk Management Policy and an established risk management process.

Strategic risks are reviewed and discussed quarterly by the Senior Management Team's Risk Management Committee. The Senior Management Team is responsible for the management of the key risks and ensuring effective mitigation is in place. The Ethics and Risk Committee, which meets three times per year, is responsible for oversight of the risk management framework. The Finance and Audit Committee and the Programme and Policy Committee have oversight and review risks that relate to their areas of governance.

CARE International UK uses recognised risk management protocols and standards assessing financial, operational, regulatory, external, and strategic risks.

As at the end of the year the significant risks for CARE International UK are as summarised below:

- Working in high risk environments and countries where financial sanctions apply: this particularly applies to our programming in Syria; we seek to reduce this risk through due diligence on implementing partners, and systematic anti-terrorism checks on all suppliers and partners.
- Hostile and/or changing operating environments that lead to disruption of programmes: this can include loss of access, delays in programme activities, loss of project documentation and physical threat.
- Failure of CARE International UK to meet programme contract terms: we have systems in place to monitor project risks and to ensure compliance with donor regulations.

- Changes in UK government policy and/or operating environment: this external environment risk includes the impact of UK political events and Brexit on donor funding pipelines, and eligibility to bid for EU funding. The UK government has committed to fill the gap in a 'no deal' scenario where the EU terminates funding to UK NGOs by creating an assurance fund which CARE is co-designing and will implement if required; we are supporting the Aid Campaign to shore up political leadership in the short term and public support in the longer term for high quality UK aid.
- Other parts of CARE under-perform financially or fail to fulfil mutual accountability agreements: risks materialising for one member impacts all members across our broad confederation.

Serious incidents

CARE International has global policies on Anti-Fraud and Corruption and on Protection from Sexual Exploitation and Abuse and Child Protection, which apply to all CARE members and overseas operations. We have a Serious Incident Reporting protocol agreed with the UK Board.

The Anti-Fraud and Corruption policy requires all incidents or allegations of fraud, loss, and bribery to be reported regardless of financial materiality and ensures a consistent approach to fraud awareness, prevention, reporting, and investigations across the confederation. In addition to the preventative measures, anti-fraud, corruption, and bribery controls are reviewed by internal audit. All UK staff are required to complete on-line anti-fraud training, reinforced through refresher training including during Charity Fraud Awareness week.

Despite our enhanced approach to fraud prevention, the reality is that from time to time we will be victims of fraud. During the year, 33 suspicions were reported (2018: 22 fraud reports) and investigated of which 14 were found to be unsubstantiated, 14 were substantiated, and five are under investigation. All but one of the incident reports came from programme offices, and two-thirds relate to local partners. These include incidents of corruption at community committees, theft, falsification of expenses by staff, inflated procurement and collusion by staff with vendors, and false beneficiary information. One report related to an attempted withdrawal of funds from one of our UK web platforms which was successfully prevented. In total the cost to CARE International UK of matters related to fraud and losses after recovered amounts was nil (2018: less than 0.01% of total annual expenditure).

CARE continues to provide training on safeguarding to staff across the network, emphasising the importance of reporting and whistleblowing. One report (included in the incidents above) of harassment linked to corruption was received and investigated. CARE publishes annual safeguarding data; the latest report can be found on the safeguarding page of our website (careinternational.org.uk/who-we-are/safeguarding).

Serious incidents have been reported to the relevant donors and UK bodies, including the Charity Commission, as appropriate, and in accordance with the CARE International UK Serious Incident Reporting protocol.

Equal opportunities policy

CARE International UK is 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.

Modern Slavery statement

We continue to monitor compliance with the Modern Slavery Act, and the broader issue of modern slavery, across the following areas:

- procurement, both UK-based and international
- selection of programme partners
- HR policies and procedures
- fundraising and communications.

We have supported changes to policies and procedures, incorporating the risks relating to modern slavery.

CARE successfully campaigned for the ILO convention to end violence and harassment in the world of work, which was passed in July 2019. We believe the convention will help address issues of modern slavery in supply chains.

Fundraising statement

CARE International UK seeks to maintain the highest possible standards in our fundraising and engagement activities and will never take the kindness and generosity of the British public for granted. Individual supporters who have chosen to support our work – either through single or regular donations, campaigning, participating in fundraising events, responding to an emergency appeal, or giving a loan to an entrepreneur through our Lendwithcare.org website – all make it possible for us to continue to save lives, support women and girls and to be there for the world's most vulnerable people. We are grateful to them every day and strive to keep earning their trust and their support by providing the highest standards of service and supporter experience.

CARE International UK continues to be registered with the Fundraising Regulator and is an Organisational Member of the Institute of Fundraising. We adhere to the Code of Fundraising Practice across all public engagement and fundraising activities and continue to engage with both regulatory bodies to ensure all our fundraising activities are compliant and following best practice.

We have continued to review and update our consent and privacy policies in order to stay fully compliant with the General Data Protection Regulations (GDPR). It is important that our supporters are happy with how we communicate with them, that they understand when there is a legitimate interest for us to do so, and that they are clear on what we do and don't do with their personal information.

We have continued to work closely with professional fundraising and marketing agencies over the last year, who have supported and helped to deliver our fundraising activities over the last year. We always undertake a rigorous due diligence and tender process before starting with any suppliers and have strict contracts in place with existing suppliers, which include clauses on GDPR, CARE's own vulnerable contacts policy, human trafficking laws, and the Modern Slavery Act. Close monitoring of all fundraising and marketing campaigns is essential, including regular spot checks and mystery shopping, as it is very important to us that the agencies with which we work meet the high standards we set for ourselves.

We continue to be immensely proud of the stewardship service provided by our dedicated Supporter Care team, who are the first point of engagement the British public will have with CARE International UK. Our fundraising and engagement activities reach TV, online and print audiences. During 2018-19 a

total of 15 complaints were received, which is a reduction of 21% from the previous year. We continue to treat all complaints seriously and ensure they are thoroughly investigated and responded to.

Statement of Public Benefit

The trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'. That guidance addresses the need for all charities' aims to be, demonstrably, for the public benefit. The objects of the Company, as set out in the Articles of Association, are to relieve poverty and sickness, to promote the preservation and protection of health and to advance education among the world's poor. CARE International UK's approach to fighting poverty in our outcome areas (humanitarian response; women's economic empowerment; maternal and child health; food and nutrition) through a focus on gender equality, inclusive governance, and resilience, and by advocating on behalf of the poorest and most vulnerable people, 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 human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity
- the relief of those in need, by reason of gender, age, ill-health, disability, financial hardship or other disadvantage
- the advancement of health and the saving of lives
- the advancement of education
- the advancement of environmental protection or improvement.

