

# Report of the Trustees and **Financial Statements**

For the year ended  
**31 March 2020**



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Right Reverend Patrick McKinney  
Catherine Newman QC  
Dame Mary Ney

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Christopher Perry (Honorary Treasurer)  
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## CAFOD Leadership

Christine Allen*	Director
Matthew Carter	Emergency Response
Jen Corlew	Communications (until 17/01/2020)
Maria Gonzalez	International Development
Jo Kitterick	Volunteers and Parish Participation
Geoff O'Donoghue*	Operations Director
Neil Thorns	Advocacy and Education
Jan Wilkinson*	Finance Information and Infrastructure

*\* Key Management Personnel – responsible for the Board of Trustees; Strategy and Performance Committee; Finance Legal Audit and Risk committees respectively*

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# Thank you for your support!

We are grateful for the continued support of the Catholic Community in England and Wales – here is a small snapshot of what your participation in our work achieved last year:



**545** direct grants to partners amounting to £22.4M, supporting their lifechanging work



**£1.4M** of funding from institutional donors that partners were able to secure for themselves as a result of our help



**£921,775.85** released to quickly support life-changing work in response to emergencies, often smaller emergencies not visible in the UK Media



**2,053** Catholic Parishes in England and Wales who participated in and supported CAFOD's work



**Over 150,000** refugees have been supported in Sudan with services that included hygiene promotion, the construction of 1500 household latrines and provision of basic hygiene materials



**6,358** volunteers in 22 dioceses, supported by 25 Community Participation Co-ordinators



**37,550 households** in Aleppo are supported by CAFOD with Caritas Syria to rebuild their lives after the war



**950** schools participated in CAFOD works last year and **620** teachers were trained through our Connecting Classrooms scheme, supported by the British Council



**500 meters** – access to community water supplies in the DRC, Zimbabwe and Uganda was reduced from an average distance of 10km to between 1km and 500m, saving people, particularly women and children, valuable time that would have otherwise been spent walking to collect water



**10 years** of *Step into the Gap!* our gap year programme. During their term our recent graduates were able to meet with over **16,000 people** (mainly children and young people), sharing their experience of meeting people and communities in Uganda and Occupied Palestinian Territory



In Myanmar, **over 100,000** people have been reached in a three-year programme to end violence, including activities that promote inclusiveness and political and economic equality beyond ethnic and faith boundaries, including almost 40,000 children



**12,000** people, including many CAFOD supporters, took to the streets around Westminster to lobby their MPs to call for further, faster action on climate change and environmental protection at *The Time is Now* mass lobby



**350,000 listeners** to community radio stations across Latin America and the Caribbean benefited from 100 innovative radio productions with a particular focus on gender, citizenship and protection of the environment, supported by our partner Radialistas Apasionadas y Apasionados in Ecuador



**More than 300** 16-17-year old young leaders have campaigned for action on tackling climate change. 13 of these young leaders joined other MP correspondents to talk to their MPs about CAFOD's work around our climate emergency



**11 dioceses** in Zambia were supported with your help by Caritas Zambia and the Presencing Institute to gain a deeper understanding of the integral ecology message of *Laudato Si'* to shape their practice and ongoing work



**743,985** signatures were collected in coalition with other charities for the Net Zero emissions petition, with CAFOD supporters contributing thousands of signatures



## Joint letter from the Chair and the Director

As we write this, we are trying to adjust to the 'new normal'. Whether it is our engagement with partners, supporters, volunteers, Trustees or staff; the lockdown due to coronavirus has thrown every aspect of our day to day lives into a new situation. Each and every one of us have felt the impact.

The current situation has highlighted the interconnectedness of our human family; bringing into sharp relief the inequalities in our world and our need to reach out, to communicate with one another, to listen and to be heard. The majority of CAFOD staff and partners are working remotely and whilst we are separated by location we remain together, committed in service of the poor and most vulnerable in our global community.

Overseas, coronavirus is a tsunami heading towards the homes of millions of poor communities who have little to protect themselves from its devastating impacts. It is a huge global challenge that comes on top of existing injustices, poverty and climate degradation. We are swiftly and expertly expanding and adapting our programme work to prevent the spread and reduce the risk of coronavirus, getting

food and clean water to families to reduce suffering, ensuring the survival of communities. We have launched an appeal to help us respond, but we know that the economic impact of the lockdown will reverberate across communities near and far for some time to come.

As you read through this report, you will see that this crisis is just one of many that CAFOD and our local partners faced during the past year. The need for humanitarian help and protection reached an all-time high at the end of 2019, with a reported 168 million people anticipated to need our support in 2020.

As is the case every year, the majority of our income comes from the hugely generous support of the Catholic community of England and Wales. We are truly humbled by such continued generosity. Thank you. Last year, through 545 direct grants to partners in support of their activities, we have had a global impact. In addition, our staff offer direct support and accompaniment to partners, helping them to develop good programmes, improve their management and safeguarding as well as influence for change.

*Christine meeting Pope Francis at the Caritas International General Assembly*



Over the past year we have continued to roll out our SADI programming framework, designed to put the Safety, Access, Dignity and Inclusion of all people and communities at the heart of our work, strongly reflecting and reinforcing our Catholic values. Within CAFOD we have also begun to improve Diversity and Inclusion across the organisation. Colleagues formed a new Black, Asian and Minority Ethnic (BAME) Working Group this year, whose overarching principles are to promote equality and inclusion of race and ethnicity, to bring about respect, mutual understanding and acceptance of diversity at all levels of CAFOD. As the Black Lives Matter campaign reminds us, there is much still to do.

We have now launched our new strategic framework – Our Common Home – which is our working through of Pope Francis' encyclical *Laudato Si'* – On Care for Our Common Home. This new framework offers staff, volunteers and external stakeholders a unifying vision and direction for CAFOD for the next ten years and beyond. It builds on 60 years of organisational history and Gospel values. It challenges us to radically redefine our understanding of progress and increase our focus on the interconnected cry of the earth and the cry of the poor and to work co-operatively in making this a reality.

We thank CAFOD's staff and volunteers, committee members, and Board of Trustees for their passion, commitment and hard work. We are grateful for the faith and trust CAFOD supporters place in us. From our humble beginning as a women-founded organisation we have grown, supported by an extensive family of volunteers. Last year 6,358 registered volunteers dedicated their time to represent CAFOD in their community and all of the work highlighted in this report was possible because of their efforts and your essential support. We are proud to be a witness to the compassion and solidarity of the Catholic Church in England and Wales.