We are clear in our aims and objectives and adhere to codes of governance which reach across the wider humanitarian sector, including the Sphere Handbook (a set of principles and standards agreed by the major humanitarian organisations, including CARE), the Red Cross code of conduct, and the Core Humanitarian Standards on Quality and Accountability (CHS). We are working with the Humanitarian Quality Assurance Initiative to secure CHS verification for the CARE confederation.

Our approach is to listen to the people we work for and take great care to 'do no harm'. We aim to help the poorest and most marginalised members of society, and no person is excluded on the grounds of race, religion, gender, sexual orientation, or social position.

FINANCIAL REVIEW

The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the accounting policies set out on pages 37-38 and comply with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) [Charities SORP (FRS102)] and the Charities Act 2011 (or) Companies Act 2006.

Results in overview

Total income was £65.1m (2018: £55.6m), of which £54.6m (2018: £44.6m) was restricted to international programmes. This increase is mainly due to the timing of receipt of grant funding, with programme activities remaining at a similar level to 2017-18 (financial year 2018). At the end of 2018-19 (financial year 2019) we carried forward £12.6m of restricted funds for multi-year grants (2018: £13.3m).

In 2019 we continued to face the challenges of securing new programme funding, in particular from our largest institutional donors: the European Union (due to the EU excluding UK NGOs even before Brexit) and DFID (as a result of delays or cancellations in several procurement decisions). We have made good progress on diversifying funding sources but recognise that this will not be at a scale to replace programme funding from our largest donors.

Total expenditure was £66.9m (2018: £68.1m), of which expenditure on international programmes was £55.3m (2018: £55.3m). 72% of our charitable expenditure was on humanitarian programmes (2018: 70%), reflecting our continued response in this area. The breakdown of programme expenditure by programme outcome area and by geographical region is shown in Note 4 to the accounts.

We spent £3.9m to generate £11.4m from donations and legacies from corporate partners and individuals (2018: £4.6m to generate £11.6m). We continued to support the Disasters Emergency Committee (DEC) through campaigns and deploying communications staff, receiving funding of £0.9m (2018: £1.1m) from DEC appeals.

Delays in programme implementation in some of our most challenging environments led to lower UK cost recovery in the last quarter of the year, contributing to an operating deficit of £0.8m against a balanced budget (2018: operating deficit £1.3m, after two years of strong operating surpluses). As the programme activities are completed in 2020, we expect to generate a surplus that will be used to rebuild general reserves.

In setting our operating budget for 2019-20 (financial year 2020), we have assessed our programme portfolio and pipeline of funding opportunities and adjusted our UK cost base to position ourselves for new partnerships and donors, and to provide high quality technical support to CARE programmes; we continue to monitor fundraising performance against a challenging external environment, and have committed to maintaining investment in income growth (especially from new individual donors).

Financial risk

The Charity's unrestricted income remains sensitive to the external pressures on charity giving; to pipelines of funding for CARE programmes from existing and new donors; and to the timely delivery of programmes in challenging humanitarian contexts.

Cash flow risks are managed by monitoring of funding flows from donors to country programmes, and cash flow projections of our operating costs. We have reviewed our cash position, including the timing of receipt of programme funds as donor terms move increasingly to payment in arrears or quarterly advances. Restricted funds held at the year end were £12.6m (compared to £13.3m at the end of 2018). We recognise that providing programme funds to CARE country offices and local partners in advance of receiving funds from the donor has an impact on our short-term cash flow, and hold a small overdraft facility to ensure we can continue to meet our programme and operating commitments. We have not had to use this overdraft in 2019.

Programme creditors of £9.9m (2018: £11.3m) include programme spend by partners during 2019 that was reimbursed after the year end; programme funds held by CARE country offices of £7.9m (2018: £6.5m) relate to funds advanced for specific projects that will be spent in financial year 2020. Programme debtors are where funds have been expended by CARE in advance of funding from the donor; the largest of these is 'other donor' debtors of £3.7m (2018: £2.1m) which relate largely to programmes with a fund manager intermediary between us and the institutional donor (DFID).

Exposure to foreign exchange risk arising from funding in Euros or US dollars is managed by holding restricted donor funds in that currency until transferred to the relevant country operation.

We monitor these risks closely through the Senior Management Team and the Finance and Audit Committee.

Reserves Policy

Unrestricted reserves are defined as general funds and are available to enable CARE International UK to meet its objectives. Within the unrestricted reserves, the designated fund was created from a one-off donation, which was voluntarily designated as an innovation fund and is available for the trustees to un-designate as required.

The aim of the Reserves Policy is to ensure continuity of the Charity's ongoing and future activities, including:

- protection against fluctuations in income, in particular year to year changes in the portfolio of donor-funded programmes
- mitigation against the financial risks arising from the changing nature of aid, especially the movement towards payments by results in both grants and contracts
- investment in innovation to support CARE's strategic objectives
- to enable the orderly cessation of activities should it ever be required.

Reserves

Total reserves at the year end were £14.3m (2018: £16.1m) made up of:

- Unrestricted reserves of £1.7m comprising:
 - a general fund of £0.9m (2018: £1.7m) which after deducting £450k (2018: £550k) tied up in fixed assets leaves a balance of free reserves of £0.4m (2018: £1.2m); and

TRUSTEES' ANNUAL REPORT (INCLUDING THE STRATEGIC REPORT)

a designated innovation fund of £0.9m (2018: £1m), voluntarily designated for specific multiyear initiatives in support of our strategic objectives.

- Restricted funds of £12.6m (2018: £13.3m) being programme funding received from donors and held at year end to be spent on specific programmes in future years.

Following the annual review of the Reserves Policy, the trustees approved a reduction in the minimum reserves level to £1.2m with a target of £1.7m (2018: minimum level £1.5m with a target of £2.0m), reflecting the reduced UK organisational cost base. Unrestricted reserves (general and designated funds) at £1.3m are within the Reserves Policy.

The trustees have allocated £0.2m from the voluntarily designated funds to fundraising initiatives in 2020, to ensure continued investment in income growth (especially from new individual donors). Further efficiency measures and an expected operating surplus from activities delayed from the end of 2019 will improve the level of free reserves (general fund) by the end of 2020.