Because of coronavirus, our world may seem fractured and our faith may be



*Bishop John with supporter Brian Bennion*

challenged. But coronavirus has taught us another world is possible; it doesn't have to be the way things were previously; we can do things differently now; we can live differently, there can be a new normal where no-one is beyond reach. Despite the potential challenges to our income caused by the temporary closure of parishes and schools and the wider economic uncertainty, we treasure your continued support in our efforts to create this change.

As one family, we will survive, rebuild, and heal.

God bless

Christine Allen  
CAFOD Director

The Right Reverend John Arnold  
Bishop of Salford and  
CAFOD Chair of Trustees

# 1. Strategic report

## We are CAFOD

We are part of a global community with the potential to reach everyone; working together to promote positive change. Supporters, partners, staff, volunteers, communities and beneficiaries both here and internationally, all committed to the same purpose: We believe everyone around the world can and should flourish.

### Vision

Our common home is transformed to reflect God's Kingdom, where all people, communities and the earth may flourish, and no one is beyond reach of the love and support they need to fulfil their potential.

### Mission

Inspired by Gospel values and as part of the Catholic community of England and Wales, we come together in partnership with others, locally and globally:

- To reach those in greatest need, save lives and relieve suffering
- To support and enable people, communities and our local partners to be artisans of their own destiny
- To challenge and transform the structures and behaviours that drive poverty, vulnerability, inequality, injustice and exclusion and harm the natural world.
- To educate, enable and inspire the Catholic community of England and Wales to act in solidarity for the common good.



### We have global reach

We are a member of Caritas Internationalis, a global Church network with a presence in 165 countries. The local Church is trusted even in the most dangerous countries, regions and communities regardless of religion. This means that your support will help those who are truly in need. Through local experts we can reach some of the most difficult-to-reach people in Africa, Asia, Latin America and the Middle East.

### We are Catholic

We are the official aid agency for the Catholic Church in England and Wales. With your help, we reach out to people living in hard-to-reach places, in war zones and those who are discriminated against. We believe that if one of us is hurt, hungry or abandoned, we all are hurt, hungry and abandoned and help people in need regardless of faith, gender and ethnicity. No one should be beyond the love and support they need to live a dignified life.

### Helping people thrive

No one wants to live on handouts. That is why our partners provide long-term aid to equip people with the skills, tools and opportunities to live with dignity, support their families and give back to their communities. They are part of the communities they work in and use their commitment, passion and knowledge to make a difference.

*Food distribution in Chipinge District, in the diocese of Mutare, Zimbabwe*

## Facing tough challenges together

Poverty. Conflict. Climate Change. Inequality. A child going hungry. A family without a home. It doesn't have to be this way. With the support of the Catholic community in England and Wales and the expertise of local aid workers, we reach out to those that are excluded.

## Support in a crisis

We support teams of experts who can act fast, providing food, water and shelter for people who have lost everything. And we're there in the months and years that follow too, listening and helping people rebuild their lives and prepare for whatever the future holds.

## Speaking out for justice

When international bodies and governments make decisions that damage poor communities, we speak out, amplifying and strengthening the voices of partners and churches around the world. Advocacy and campaigning works – it can take years of effort or be as simple as signing a petition.

*Over the past year, CAFOD has continued to play a leadership role in transforming the ways in which the humanitarian system partners with and empowers local organisations. The Charter4Change coalition, founded by CAFOD and its local partners, continues to lead joint advocacy at global level and is increasingly advancing joint work on the ground in countries like South Sudan, Kenya, Uganda, DR Congo and elsewhere. Over the past year alone, the Charter4Change agencies transferred 277 million USD to their local partners and have generated new approaches to partnership by UN agencies and governments to enable life-saving work by local responders. UN agencies have adopted changes in their funding mechanisms and partnership approaches to better track the timeliness and quality of funding to local groups.*

## New generations

Each year, tens of thousands of young people discover our work at school or in local groups – from volunteers, teachers and classmates, supported to

be the change they want to see in their communities and worldwide.

## Shifting the power

We support our partners in many ways. Helping our partners to apply to institutional donors directly, as lead applicant, is one small way to further shift the balance towards our -southern partners and supporting their growth and development. This year we assisted partners in Bolivia, Brazil, eSwatini, Nicaragua and Honduras to raise £1.4 million directly from donors. This enabled work across a range of areas, including advocacy, protection of human rights, women's empowerment, livelihoods and climate resilience. Donors included the EU, the Foreign and Commonwealth Office and sister Caritas / CIDSE agencies.

*In Nicaragua where changing weather patterns, unpredictable rainfall and recurrent drought threaten the livelihoods of poor rural communities, CAFOD has supported three local partner organisations to raise additional funds for their work. Winston Berrios, CAFOD's programme manager in Managua introduced the partners, Caritas Jinotega, the John XXIII Institute and the Rural Women's Association to new potential donor organisations. As a result, they were able to raise an additional £164,000 to help smallholder farmers, particularly women, to develop ecological farming methods, diversify their crops, enrich the soil and ensure healthy organic food and income for their families. The work seeks to make real the care of our common home, following the teachings of Pope Francis' encyclical Laudato Si'.*

## We are trusted

The amount of money we receive and exactly how we spend it changes each year. But one thing stays the same – our commitment to spending it wisely. In an annual poll of Mass-going Catholics, 81 per cent of those who were aware of CAFOD reported that they trusted CAFOD “a great deal” or “quite a lot”. We aim to be as transparent as possible and always do our best to answer individual enquiries. The coronavirus has prompted us to hold more on-line events where volunteers and supporters can enter into dialogue with staff.



## We are part of an extraordinary network



*Women from the Centre Olame demonstrate how they make liquid detergent*

### The partners we work with

Centre Olame, DR Congo, supports women affected by physical and sexual violence and has been supported by CAFOD for over ten years. Men and women are educated together to have an increased understanding of women's rights, including equality within marriages and acceptable behaviours. Centre Olame is standing alongside both current and future generations of women and working to improve their community. Last year, the centre reached 200 women, 115 girls, 90 men and 45 boys. With the risk of the coronavirus spreading, locals make detergent and soap and make masks for staff and visitors to wear to help prevent the spread of the virus. CAFOD's Director Christine said "I saw the amazing work of Centre Olame last year. The detergent and soap bring in a living, but then we didn't realise its role in saving lives."



*Canon Chris Fallon and Fr Stephen Pritchard travelled from their diocese in Liverpool to Nicaragua and El Salvador*

### Global encounter

Canon Chris Fallon and Fr Stephen Pritchard travelled from their diocese in Liverpool to Nicaragua and El Salvador, sharing their journey with parishioners via Facebook. They visited CAFOD partners working with small agricultural communities, rural health clinics and a centre running training programme for adolescent girls living in conditions of high risk and vulnerability. They were learning about the huge difference the partners were making to impoverished urban communities at risk of extreme violence. They met local Church leaders and human rights defenders and celebrated Mass in the chapel of the Divine Providence hospital in San Salvador, where Saint Oscar Romero was martyred. Visits such as these are crucial for enabling a culture of encounter. "We witnessed how lives and communities are being changed. More children are being educated, there is an increase of young people staying in their communities and young girls have role models to aspire to be more in their lives."



*Candlelight Christmas messages 2019*

### Our supporters

In December we decorated a Christmas tree in Romero House with messages sent from supporters. Each of these was dedicated to a 'Candlelight Fund', a means through which supporters can remember a loved one, celebrating their life whilst giving hope to thousands more. Supporters tell us how comforted they are knowing that money raised is being put towards addressing the causes that their loved one cared for during their lifetimes. CAFOD staff and visitors were moved by reading the messages. We are so grateful to every family who decides to remember a special person in this way.

### Organisations that support us

In 2020 we celebrate the 20th anniversary of our partnership with the company CPL Aromas, which has donated over £2.5 million supporting work in 16 countries, an amazing expression of compassion and solidarity. "At CPL we cherish our relationship with CAFOD. Our job is to run a good company and make some profit to share with CAFOD who are the heroes, who do the real work of saving and changing lives. We work with CAFOD because they support the poorest of the poor, those without a voice around the world." We appreciate the support of CPL Aromas, spreading the word about our work and encouraging fundraising activities – Thank you.



*CPL Logo*





*Fr Mark Ehichioya Odion*

## Our committed Trustees

Fr Mark Ehichioya Odion is the newest member of the board, joining CAFOD in December 2019. Fr Mark has held a wide range of roles within the Church both in Nigeria and in the UK. Fr Mark engages in parish awareness campaigns in England and Wales to raise awareness in the local communities of the presence of human trafficking and modern slavery, particularly domestic servitude and abuse. He helps dioceses and parishes to identify and engage with victims by organising seminars and training at parish level, reaching out to those experiencing domestic abuse or who have been trafficked and remain in the control of traffickers and enabling them to talk to the police about their experiences and obtain help to regain their freedom and confidence. Fr Mark also works at the Catholic Bishops' Conference of England and Wales as the Africa Project Co-ordinator for the Santa Marta Group, liaising with Catholic Bishops in Edo State, Nigeria to combat human trafficking.



*Eileen Hayes with her children*

## Our dedicated staff

Eileen joined CAFOD in 2005 supporting volunteers, first in Westminster and Southwark dioceses and now nationally. She also volunteers in her own parish running children's liturgy sessions and on the safeguarding team. When the coronavirus pandemic shut down schools and churches in March, Eileen wanted to continue providing a spiritual space for children online. With other CAFOD colleagues she started a live Children's Liturgy which has seen 500 families regularly joining for online prayer and praise. Eileen and her children have found this a really special way to keep their faith alive during lockdown and have been delighted to see so many families come together and other parents step up to lead the sessions in our little online community.



*Rubima at sunset*

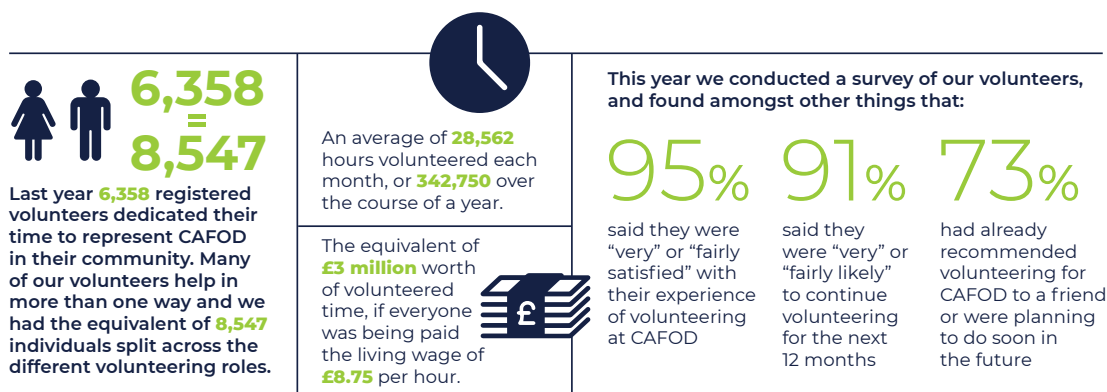
## The people we reach

Rubima lives in Bangladesh, with her husband and daughter, Fatima, who features on the frontpage of our new strategic framework *Our Common Home* which was finalised this year. Her home has no electricity and they have to cook all their food over a wood fire, which becomes impossible when it rains as water leaks through the roof. They often have to rely on begging for food. Fatima is no longer able to go to school and spends her days looking after her father when her mother goes to find food from local villages or neighbours. Your support helps us reach even the most remote and difficult to access communities, providing opportunities for people like Rubima to live with dignity. With our partner Caritas Bangladesh and ADD, CAFOD is delivering a programme that promotes sustainable agricultural practices and alternative ways to earn a living for families like theirs. Activities include producing organic compost to help crops grow, distributing climate resilient seeds and providing vocational training courses to vulnerable or neglected groups, particularly women and people living with disability. The programme is half-way through a two-year implementation and by the end will have directly reached over 3,500 individuals, with a further 10,000 family members indirectly benefiting.

**Together we are making  
a difference.**

## We are inspired and humbled by the contributions of our volunteers

CAFOD was started by the volunteer efforts of women in Catholic parishes across England and Wales, and much of our work is still supported and enabled by volunteers. With 15 specific roles available it is easy to match your interests, expertise and available time with CAFOD's volunteering options; indeed, many people take on more than one role. Every single volunteering hour is enormously appreciated.



Our volunteers' efforts are widely recognised within the Catholic community and sometimes even beyond.

In October, Sandra Davies received a Papal blessing celebrating the 25 years she has spent as a CAFOD volunteer. Therese Warwick, CAFOD's representative in South Wales, where Sandra carries out her volunteering, said: "It is very rare that you meet someone so dedicated to helping others and changing lives for the better. Sandra has a long history of working to educate children and young people about issues that affect global communities - and has helped people in the local community to better understand the issues that are facing some of the poorest communities around the world.

Our volunteer Leila lives with her nan in East London. "I'm passionate about being at the forefront of campaigns and using my voice because I want other young women to see that you can be whoever you want to be and make a difference. I want my two younger sisters to see that they can use their voice and they can make a change. Every single person in this world has been made in the perfect image of Christ. No-one was born to feel such poverty. We've been blessed so we should use our blessing, use our faith to try and impact other people's lives. I think, with CAFOD you're acting out your faith every



*Leila Bousbaa, far right, with her nan and sisters*

single day." We're grateful to Leila and all our campaigns volunteers and MP Correspondents for speaking out against injustices.