With restricted expenditure of £55.4m (2018: £55.4m) being slightly higher than income of £54.6m (2018: £44.7m) restricted funds have reduced by £0.7m over the year, as advances held for multi-year programmes at the end of 2018 were spent during 2019. Closing restricted funds represent just under three months average programme spending, which is consistent with the size of the current programme portfolio and donor pre-financing terms.

After reviewing the Charity's forecasts and projections over the Strategic Planning period and its reserves, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operation for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

Trading subsidiary

The Charity's wholly owned subsidiary carries out trading activities for the Charity. These activities provided a profit before tax of £112k (2018: £52k), which is transferred to the Charity as a qualifying charitable donation.

The Trustees' Report, incorporating the Strategic Report, was approved by the Board on 2 December 2019.



Carolyn Clarke
Chair of Trustees



Laurie Lee
Chief Executive

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARE INTERNATIONAL UK

Opinion

We have audited the financial statements of CARE International UK (“the Parent Charitable Company”) and its subsidiaries (“the Group”) for the year ended 30 June 2019 which comprise the consolidated statement of financial activities, the Group and Charity balance sheet, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group’s and of the Parent Charitable Company’s affairs as at 30 June 2019 and of the Group’s income and expenditure and the Parent Charitable Company’s income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Charitable Company’s ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. The other information comprises the Message from the Chair, Trustees' Annual Report and Strategic Report, and Thanks to our Supporters. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic Report or the Trustees' Report.

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

- adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the *Trustees' responsibilities statement*, the trustees (who are also the directors of the Charitable Company for the purposes of company law) are responsible for the

preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Use of our report

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



Fiona Condron (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor
Gatwick

17 December 2019

BDO LLP is a limited liability partnership registered in England and Wales
(with registered number OC305127).

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an Income and Expenditure Account)

For the year ended 30 June 2019

		2019 Unrestricted funds	2019 Restricted funds	2019 Total funds	2018 Unrestricted funds	2018 Restricted funds	2018 Total funds
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Income from:							
Donations and legacies	2	5,133	6,226	11,359	6,256	5,366	11,622
Charitable activities	2	4,987	48,344	53,331	4,418	39,279	43,697
Other trading activities		263	-	263	250	-	250
Investments		49	-	49	36	-	36
Other income		77	-	77	39	-	39
Total income	11	10,509	54,570	65,079	10,999	44,645	55,644
Expenditure on:							
Raising funds	3	4,540	45	4,585	5,335	159	5,494
Trading costs		151	-	151	198	-	198
Sub total		4,691	45	4,736	5,533	159	5,692
Charitable activities							
Humanitarian response	4	3,924	41,110	45,034	3,879	39,583	43,462
Development work		2,278	14,197	16,475	2,600	15,668	18,268
Advocacy		637	-	637	684	-	684
Sub total		6,839	55,307	62,146	7,163	55,251	62,414
Total expenditure	11	11,530	55,352	66,882	12,696	55,410	68,106
Net (expenditure)		(1,021)	(782)	(1,803)	(1,697)	(10,765)	(12,462)
Funds balances brought forward		2,738	13,333	16,071	4,435	24,098	28,533
Funds balances carried forward		1,717	12,551	14,268	2,738	13,333	16,071

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.

The accompanying notes on pages 37 to 54 form an integral part of these Financial Statements.

GROUP AND CHARITY BALANCE SHEET

For the year ended 30 June 2019

Registered company number: 1911651

	Notes	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Fixed assets					
Tangible assets	7	450	550	450	550
Investments	8	39	39	39	39
		489	589	489	589
Current assets					
Debtors	9	12,901	12,326	13,042	12,315
Cash at bank and in hand – general funds		3,533	4,256	3,378	4,221
Cash at bank and in hand – overseas projects		9,933	13,291	9,933	13,291
		26,367	29,873	26,353	29,827
Creditors					
Amounts falling due within one year	10	(12,242)	(14,005)	(12,228)	(13,959)
Net current assets		14,125	15,868	14,125	15,868
Creditors					
Amounts falling due after more than one year		(346)	(386)	(346)	(386)
Net assets		13,779	15,482	13,779	15,482
Total assets		14,268	16,071	14,268	16,071
Represented by					
Restricted funds	11	12,551	13,333	12,551	13,333
Unrestricted funds					
- General Reserve		853	1,700	853	1,700
- Designated		864	1,038	864	1,038
Unrestricted funds total	11	1,717	2,738	1,717	2,738
Total	12	14,268	16,071	14,268	16,071

The accompanying notes on pages 37 to 54 form an integral part of these Financial Statements.

The Group has taken advantage of the exemption under s408 of the Companies Act 2006 and has not prepared a separate Statement of Financial Activities for the Charity. The Net Expenditure for CARE International UK in the year was £1,617m (2018: £12,462m).

Approved by the Board and authorised for issue on 2 December 2019.



Carolyn Clarke
Chair of Trustees



Nigel Chapman
Chair, Finance and Audit Committee

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2019

	Notes	Group 2019 £'000	Group 2018 £'000
Net cash flows (funded by) operating activities	16a	(4,031)	(8,096)
Net cash flows (funded by) investing activities	16b	(51)	(208)
(Decrease) in cash and cash equivalents in the year		(4,082)	(8,304)
Reconciliation of net cash flow to movement in cash and cash equivalents			
(Decrease) in cash and cash equivalents in the year		(4,082)	(8,304)
Movement in cash and cash equivalents in the year		(4,082)	(8,304)
Cash and cash equivalents at the beginning of the year		17,548	25,852
Cash and cash equivalents at the end of the year	16c	13,466	17,548

The accompanying notes on pages 37 to 54 form an integral part of these Financial Statements.

NOTES TO THE ACCOUNTS

For the year ended 30 June 2019

1. Accounting policies

a) Basis of preparation

The financial statements of the Charity, which is a public benefit entity under Financial Reporting Standard 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS102)) and the Charities Act 2011 and Companies Act 2006.

The Consolidated 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 Statement of Financial Activities has been presented for the Charity alone as permitted by Section 408 of the Companies Act 2006. The Charity has also taken the exemption under FRS102 1.12(b) to not include a parent only cash flow statement in these accounts.

The Accounting Policies are consistent with the previous year.

b) Going concern

After reviewing the Group's forecasts and projections, the trustees (who are the directors for the purposes of company law) have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated Financial Statements.

c) Income

Income is included in the SoFA when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy and receipt is probable.