We also rely on volunteers to help us in our offices. Thomas has helped our colleagues in Southwark, London and shared his reflection on his volunteer journey with staff and volunteers globally. When local parishes put up posters about the spiritual and corporal works of mercy, "I thought, how do we perform charitable actions by which we help our neighbours in their bodily and spiritual needs? On prayerful reflection and after discussing with friends

and family on how to achieve this, we all seem to agree that we can do this by volunteering our time to pray for, and talk to, our community. And that's how I became a CAFOD volunteer!"

In June 2019, as part of the CAFOD celebrations of Volunteer Week, two national events in London and Manchester took place to thank and encourage volunteers. Meeting each other, the CAFOD Director and international programme colleagues, our volunteers reflected on the

difficult decisions that have to be made to prioritise funding requests from partners and worked together to learn how to better share stories in parishes and schools to create a culture of encounter.

Thank you to all our volunteers, for sharing your time and talents and transforming both your communities and those in which we work. You are making a huge difference in the fight against global poverty and injustice.

## In Memoriam



Former Catholic school teacher  
Brian Bennion

### Brian Bennion

We were delighted to hear that former Catholic school teacher Brian Bennion was nominated for a Pride of Britain award and in December 2019 received the papal medal *Pro Ecclesia et Pontifice* (For Church and Pope). Working alongside students, teachers and parents at Holy Family RC and CE College in Heywood, Brian has helped to raise more than £40,000 for CAFOD over the last 40 years. For Brian, it was all about empowering young people to act to help others. "It's all about facilitating the young people and enabling them to achieve," he continued. "I see parents who I taught years ago who ask me, 'are you still doing CAFOD?' and it just shows that people remember the impact years later." Brian sadly passed away in June 2020, but his legacy lives on.



Our volunteer  
Sue Philippart

### Sue Philippart

Our volunteer Sue Philippart, a parish volunteer, education volunteer, campaigner, school teacher and friend in the diocese of Menevia in Wales, died in March 2020 following a tragic accident. Sue initiated many fundraising activities, took part in Share the Journey walks in solidarity with refugees and migrants in the Year of Mercy and campaigned with her parish and school children. Parish priest Fr Mansel Usher said: "Sue, who has been a member of the parish all her life, became an invaluable supporter of a number of projects that were either already in existence or were new to the parish. She is someone I knew I could totally depend upon, someone who would go out of her way to give everything to help support such a worthy cause which she totally believed in." Sue's family have sent up a fundraising page in her memory, raising over £3,500 so far for CAFOD's programmes. CAFOD is grateful beyond words for all that Sue did in her life and to her family for continuing to think of CAFOD at this hugely difficult time.

## Engaging with our supporters

CAFOD uses different means to communicate within the Catholic community and beyond – to show how your support enables us to make a difference and to highlight the various challenges that are being faced by our brothers and sisters around the world. This includes face to face contact in parishes and schools, including via volunteers and parish priests, regular newsletters and e-bulletins, activity on social media such as Twitter, Instagram and Facebook and securing free coverage in national broadcast media. Last year we had 62 national media hits – including a double page coverage in the Daily Mirror, six TV features including being featured in Newsround, as well as 10 national radio interviews including on the Sunday programme and BBC World Service and we achieved over 350 regional newspaper articles and interviews on local BBC radio, often featuring our amazing volunteers. Every supporter act connects to communities across the world, but our media and social media activity particularly is visible globally. As part of our No One Beyond Reach strategy, we are seeing early positive results that we are reaching a younger and more diverse audience. Last year's most popular social media posts included:



*A video shared on Twitter, that reminded people of their collective responsibility*

A video shared on Twitter reminded people of their collective responsibility for the world and urged them to use the general election as an opportunity to advocate for the issues that CAFOD and our partners are working to address.



*This image posted to Instagram, showing a young person taking part in a peaceful environmental demonstration*

This image posted to Instagram, showing a young person taking part in a peaceful environmental demonstration. CAFOD supports actions such as these being taken all around the world in order to draw attention to the climate crisis and press for urgent action to reverse the damage caused to our common home.



*Our call on Facebook to boycott 'Black Friday' Christmas sales*

Our World Gifts scheme was regularly promoted on Social Media, including an ask to boycott 'Black Friday' Christmas sales and instead consider purchasing a



World Gift in order to give someone a unique gift that will make a real difference to a family living in poverty. Throughout the year almost 40,000 *World Gifts* were bought as Christmas, or for baptism or wedding presents, raising more than £850,000.

It is a joy to interact with our supporters online and to get insights into the amazing steps individuals, schools and parish communities take to help our brothers and sisters in need.

Another important way we reach our supporters is through our work in schools. Last year 189 secondary and 761 primary schools participated in our work. In April CAFOD began running teacher training courses, supported by the British Council and funded by DFID, as part of a programme called 'Connecting Classrooms through Global Learning'. The programme trains teachers to help their pupils understand the big issues that shape our world and equip them with the knowledge, skills and attitudes they need to make a positive contribution. CAFOD was already running similar teacher training programmes and since getting the support of the British Council we have run 31 courses, training 620 teachers from 178

primary schools and 93 secondary schools during the past year.

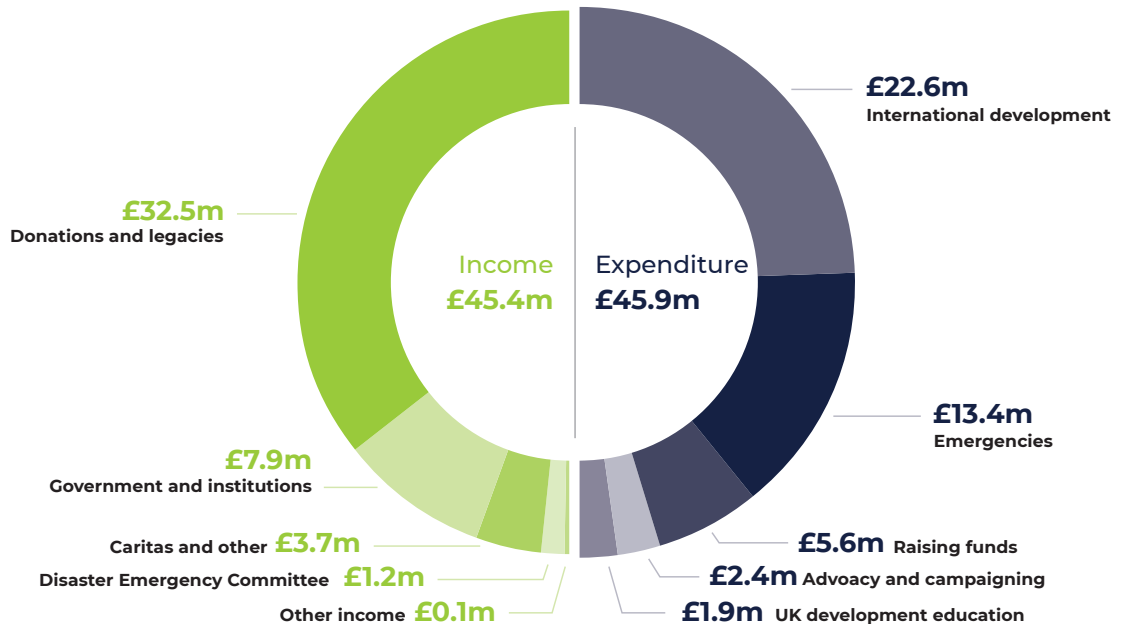
These courses have a direct impact on children and young people, enabling their teachers to inspire them to be future leaders in social justice and instilling in them a passion for caring for our common home and our global neighbours. The courses are rooted in *Laudato Si'* and covers the Sustainable Development Goals, how to work in partnership with schools overseas and how to run your own young leadership for global justice courses. They examine the context of the world and the improvements we have seen this century, which often goes against the expectations of many participants. We share examples of our work, along with examples of what children and young people are doing in other schools in England and Wales. Despite the many challenges that we explore, participants are often encouraged by all that is being done to transform the world and are given a vision for how they and their school community can participate. A participant said: "The CAFOD session re-ignited our sense of mission as teachers, as a school and people of faith, to have hope in our ability to transform this world for the better and inspire the next generation to do the same."

#### *Secondary school Lent 2020 Football fundraiser*



## Financial review

### income / expenditure

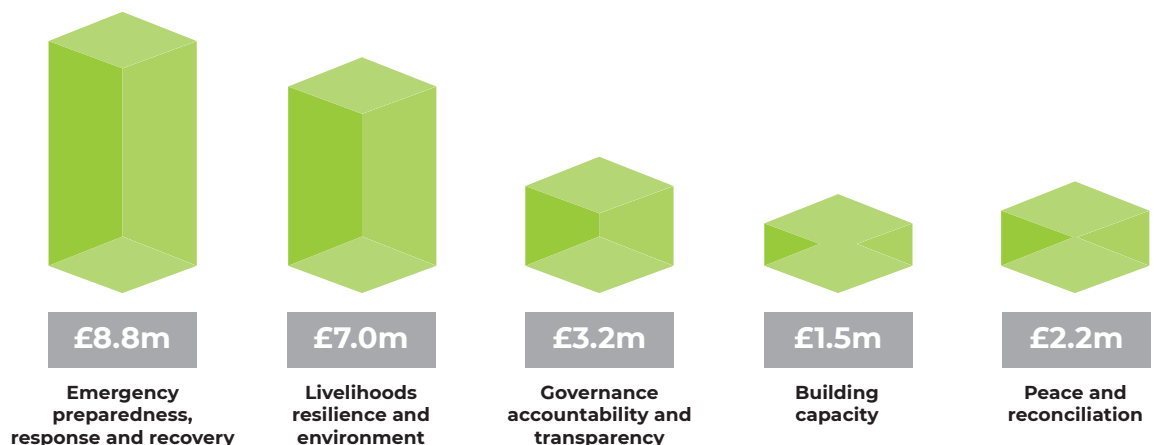


Our total income was £45.4m, of which £32.5m (71%) came from the unwavering support of the Catholic community in England and Wales; made up of general and emergency appeal donations together with legacies.

We are humbled by this level of continuing support and hugely appreciative of the many ways in which our supporters and volunteers give to and raise funds for CAFOD's work.

We spent £45.9m in total; with £5.6m (12%) on raising income and £40.3m (88%) on delivery of our mission through our charitable activities. Both these figures include allocated support, administration and governance costs of £5.7m (13% of our total spending).

These resources entrusted to us allow us to cover a wide and diverse range of issues, reflecting the contexts in which we operate, the requests that we receive from our partners, and our analysis of how we can achieve the greatest impact in our programmes. We made 545 direct grants to partners, and further payments in support of partners' programme activities, covering these main themes:



# We live out our values, rooted in the Gospel and Catholic Social Teaching

## Hope

Hope transforms despair, feeds love and fuels our work. We are profoundly hopeful, inspired by Scripture, Catholic Social Teaching and the resourcefulness and strength of our supporters, volunteers, local partners and the people and communities we seek to serve. It joins us in confidence with others to act for the common good. *‘But those who hope in God renew their strength, they put out wings like eagles. They run and do not grow weary, walk and never tire.’ (Isaiah 40:31 JB)*

21 September marked the International Day of Peace, a time to pray in hope for an end to the conflicts that impact millions of people’s lives around the world. In Colombia, where an internal armed conflict has lasted over 50 years, almost every person has been affected in some way. CAFOD’s partner Programme Development and Peace (PDP) are working with more than 3,000 children and young people in 34 secondary schools to promote a culture of peace and reconciliation. The project also includes work with local women’s groups, a community radio and a youth group as well as local authorities. Almost 5,000 people are participating directly in the project. While forced recruitment of children by armed actors increased by 113% in the last year throughout Colombia, a headteacher participating in the project remarked on what was happening in her school: “The workshop today with PDP is really important. It can stop the students joining guerrilla groups. Some of our students leave school and just end up joining an armed group. Now it makes them stop and think before they leave school.” We were pleased that a mid-term review by an external evaluator found the project to be “highly relevant” and was content that strategic progress had been made. The project is funded through our ‘Hands On’ programme, which connects individual supporters with people from the communities their contributions reach. This enables our supporters to join CAFOD in hoping for a more peaceful world and in

putting that hope into action by supporting programmes which promote positive changes in attitudes and behaviours.

CAFOD is also supporting hopes for an end to violence in Myanmar, through our work with the Freeland Organisation who work in a context of multiple armed groups fighting an ongoing civil war, drug trafficking, illegal trading and environmentally damaging infrastructure projects, all impacting on the lives of people living there. Young people feel unsafe and trapped, without the opportunity to take leading roles in their communities or influence decision making. The programme has been running for three years and in that time over 65,000 adults and almost 40,000 children have been reached with activities that promote inclusiveness and political and economic equality beyond ethnic and faith boundaries. They help to encourage all ethnicities and religious groups to work together in a non-violent way, offering them opportunities to unite in order to address common issues. With CAFOD’s support, Freeland Organization are working to establish a network whereby young change-makers can meet, share, learn and support each other, reaching beyond the previous barriers that existed around ethnicity and religion. They explained to us how “young people are given feeling of hope and a realisation that they are not alone and there are others who feel, think and act with the same ethics and values as they do.”