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.

d) Contributions in kind

Contributions and donations in kind are recorded at fair values on the date of contribution, and recorded as unrestricted income and expenditure in the SoFA.

e) Expenditure

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 measured by direct cost.

CARE International UK (CIUK) sub-contracts programme implementation to CARE country offices, but continues to provide effective management and oversight of its work held there. As such CIUK accounts for our project work as an operational charity, and our expenditure reflects funds utilised by country offices.

Fundraising costs are those incurred in seeking voluntary contributions and 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. Included within this category are costs associated with the strategic management of the Charity's activities, and all trustee and committee costs. In accordance with FRS102, these costs are classified as Support Costs.

f) 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
- Business systems: 5 years

g) 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.

h) Fund accounting

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

Designated funds are unrestricted funds that have been ring-fenced for specific initiatives supporting our strategic objectives. Expenditure against these initiatives is included as Unrestricted Expenditure in the SoFA and a corresponding adjustment made between General and Designated Funds at Year End.

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

i) 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.

j) 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. Both the functional and presentational currencies of the Charity are sterling.

k) Areas of significant judgement and estimates

Cost Allocation methodology: The cost allocation methodology requires a judgement as to the most appropriate basis to use to apportion Support Costs; these are reviewed annually for reasonableness. Support Costs are allocated on a pro-rata basis, based on total expenditure.

Pensions Trust scheme deficit: Assumptions on which the liability is based are significant judgements and estimates; details of the potential liability relating to withdrawal from the Pensions Trust scheme are set out in Note 20. The trustees consider the chance of this liability crystallising to be extremely unlikely.

The trustees do not consider there to be any other areas of significant judgement or estimates.

l) 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. The scheme is subject to the funding legislation outlined in the Pensions Act 2004. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme. A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed a deficit, and to eliminate this funding shortfall, the pension trustees have asked for the participating employers to pay additional contributions to the scheme. These recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities. The liability recognised for this obligation is the net present value of the deficit reduction contributions payable under the plan, and is held as a provision in the Balance Sheet.

The current overall position of the fund and the assumptions made are provided in Note 18.

m) Taxation

As a registered charity, CIUK benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions. Recovery is made of tax deducted from income and from receipts under a deed of covenant. The Charity is also able to partially recover Value Added Tax (VAT). Expenditure subject to VAT that is not recoverable is recorded in the Accounts inclusive of VAT.

The organisation is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Para 11 of the Corporate Tax Act or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The subsidiary trading company makes qualifying donations of taxable profit to the Charity to the full extent allowable. Unless material any corporation tax liability arising in the subsidiary is included within the expenditure by the Group.

2a. Consolidated income

	2019 Unrestricted funds £'000	2019 Restricted funds £'000	2019 Total funds £'000	2018 Unrestricted funds £'000	2018 Restricted funds £'000	2018 Total funds £'000
Donations and legacies						
Individuals (including legacies and events)	4,161	607	4,768	4,979	329	5,308
Corporate donors	938	4,765	5,703	1,186	4,061	5,247
Disasters Emergency Committee (DEC)	34	854	888	91	976	1,067
Total	5,133	6,226	11,359	6,256	5,366	11,622
Charitable activities						
Department for International Development (DFID)	3,336	39,817	43,153	3,121	34,416	37,537
European Union (EU)	243	3,800	4,043	305	931	1,236
European Commission's Directorate-General for Humanitarian Aid and Civil Protection (ECHO)	246	829	1,075	307	1,968	2,275
Others	1,162	3,898	5,060	685	1,964	2,649
Total	4,987	48,344	53,331	4,418	39,279	43,697

2b. Included in the above are the following projects

Donor	Project name	2019 Unrestricted funds £'000	2019 Restricted funds £'000	2019 Total funds £'000	2018 Unrestricted funds £'000	2018 Restricted funds £'000	2018 Total funds £'000
Big Lottery Fund	Security for Women – Ghana	-	-	-	18	111	129
Comic Relief	Humanitarian Rapid Response to Yemen	1	899	900	-	-	-
Comic Relief	Sport for Social Change – Empowering female advocates	4	49	53	-	-	-
DEC	DEC East Africa Crisis Appeal	-	(4)	(4)	51	397	448
DEC	DEC Emergency Appeal for People Fleeing Myanmar Phase 2	27	299	326	-	-	-
DEC	DEC Indonesia Tsunami Appeal Phase 1	19	269	288	-	-	-
DEC	Restoring access to WASH and education in the aftermath of Cyclone Idai	6	257	263	-	-	-

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Donor	Project name	2019	2019	2019	2018	2018	2018
		Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
DEC	WASH Restoration and Livelihoods Recovery for More Resilient Communities in Central Sulawesi	-	32	32	-	-	-
DFID	Adolescent Girls' Education in Somalia (AGES)	199	1,480	1,679	-	-	-
DFID Aid Match	Adolescent Sexual and Reproductive Health in Goma, DR Congo	-	-	-	9	54	63
DFID	Agents of Change VAWG Rwanda	-	-	-	86	1,095	1,181
DFID via KPMG	BRACED (Building Resilience and Adaptation to Climate Extremes and Disaster) Project – Niger	-	203	203	120	347	467
DFID via Save the Children	Challenging Harmful Attitudes and Norms for Gender Equity and Empowerment in Somalia (CHANGES) – Somalia	-	-	-	39	477	516
DFID	Developing resilience of households and communities affected by conflict in Northern, Central and Southern Syria	1,451	14,855	16,306	-	-	-
DFID	DFID Nepal Wash Recovery	-	-	-	29	598	627
DFID via Save the Children Somalia	DFID Somalia Social Norms and Participation Programmed (SNaP); Challenging Harmful Attitudes and Norms for Gender Equity and Empowerment in Somalia (CHANGES) Project	54	642	696	-	-	-
DFID	Emergency Assistance Jordan	6	10	16	229	2,215	2,444
DFID via Christian Aid	Enhancing Community Resilience Programme – Malawi	-	-	-	2	91	93
DFID via DAI	Financial Sector Deepening Zambia	-	-	-	-	62	62
DFID via World Vision	Girls' Education Challenge: Improving Girls' Access through Transforming Education (IGATE) – Zimbabwe – Transition	93	863	956	91	1,063	1,154
DFID via PWC	Girls' Education Challenge: Somali Girls' Education Promotion Programme (SOMGEP) – Transition	372	3,129	3,501	276	3,497	3,773
DFID via Aga Khan	Girls' Education Challenge: Steps Towards Afghan Girls' Education Success (STAGES) – Transition	234	2,282	2,516	239	2,747	2,986
DFID	Help Her Live Learn and Earn (HELP)	8	131	139	-	-	-

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Donor	Project name	2019	2019	2019	2018	2018	2018
		Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
DFID via Save the Children	Humanitarian Response in Mozambique 2017/18 – Lean season recovery response	-	-	-	84	1,753	1,837
DFID via GIZ	Initiative Rural Rehabilitation (Livelihoods) – Jordan	-	-	-	-	10	10
DFID via GIZ	Initiative Rural Rehabilitation (Peacebuilding) – Jordan	-	-	-	-	12	12
DFID	Multisector Response – Yemen	409	15,206	15,615	296	6,843	7,139
DFID via NRC	Providing life-saving humanitarian relief to communities affected by shocks in Somalia	-	-	-	36	331	367
DFID via IRC	Response to Ebola outbreak in Sierra Leone	-	-	-	2	43	45
DIFD	Safe Justice – Nepal	59	674	733	41	878	919
DFID	SNS H&N Consortium in Somalia	3	-	3	-	-	-
DFID	Strengthening Prevention of Gender-Based Violence in Rwanda	26	224	250	-	-	-
DFID	Strengthening Resilience to Climate Change in Western Kenya	9	46	55	-	-	-
DFID	Syria Crisis Response '17	-	-	-	1,423	11,674	13,097
DFID UK Aid Match	UK Aid Match – Ethiopia	15	39	54	13	392	405
DFID	Weather and Climate Information Services for Africa (WISER)	19	95	114	-	-	-
DFID	Zimbabwe Humanitarian Response	-	-	-	-	57	57
START Fund via Save the Children	Alert B003 <i>Bangladesh</i> (flooding north)	-	-	-	10	101	111
START Fund via Save the Children	Forecast Based Early Action <i>Bangladesh</i>	2	(2)	-	1	2	3
START Fund via Save the Children	Alert 214 <i>Burundi</i> (displacement)	-	(4)	(4)	7	73	80
START Fund via Save the Children	Alert 223 <i>Chad</i> (refugee influx)	-	(9)	(9)	13	137	150
START Fund via Save the Children	Alert 277 <i>Ecuador</i> (cross border displacement)	10	184	194	-	-	-
START Fund via Save the Children	Alert 234 <i>Ethiopia</i> (displacement)	-	-	-	5	122	127

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Donor	Project name	2019	2019	2019	2018	2018	2018
		Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
START Fund via Save the Children	Alert 269 Honduras (flooding)	5	41	46	-	-	-
START Fund via Save the Children	Alert 180 India (flooding)	-	(3)	(3)	11	104	115
START Fund via World Vision	Alert 267 Peru (displacement)	10	87	97	-	-	-
START Fund	START Fund Peru (flooding)	-	-	-	9	(9)	-
START Fund via Save the Children	Alert 317 Philippines (anticipation of volcanic activity)	1	37	38	-	-	-
START Fund via Save the Children	START MERF Serbia refugees	-	-	-	9	80	89
START Fund via Save the Children	Alert 253 Sudan (flooding)	8	222	230	-	-	-
START Fund via Save the Children	Alert 217 Tonga (cyclone)	-	-	-	6	54	60
START Fund via Save the Children	Alert 254 Uganda (anticipation of Ebola)	7	60	67	-	-	-
START Fund via Save the Children	Alert 193 Vietnam (flooding and landslide)	-	-	-	14	132	146
START Network	DEPP Innovation Lab in the Philippines	25	114	139	19	217	236
START Network via Save the Children	MERF Serbian refugees	-	-	-	5	147	152

The table above provides details of income for projects where the contractual terms require such disclosure. Where funds have been returned to donors at the end of the grant, this is included as negative funds received.

3. Expenditure on raising funds

	2019 Unrestricted funds £'000	2019 Restricted funds £'000	2019 Total funds £'000	2018 Unrestricted funds £'000	2018 Restricted funds £'000	2018 Total funds £'000
Individuals	2,655	45	2,700	2,896	159	3,055
Institutional donors and foundations	670	-	670	872	-	872
Corporate donors	593	-	593	706	-	706
Fundraising events	242	-	242	336	-	336
Communication costs	126	-	126	267	-	267
Support costs (Note 5)	254	-	254	258	-	258
Total	4,540	45	4,585	5,335	159	5,494

4. Expenditure on charitable activities

Programme expenditure by predominant outcome area:

	2019 £'000	2018 £'000
Humanitarian response by outcome area:		
Food and nutrition security and resilience to climate change	14,048	9,622
A life free from violence (gender-based violence)	289	474
Sexual, reproductive and maternal health	12	32
Access to and control over economic resources	21,597	19,105
Other humanitarian – emergency response	5,164	10,350
Total	41,110	39,583

Development expenditure by outcome area:

Food and nutrition security and resilience to climate change	562	3,786
A life free from violence (gender-based violence)	918	1,142
Sexual, reproductive and maternal health	2,909	1,772
Access to and control over economic resources	1,386	2,803
Other development including girls' education	8,422	6,165
Total	14,197	15,668

Other direct costs	3,372	4,228
Support costs (Note 5)	3,467	2,935
Total	62,146	62,414

Programme expenditure by geographical region:

Africa	11,073	17,229
Asia	9,032	7,532
Middle East and Europe	34,734	30,349
Latin America	617	14
North America	16	-
Global projects	(165)	127
Other direct costs	3,372	4,228
Support costs (Note 5)	3,467	2,935
Total	62,146	62,414

FINANCIAL STATEMENTS

5. Support costs

Support costs of £3,721k have been allocated across activities as follows:

2019	Management	Office costs	Finance and IT	Human resources	Governance	Total 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Charitable activities						
Humanitarian response	848	579	601	311	169	2,508
Development work	311	216	221	114	62	924
Advocacy	12	8	9	5	2	35
	1,171	803	831	430	233	3,467
Fundraising						
Fundraising costs	86	57	61	32	18	254
Total	1,257	859	892	462	251	3,721

2018	Management	Office costs	Finance and IT	Human resources	Governance	Total 2018
	£'000	£'000	£'000	£'000	£'000	£'000
Charitable activities						
Humanitarian response	625	454	495	263	206	2,043
Development work	263	191	208	111	87	860
Advocacy	10	7	8	4	3	32
	898	652	711	378	296	2,935
Fundraising						
Fundraising costs	79	57	63	33	26	258
Total	977	709	774	411	322	3,193