As part of a wide appeal by Caritas Internationalis, CAFOD is working with Caritas Syria to give families in Aleppo hope for a better future and to support them to begin rebuilding their lives after the war that has lasted almost a decade. Men and women are being provided with therapy to help them come to terms with the impacts of the conflict and children are being given schooling and educational resources. The programme is also delivering health care, livelihood opportunities and shelter and in total 37,550 households are hoped to be reached by the end of the 3-year programme.

In South Sudan we work together with Trócaire, our Irish Caritas Internationalis sister agency. South Sudan faced decades of violence before independence; since becoming the newest country in the world in 2011, it is estimated more than 400,000 people have lost their lives through conflict. Over the past year, there has been hope. The latest iteration of the peace agreement has largely held, a Transitional Government of National Unity has been formed and the President and some of the new Vice Presidents attended a spiritual retreat at the Vatican. The Pope knelt and kissed the feet of those in attendance, saying “I ask you as a brother, stay in peace”. The Catholic church in South Sudan is well respected by those on all sides of the conflict and as such is well placed to build peace. On the ground, CAFOD works with local experts, many of which are church partners, in peace building, to learn about the root causes of conflict, bringing communities together in reconciliation meetings and work towards justice for survivors of gender-based violence.

In the UK, CAFOD is working towards our hope that future generations will inherit a cleaner, more sustainable world. In June 2019, CAFOD joined a coalition of organisations attending the ‘The Time is Now’ mass lobby of parliament, with our supporters mobilised by a desire to see rapid and ambitious action on climate and the environment. We spoke up and told MPs that as people of faith, we are determined to act for our common home and that this climate crisis is not the legacy we hope to leave for our grandchildren. Faith leaders from all major religions, staff from various NGOs and an estimated 12,000 supporters, took to the streets around Westminster to lobby their MPs to call for further, faster action on climate change and environmental protection, with over 300 MPs coming out to meet their constituents and hear their concerns.

Together with other charities, CAFOD ran a petition, addressed to the then Prime Minister Theresa May, that pushed the Government to agree to commit to making the UK net greenhouse gas zero by 2045. Our Chair of Trustees, Bishop John Arnold joined more than 40 representatives of Christian, Jewish, Muslim, Buddhist and Hindu communities to call on the government to set a net zero greenhouse gas emissions target in law to halt climate change. Supporters of CAFOD from all around the country showed their support,

including Bishop Richard Moth of Arundel and Brighton Diocese, who signed the petition during a Pentecost Family Day in Guildford. In total, 743,985 signatures were collected and presented to Downing Street, thousands of them by CAFOD supporters. Actions such as this really do work – combined efforts, such as those mentioned above, from a range of organisations collectively contributed towards the UK Government’s decision to become the first major global economy to put into place a legally binding target of becoming net zero of greenhouse gas emissions by 2050. The declaration marks an enormously important step towards achieving CAFOD’s hope for a protected and respected common home.



*Bishop Richard Moth of Arundel and Brighton Diocese, who signed the petition during a Pentecost Family Day in Guildford*

In December we continued our call by presenting the newly formed Government with a ‘Christmas list’ of issues we hoped they could consider as a priority. CAFOD representatives also attended COP25 – the annual UN climate talks – where negotiations focused on completing the ‘rulebook’ underpinning the previously set environmental targets in the Paris Agreement and the need for countries to present more ambitious commitments



*CAFOD campaign volunteer Charlie Bennett stands next to the green #COP25 sign at the conference centre in Madrid*



for cutting greenhouse gas emissions in order to keep temperature rises below the dangerous level of 1.5°C. Campaigns volunteer Charlie told us “One thing that really affected me during the conference was a meeting where the chair opened by saying, ‘young people on the streets have reminded us that we have not done nearly enough’ – this really hit home. The voices and passions of young people who have been marching and campaigning around the globe are reaching inside. Young people are impacting on how policymakers think and act. We’re making a difference!”

## Compassion

Our compassion at the cries of the poor and earth is rooted in love and empathy. It compels us to act, to draw near to those in need and to stand with them as equals. We refuse to accept the suffering of our brothers and sisters or our common home. No one should be beyond reach of the love and support they need. *‘Let us not tire of preaching love; it is the force that will overcome the world.’ (St Oscar Romero)*

CAFOD reaches out with love, to those in need and to those searching for opportunities to express their own compassion – knowing that both are as equally important in helping to transform our world. When we spoke to Piatrice, 17, at her home in Lebanon, she told us that “For I was hungry and you gave me something to eat (Matthew 25:35)” was her favourite script in the Bible. From her house, Piatrice can see the border that Lebanon shares with Syria and understands the enormous impact that the eight years of civil war have had on both countries. Since the beginning of the war, over 1.5 million Syrians have been forced to settle in Lebanon and now around a quarter of the population are refugees. As resources became stretched and with unemployment and poverty increasing amongst the Lebanese population, hostility towards Syrians has grown within some communities. For the past two years, Piatrice has been taking part in a youth-led project, supported by CAFOD and run by our local Catholic partner Caritas Lebanon. The project brings young Lebanese and Syrian people together to work, train and learn together, breaking down the barriers between the groups and fostering shared understanding and friendships. During a summer camp run by Caritas Lebanon, Piatrice

volunteered to be part of the kitchen staff, helping to prepare meals for more than 100 young Syrian and Lebanese people. She explained that “It was so rewarding to see everyone come in from the activities hungry and eat all the food that I had just cooked and be so happy. We worked with Syrian kids who need and deserve a better chance. Meeting these young people who are less fortunate than us and having the chance to help them, it really helps you to understand the love that God gave you. By sharing food, we are showing that we have faith. Tomorrow is going to be better.” We want to celebrate the compassion shown by Piatrice and thousands of other Lebanese people like her, towards the Syrian refugees forced to seek safety in a foreign country. Last year alone, we have directly helped over 33,000 individuals affected by the Syria crisis. This would not be possible were it not compassion shown by the Catholic community of England and Wales, towards both people like Piatrice and the young people she cooked for.

CAFOD supports people affected by disasters; both at the time that they occur and in the difficult days, weeks and months that follow.