Included in Support Costs are the following:

	Total 2019	Total 2018
	£'000	£'000
Auditor's remuneration	45	45
Depreciation charges (see Note 7)	199	169
Operating lease – rent	567	382

6. Staff costs

	Total 2019 £'000	Total 2018 £'000
Wages and salaries	4,799	5,516
Social security costs	508	579
Pension costs	271	271
Termination costs	94	47
Other staff costs	237	284
Total	5,909	6,697

	2019 Number	2018 Number
The average number of UK employees was:		
Charitable activities	62	70
Fundraising	38	46
Support	22	23
Total CIUK employees	122	139
Staff seconded to other CARE members	1	2
Total	123	141

In addition to full-time permanent staff, CIUK employed temporary staff at a cost of £39,000 (2018: £90,000). This was due to some positions being filled on an interim basis. These costs are included in 'other staff costs'. Termination payments totalling £94,000 were made during 2019 (2018: £47,000), relating to redundancy payments, including those due at the end of fixed term contracts.

The number of CIUK employees whose remuneration (wages and employer pension contribution) during the year amounted to over £60,000 was as follows:

	2019 Number	2018 Number
£60,001-£70,000	2	2
£70,001-£80,000	2	2
£80,001-£90,000	3	4
£130,001-£140,000	1	1

The highest paid individual in the organisation is the Chief Executive Officer. In 2019 the Chief Executive's remuneration (pay and pension) placed him in the £130,001-£140,000 band (2018: £130,001-£140,000 band).

CIUK has formal pay scales in place for all levels of staff. We benchmark our salaries each year against similar organisations in the NGO sector and aim to pay at the median of salaries for each grade, and we are a London living wage employer.

The remuneration of the Chief Executive is set by the Nominations and Remuneration Committee. The remuneration of the Senior Management Team is set by the Nominations and Remuneration Committee in consultation with the Chief Executive.

Our pay ratio (the ratio between the highest paid member of CIUK staff and the median) is 3.01 (2018: 3.37), and this ratio is one of the indicators used to monitor the organisation's approach to pay.

Employer contributions are made to a defined contribution pension scheme in respect of three higher paid employees (2018: six). Total employer contributions in respect of higher paid employees during the year amounted to £26k (2018: £36k).

The key management personnel of the charity are the trustees and the Senior Management Team (as listed under *Organisational Details* in the Annual Report). The short-term employee benefits (as defined in FRS102 28.4: wages, pension and social security contributions) for the Senior Management Team for 2019 was £458k (2018: £525k). None of the members of the Board received any remuneration for their work as trustees (2018: Nil). Expenses reimbursed to trustees for travel undertaken on the Charity's behalf amounted to £1k for three trustees (2018: £27k for 10 trustees). The Charity paid £7,562 (2018: £7,700) for Trustees' Indemnity Insurance cover. Trustees' donations were £16k (2018: £18k).

FINANCIAL STATEMENTS

7. Tangible fixed assets

Group and Charity	<i>Leasehold improvements</i> £'000	<i>Office equipment</i> £'000	<i>IT equipment</i> £'000	Total 2019 £'000
Cost				
At 1 July 2018	205	238	815	1,258
Additions	-	-	100	100
At 30 June 2019	205	238	915	1,358
Depreciation				
At 1 July 2018	142	126	440	708
Charge for the year	21	22	156	199
At 30 June 2019	163	148	596	907
Net book values				
At 30 June 2019	42	90	319	450
At 30 June 2018	63	112	375	550
Group and Charity				
	<i>Leasehold improvements</i> £'000	<i>Office equipment</i> £'000	<i>IT equipment</i> £'000	Total 2018 £'000
Cost				
At 1 July 2017	205	231	578	1,014
Additions	-	7	237	244
At 30 June 2018	205	238	815	1,258
Depreciation				
At 1 July 2017	121	93	325	539
Charge for the year	21	33	115	169
At 30 June 2018	142	126	440	708
Net book values				
At 30 June 2018	63	112	375	550
At 30 June 2017	84	138	253	475

8. Investments

Group and Charity	<i>2019</i>
	<i>£'000</i>
Market value	
At 1 July 2018	39
At 30 June 2019	39
	<hr/>
Group and Charity	<i>2018</i>
	<i>£'000</i>
Market value	
At 1 July 2017	39
At 30 June 2018	39
	<hr/>

The unlisted investment represents a cash investment in the CARE International Revolving Fund (see paragraph b) below).

a) Subsidiary company

Investments held by the Charity include a £2 (2018: £2) investment in the subsidiary company at cost. The Charity holds 100 per cent 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 2019 is given in Note 14.

b) CARE International

During the year, the Charity participated in the Revolving Fund established with other members of the CARE International confederation, maintaining its investment of €40,163. 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.

FINANCIAL STATEMENTS

9. Debtors

	<i>Group</i> 2019 £'000	<i>Group</i> 2018 £'000	<i>Charity</i> 2019 £'000	<i>Charity</i> 2018 £'000
Due from EU/ECHO	59	1,929	59	1,929
Due from DFID	188	719	188	719
Due from other donors	3,679	2,085	3,679	2,085
Due from other CARE International offices	58	139	58	139
Sundry debtors	651	813	514	624
Due from subsidiary undertaking	-	-	280	179
Prepayments and accrued income	362	161	360	160
Project balances held overseas in country offices	7,904	6,480	7,904	6,480
Total	12,901	12,326	13,042	12,315

Project balances held overseas are funds transferred to other CARE International offices but not yet spent on programme activities. A programme debtor is where money has been expended by CARE International in advance of funding having been received from the donor, and is therefore due from the relevant donor as we are entitled to recover this money under the terms of the donor agreement.

10. Creditors

	<i>Group</i> 2019 £'000	<i>Group</i> 2018 £'000	<i>Charity</i> 2019 £'000	<i>Charity</i> 2018 £'000
Amounts falling due within one year				
Programme creditors and amounts owed to other CARE offices	9,886	11,348	9,886	11,348
Trade creditors	781	437	772	409
Taxation and social security	132	151	132	151
Provision for pension deficit recovery plan	73	60	73	60
Other creditors	229	32	229	32
Accruals	420	337	415	332
Deferred income	721	1,640	721	1,627
Total	12,242	14,005	12,228	13,959
Amounts falling due after one year				
Provision for pension deficit recovery plan	347	386	347	386
Total	347	386	347	386

A programme creditor is where programme partners or CARE offices have spent more on programme activities than the funds transferred from CARE International UK, and therefore the funds are owed to the relevant CARE office or partner.