Last year the Catholic Community expressed their compassion by responding to crises experienced by people in Mozambique, Zimbabwe and Malawi, donating £1.4 million to aid the recovery following Cyclone Idai, which devastated towns and villages. Thanks to your generosity, our frontline Church networks across Mozambique and Zimbabwe reached vulnerable communities with life-saving food, clean water and hygiene kits and experienced Caritas aid workers continue to be a lifeline to families made homeless by the flood waters. Dombe in Mozambique is one of the worst affected areas. Work has got underway to build 25 houses and 18 classrooms have been repaired, which means that more than 8,000 students can return to education. Some families still needed the basics, so 700 shelter kits, along with kitchen items, such as utensils and wash items, such as soap, buckets and water-purification tablets (aqua tabs) have been distributed to a further 3,500 families. In total, more than 70,000 people have been supported to earn a living and to have shelter and clean, safe water, thanks to the wonderful efforts by parishes, schools and individuals in England and Wales.

Earlier this year we launched an emergency appeal for the crisis experienced in Zambia and Zimbabwe, where millions of families started the new year facing hunger. Years of economic turmoil and climate change, as well as the aftermath of Cyclone Idai, were pushing families to the brink of starvation. Last year's harvests failed, largely due to extreme weather, from droughts that lasted for months on end, to flooding which wiped out whole villages. CAFOD quickly supported the emergency response and we were able to scale up our response thanks to the generosity of our supporters. Through our Church network, we were able to intensify our efforts to provide families in need with emergency food and safe, clean water as well as reduce their vulnerability to drought related risks, supporting over 50,000 individuals, including 11,100 children. Jo Kitterick, CAFOD's parish and volunteer representative, said: "As ever, our supporters show great compassion, generosity and trust in us, working together to respond to our sisters and brothers who are suffering. In a time of crisis, the communities we serve tell us how much acts of prayer and support from people thousands of miles away inspires hope as they rebuild their lives."

One year on from the earthquake and tsunami in Palu, Indonesia, that claimed thousands of lives and destroyed homes, shops, markets and schools that the local community rely on, 26-year-old Sri Yanti now lives in a temporary camp along with her husband and son. CAFOD's supporters had raised more than £500,000 to help support the immediate relief efforts. These donations have also gone towards rebuilding homes and repairing water pipes and toilets and provided training for 1,000 community members, allowing them to become emergency experts and create community action plans – meaning thousands more people will be better equipped to respond if another disaster hits. Conditions remain extremely difficult, but Sri Yanti manages to remain positive, explaining how grateful and excited she was to be moving into a new home currently being built nearby.

Outbreaks of the deadly Ebola virus have re-emerged in various countries across Africa and CAFOD has continued to support local Caritas partners with their responses. Previous experiences have shown that any pandemic can only be effectively handled by working with

the local people and communities most directly affected and that is why the church networks that CAFOD is a part of are so important to our work. In 2019 we delivered programmes that improved community participation, inclusion and engagement in infection prevention measures as well as delivered training and information to prevent misunderstandings about health workers and improve the reporting of suspected cases. Thanks to your support these programmes have reached 6,253 adults and 2,787 children.

Enabled by our supporters in England and Wales, compassion for those affected by disasters is sustained throughout the time that communities need our help to rebuild. Compassion is a constant driver of the actions needed to transform our world for the better.

## Dignity

We believe in the intrinsic dignity and worth of every person. We work with all people, regardless of gender, disability, age, race, ethnicity, nationality, culture, sexual orientation, political or religious belief. We celebrate diversity and the strength it gives us, as we come together and seek justice for all. *"It is not God's will that some people have everything and others have nothing"* (St Oscar Romero, 1978)

This year Davi Kopenawa, a Yanomami indigenous leader and one of our partners, won the Right Livelihood Award, also known as the 'Alternative Nobel Prize', for his efforts to protect the rights of indigenous people and raise awareness about the threats these communities face. CAFOD has been working with Davi and the Hutukara Yanomami Association for 12 years, to promote the protection of Yanomami and Ye'kuana indigenous rights and working towards ensuring indigenous Brazilians are able to live with dignity. In Brazil, indigenous people face unprecedented threats, as the government weakens environmental legislation and implements policies and budget cuts that violate indigenous rights, putting the hard-fought gains of previous years at risk. In spite of this, Davi told us that "The Award gives me the strength to continue the fight to defend the soul of the Amazon forest. We, the peoples of the planet, need to preserve our cultural heritage as Oname [the Creator] taught – to live

well, caring for our land so that future generations continue to use it". Supporting people like Davi enables CAFOD to ensure more communities around the world are able to enjoy the full and dignified lives that they deserve.

In preparation for the Amazon Synod, which took place in October 2019, our partner CAAAP helped the Peruvian Amazonian vicariates to develop a communications strategy that is accessible to indigenous people. It was acknowledged that communications between local churches and vicariates is difficult, let alone between the Church and Amazonian peoples. Through listening events, women in the Amazon highlighted the difficulties they face, such as abuse, trafficking and the role mining and extractives play. The project that CAFOD supported enabled indigenous women to attend and present at the Synod. Because of all the challenges posed, in part, by the remote geographical locations, indigenous communities often don't know what is being reported about them or proposed about their own land. Thanks to the communications training, the information generated around the Synod and its new proposals, are better communicated with the Amazonian peoples.

In June 2019 we celebrated World Environment Day and reflected on how our farming programmes can help improve the dignity of those with whom we work. As a small-scale fruit orchard farmer in Bangladesh, Tashir struggled to grow his own crops. His village is in a drought-prone area; The land continues to grow drier and crops were harder and harder to grow. But in 2016, Tashir joined a three-year programme run by Caritas Bangladesh that CAFOD was funding. The project supported Tashir with training on environmentally sustainable farming techniques and land conservation, as well as providing saplings and new land on which to farm. With the programming coming to end this year, his crop yield has now increased so much that he hopes to harvest over 500kgs of mangoes and oranges to sell, dramatically improving his household income. And Tashir now has big plans for his future, planning to lease more land and extend his orchard as well as raising goats. The skills, expertise and resources provided by programmes like this enable people such as Tashir to take pride in their farming and grow enough to raise the income required for them and their families to live with dignity.

In Liberia, CAFOD is helping women like Garmah to protect their dignity by helping them claim legal ownership of their home. When Garmah's husband died, she and her four children faced the threat of eviction and homelessness because, as a woman, she had no legal rights to her marital home. Our local experts worked with Garmah to prove she had a right to the property she had shared with her husband and children. Now they are living happily together with the dignity that comes from owning a home, without the threat of eviction hanging over them. She told us "God sent redeemers to fight for my land rights. I am overfilled with joy."

This year we also supported three small enterprises in DRC, in Lebanon with Syrian Refugees and in Brazil, to invest in market analysis and business plan development to support the commercial viability of small enterprises, supporting dignified employment for local people.