11. Consolidated statement of funds

2019	1 July	Income	Expenditure	Transfer	30 June
	2018			between	2019
	£'000	£'000	£'000	funds	£'000
				£'000	
Africa	(605)	12,470	(11,118)	-	747
Asia	9,770	7,890	(9,032)	-	8,628
Europe & Middle East	(6,271)	34,000	(34,734)	-	(7,005)
Latin America	12	737	(617)	-	132
North America	-	-	(16)	-	(16)
Global projects	10,427	(527)	165	-	10,065
Restricted funds	13,333	54,570	(55,352)	-	12,551
Unrestricted funds					
General funds	1,700	10,509	(11,530)	174	853
Designated funds	1,038	-	-	(174)	864
Total unrestricted funds	2,738	10,509	(11,530)	-	1,717
Total funds	16,071	65,084	(66,882)	-	14,268
2018	1 July	Income	Expenditure	Transfer	30 June
	2017			between	2018
	£'000	£'000	£'000	funds	£'000
				£'000	
Africa	1,734	14,889	(17,228)	-	(605)
Asia	8,904	8,426	(7,560)	-	9,770
Europe & Middle East	2,468	21,742	(30,481)	-	(6,271)
Latin America	(15)	41	(14)	-	12
Multiple countries	11,007	(453)	(127)	-	10,427
Restricted funds	24,098	44,645	(55,410)	-	13,333
Unrestricted funds					
General funds	3,016	10,999	(12,696)	381	1,700
Designated funds	1,419	-	-	(381)	1,038
Total unrestricted funds	4,435	10,999	(12,696)	-	2,738
Total funds	28,533	55,644	(68,106)	-	16,071

Restricted funds are those project balances held on behalf of institutional donors, corporate partners and foundations for future work; negative project balances occur where the Charity has expended project funds in advance of receiving funds from a donor.

Designated funds are unrestricted funds that have been ring-fenced for specific initiatives supporting our strategic objectives. Expenditure against these initiatives is included as unrestricted expenditure in the SoFA, and a corresponding adjustment made between general and designated funds at Year End.

FINANCIAL STATEMENTS

12. Analysis of net assets between funds

Group 2019	<i>Fixed assets £'000</i>	<i>Current assets £'000</i>	<i>Current liabilities £'000</i>	<i>Long-term liabilities £'000</i>	Total 2019 £'000
Restricted funds	-	23,493	(10,942)	-	12,551
Unrestricted funds	489	2,010	(1,300)	(346)	853
Designated funds	-	864	-	-	864
Total	489	26,367	(12,242)	(347)	14,268

Group 2018	<i>Fixed assets £'000</i>	<i>Current assets £'000</i>	<i>Current liabilities £'000</i>	<i>Long-term liabilities £'000</i>	Total 2018 £'000
Restricted funds	-	26,498	(13,165)	-	13,333
Unrestricted funds	589	2,336	(839)	(386)	1,700
Designated funds	-	1,038	-	-	1,038
Total	589	29,872	(14,004)	(386)	16,071

13. Commitments

	Land and buildings		Equipment	
	<i>Group and Charity 2019 £'000</i>	<i>Group and Charity 2018 £'000</i>	<i>Group and Charity 2019 £'000</i>	<i>Group and Charity 2018 £'000</i>
Operating leases expiring				
- within one year	264	264	9	7
- within two to five years	231	495	3	17
Total	495	759	12	24

The lease agreement for office space runs to May 2021, so expires within two years.

14. 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 02306212) and whose registered address is 9th Floor, 89 Albert Embankment, London SE1 7TP.

The subsidiary is used for trading activities to provide income for the Charity. The activities during the year were the provision of IT support to five European CARE International offices, fees charged to corporate partners for use of the CARE name and logo, and receiving donated royalties from book sales.

	2019	2018
	£'000	£'000
CI Enterprises Ltd		
Total trading income	263	250
Cost of sales	(141)	(190)
Gross profit	122	60
Administrative expenses	(10)	(8)
Profit before qualifying charitable donation and taxation	112	52
The aggregate of the assets and liabilities were:		
Assets	294	226
Liabilities	(294)	(226)
Funds	-	-

15. Lendwithcare

Lendwithcare (www.lendwithcare.org) is a peer-to-peer lending relationship between people in the UK and people in the developing world. It is an innovative way of raising microfinance to help entrepreneurs in developing countries to lift themselves out of poverty.

The total number of lenders, since the scheme's inception in April 2010, is 55,027 (2018: 49,267). The total value of loans made to entrepreneurs is £23.9m. This has supported 116,181 (2018: 89,845) entrepreneurs.

In compliance with the Charities SORP (FRS102), the Charity, as agent, discloses the value of funds added to the scheme; funds loaned to entrepreneurs, through microfinance partners, which includes both new funds from lenders and funds repaid to lenders and then re-loaned to another entrepreneur; together with the balances held at 30 June 2019.

Funds received

The value of new funds added to the scheme during the year, by existing and new lenders, is:

	2019 £'000	2018 £'000
Added to the scheme	1,634	1,801
Withdrawn	(233)	(203)
Net additions	1,401	1,598

Funds paid

The total value of loans (from new funds and funds re-loaned) during the year is:

	2019 £'000	2018 £'000
Loans during the year	4,602	5,097

Balance held as agent

The amount of lenders' funds held:

	2019 £'000	2018 £'000
Amounts at year end	2,206	2,027

Lenders' funds do not form part of the assets of CIUK and are therefore not consolidated within the financial statements, and are not available for use by the Charity.

The operating costs of the scheme of £710k (2018: £632k) are included in expenditure on raising funds (individuals) within the financial statements and in Note 3. These are the costs of managing the scheme and raising new funds for the scheme.

16. Notes to the consolidated statement of cash flows

	2019 £'000	2018 £'000		
a) Reconciliation of net income to net cash flow provided by/(used in) operating activities				
Net expenditure	(1,803)	(12,461)		
Interest receivable	(49)	(36)		
Depreciation charges	199	169		
(Increase) in debtors	(575)	(568)		
(Decrease)/Increase in creditors and provisions	(1,803)	4,800		
Net cash flow from operating activities	(4,031)	(8,096)		
b) Investing activities				
Interest received	49	36		
Purchase of tangible fixed assets and investments	(100)	(244)		
Net cash flow from investing activities	(51)	(208)		
c) Analysis of changes in cash and cash equivalents				
2019	<i>At 30 June 2018</i>	<i>Cash Flow</i>	<i>Foreign Exchange</i>	<i>At 30 June 2019</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Cash at bank and in hand	17,548	(4,530)	448	13,466
Total cash and cash equivalents	17,548	(4,530)	448	13,466
2018	<i>At 30 June 2017</i>	<i>Cash Flow</i>	<i>Foreign Exchange</i>	<i>At 30 June 2018</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Cash at bank and in hand	25,852	(8,530)	226	17,548
Total cash and cash equivalents	25,852	(8,530)	226	17,548

17. Related party transactions

The Charity is a member of the Disasters Emergency Committee (DEC) and in the year paid a subscription of £36k (2018: £43k). As an automatic part of membership, CIUK'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 £888k (2018: £1.1m).

There were no related party transactions with trustees this year (2018: £NIL).

18. Pension costs

All new employees are auto-enrolled into a Group Personal Pension Plan with **Royal London** (formerly Scottish Life) comprising a 5% employer contribution and 3% employee contribution.

Contributions to the scheme for the year were £324k (2018: £350k) and at the end of June 2019 there were 82 members in the scheme (2018: 100).

The Charity also participates in a multi-employer defined benefit scheme administered by **The Pensions Trust**. This scheme was closed to new members at the end of April 2014, and existing members continue to benefit from a 7.5% employer contribution against a 4% employee contribution.

Contributions to the scheme for the year were £84k (2018: £151k) and at the end of June 2019 there were 13 members in the scheme (2018: 24).

Contributions to the multi-employer scheme paid into The Pensions Trust's 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 CIUK, applicable to employers with pre-October 2001 liabilities in the Plan: when an employer withdraws from a pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). If Plan liabilities exceed assets, a buy-out debt will exist if CIUK 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 estimates that the cost of withdrawal from the Plan would be £1.1m based on the financial position of the Plan at 30 September 2018. This has reduced by £174k due to an overall improvement in the plan's funding level since the 2017 valuation. 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 chance of this debt crystallising is therefore considered extremely unlikely.

Under the Pensions Trust recovery plan, deficit contributions made by CIUK during the year were £63k (2018: £58k). This recovery plan is intended to run to 2025.

In compliance with the Charity Statement of Recommended Practice (FRS102), the provision for the net present value of the future contributions to the deficit recovery plan is held in the Balance Sheet. Details of this provision are given in Note 10, Creditors.

COMPANY INFORMATION

Auditors

BDO LLP
2 City Place
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Gatwick RH6 0PA

Bankers

Barclays Bank plc
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London E14 5HP

HSBC plc
UK City of London Commercial Centre
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London EC4N 4TR

Solicitors

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London Fruit and Wool Exchange
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Lendwithcare advisors

Julian Bashford
Alison Fielding
Theresa Lloyd
Rebecca Ryan
Fiona Thompson
Neville Wright

THANKS TO OUR SUPPORTERS

Thank you to everyone who has supported CARE in the last year. This includes all those people who have taken part in fundraising events and campaigns, as well as those regular supporters who we rely on to fund our ongoing work. Your donations are invaluable in helping us to fight poverty around the world.

A list of larger value donors and individuals who have supported CARE International UK this year is provided here:

Statutory donors

Conflict, Stability and Security Fund through the
Foreign and Commonwealth Office
Department for International Development
Disasters Emergency Committee
European Commission
European Commission's Directorate-General for
Humanitarian Aid and Civil Protection (ECHO)
United Nations Office for Project Services
United Nations Peacebuilding Fund

Trusts, foundations and charities

Action Aid UK
The Allan and Nesta Ferguson Charitable Trust
Australian Red Cross Society
Beatitudes Fund
The Catrail Charity
Cherie Blair Foundation for Women
The Church of Jesus Christ of Latter-day Saints
Comic Relief
The Cotton Trust
DANIDA
Equality and Human Rights Commission
Guernsey Overseas Aid
Halcrow Trust
Helpage International
International Organisation for Migration
The IPSOS Foundation
Islamic Relief Worldwide
Jersey Overseas Aid
Jimmy Choo Foundation
The Lord Deedes of Aldington Charitable Trust
The MacDaibhidh Charitable Trust
Natural Environment Research Council
Norwegian Refugee Council
Overseas Development Institute
Plan International UK
People's Postcode Lottery
Power of Nutrition
The Reed Foundation
Results for Development
St Clare & St Francis Trust
START Fund
START Network
Tony Blair Institute
VIIV Healthcare

Companies

Anglo American
Bank ABC
Barclays
Beazley Group
Diageo
Experian
EY
GlaxoSmithKline (GSK)
Grant Thornton
Heathrow Airport Ltd
Hogan Lovells
IHG (InterContinental Hotels Group)
KPMG
Marks & Spencer, PLC
The Met Office
Mondelēz International, Inc.
Mott MacDonald
Options Consultancy Services Ltd
Price Waterhouse Cooper (PWC)
Stars Group Ltd
SAB Miller
Twinings
Unilever
White Light Ltd

Key supporters

Annie Lennox
David Arnold
Fiona Thompson
Nicholas and Mary Grey

Thank you to all those who donated to the Disasters Emergency Committee. As a member of the DEC, we received vital funds from the disaster appeals to assist communities affected by the earthquake and tsunami in Indonesia, conflict in Yemen, Myanmar refugee crisis in Bangladesh, and Cyclone Idai in Mozambique.



Vision

We seek a world of hope, tolerance, and social justice, where poverty has been overcome and all people live with dignity and security.

Mission

CARE works around the globe to save lives, defeat poverty and achieve social justice.

Focus

We put women and girls in the centre because we know that we cannot overcome poverty until all people have equal rights and opportunities.

Registered office

CARE International UK
89 Albert Embankment
London SE1 7TP
Tel: 020 7091 6000

careinternational.org.uk
insights.careinternational.org.uk
lendwithcare.org

Registered charity number: 0292506

Private company limited by guarantee number (England and Wales): 01911651

PHOTOS

Front cover, top: girls playing a board game at one of the Women and Girls' Safe Spaces operated by CARE in the Rohingya refugee camps in Cox's Bazar, Bangladesh (see page 7) © Tapash Paul / CARE 2019

Front cover, bottom: families in Rwanda who participated in the couples' curriculum training under the Indashyikirwa project (see page 9) © Peter Caton / CARE 2018