CAFOD has worked in collaboration with the European Union to fund and support an innovative four-year programme in Nigeria and Niger called Zaman Tare. In response to challenges of decreased tolerance for religious and cultural pluralism across both countries and escalating tensions between Muslim and Christian communities, this project aims to promote intercultural and interreligious tolerance. It engages a wide range of stakeholders, including grassroots communities, religious leaders, youth and school children, women's groups, students and artists in an innovative programme. Over the last year we have reached 13,000 people with a range of activities, including student research support, journalists' training, cultural events / arts exhibitions promoting peace, women and youth dialogue forums, high level interreligious dialogue meetings and a major peace caravan tour across Niger, engaging huge numbers of young people. We are proud that this project is followed closely by the EU's Special Envoy for the Promotion of Freedom of Religion or Belief outside the EU.

Supporting people to be able to practice their religion, access to health care and the ability to shape their own future are just small examples of how we put our values to work.

## Solidarity

We believe in community. We strive to walk alongside others, with a preferential option for the poor and oppressed, making their cause our own. We invite others to act in solidarity. We seek to unite in prayer and action for the common good in ways that are as locally owned, determined and delivered as possible. *“Solidarity... is not a feeling of vague compassion or shallow distress at the misfortunes of so many people, both near and far. It is a firm and persevering determination to commit oneself to the common good... to the good of all and of each individual” (St John Paul II, Sollicitudo Rei Socialis #38)*

CAFOD continues to stand in solidarity with the millions of people forced from their home every year. In August 2017, Mohammed Tayeb's village came under attack. Fleeing for their lives, Mohammed, his wife and two children left their village and joined hundreds of thousands of other Rohingya families escaping violence on the long journey to Bangladesh. During the violence whole villages were burnt to the ground and many people were killed. Mohammed now lives in Kutapalong, the largest refugee camp in the world. Mohammed, along with a number of other refugees, now works to improve conditions in the camp, building lanes between the tents and constructing roofs to provide shade for those queuing at food distribution points. Since the crisis began, CAFOD has been supporting partners in the region to deliver programmes such as this, providing both immediate assistance for those in the camp who need it, along with trying to improve people's longer-term health and wellbeing. In February 2020, the United Nations International Court of Justice (ICJ) ordered Myanmar to protect the Rohingya Muslim minority from genocide, in recognition of the serious danger that they still faced. Welcoming the decision of the ICJ, CAFOD is proud to stand in solidarity with people like Mohammed and is calling on Myanmar to abide by the decision of the courts and asking the world to ensure that the Rohingya are finally allowed to return to their homes safely.

In South Sudan, thanks to the solidarity shown by CAFOD supporters, we have been able to support a multi-year emergency programme with over £1.4M, reaching those who are most in need, including families who have travelled long distances to escape conflict. As a church-based

organisation, Caritas Diocese of Rumbek, working with CAFOD in Yirol, are respected amongst the community. Over 17,000 people have been reached, with various means of support including the provision of seeds, tools and food, so families can plant and grow food for themselves; hygiene kits containing soap, rehydration sachets and water carrying and purification equipment, alongside training on best hygiene practices, with families beginning to install their own handwashing facilities and reporting an increase in using soap / ash to wash hands; the fixing and installing of water pumps and wells, with training on maintenance; psychosocial training and support for women and men affected by conflict and survivors of gender-based violence; the establishing of savings groups, through which communities have made savings to better withstand future shocks.

Around the world, people are risking their lives to protect their land from devastation, or to defend the human rights of their communities. Amid the busyness of the Advent season, we invited our supporters to send a message to the brave. 1,309 messages of solidarity were sent to four land and Human Rights defenders to let them know we were thinking of them this Christmas. In the face of threats and intimidation, a simple card showed them that they aren't alone in their fight to protect “our common home”, they have a community of people in the UK who are praying and standing with them. “We are very grateful for your support; your kind messages and cards. We are all put on this planet, we believe, by God, to thrive, not to suffer and it is good to know we are supported by you all in our work. God bless you all.” Honourable Albert Lokoru Kiyonga, local MP, Uganda.



*Hon. Albert receiving Christmas cards and messages of solidarity from Amy Gander, CAFOD staff member*

In November, CAFOD partners from seven countries in Latin America, came together for three days in La Guajira, North East of



Colombia, part of a European Union co-funded program. We had the privilege to witness, learn and exchange experiences regarding the different realities partners and communities are facing when needing to defend their lands, indigenous territories, natural resources and livelihoods, at the expense of being threatened, criminalised and risking their lives. Our partners felt listened to, inspired, mutually supported and strongly encouraged to keep working towards a fairer world. CAFOD will endeavour and commit to keep supporting this work across the three regions in the years to come.

Family Fast Day is a time when we make small sacrifices in solidarity with those who might be going without food, water or a safe place to call home. We are grateful to the 2,053 parishes and 950 school communities who acted in solidarity with women like Mahinur, in Bangladesh, who works hard to provide food for her family and Fabiano in Uganda who risked his safety to fetch clean water for his mother and his younger siblings. In Thames Ditton Fr. Rob Esdaile limited his wardrobe to just six items of outer clothing for six weeks, beginning on Ash Wednesday. He raised awareness of workers in the garment industry and raised funds for CAFOD. He said “What’s the point of putting oneself to that inconvenience? It’s not exactly world-shaking, is it, for me to drop out of the ‘fast fashion’ sector that I had never entered? I’m experiencing it as an exercise in raising awareness – both that of others and, above all, my own. I choose to be conscious of the hands that stitched my clothes, perhaps for only a few pence, in poor conditions, with neither union representation nor even the right to toilet breaks.”

Solidarity spurs us to stand side by side with our sisters and brothers, especially those living in poverty. CAFOD supporters express their solidarity in so many ways – we are amazed by their creativity, passion and commitment! Here are just some examples of their incredible efforts:

Christ the King in Wimbledon Park organised a Laudato Si’ treasure trail around the local park, led by Jesuits visiting the parish for a mission. Around 50 people participated, stopping at various points for a reading and related activity from each chapter of the encyclical. They also regularly share news about CAFOD’s work to the hundreds of people on their parish Facebook group and are working on getting a card machine to make donating

easier. “We’re all very privileged to support CAFOD and continue to pray for the work of all the staff and the lives of all the beneficiaries.” Ewan Collins, CAFOD link in the Christ the King Justice and Peace group.

Notre Dame School, Greenwich has a special club called Prayer Heroes, where pupils from different year groups meet, organise prayer and liturgy in the school, help with Mass and occasionally give assemblies. Every year they raise funds for CAFOD and bring it in person to Romero House. Colleagues love meeting the Prayer Heroes!

St. Theresa’s in Beaconsfield held a Creation Celebration weekend, giving CAFOD talks at the weekend Masses prior to the ‘Nurture God’s Creation’ weekend to prepare people and raise awareness on CAFOD’s Our Common Home Campaign. The Children’s Liturgy came up trumps with two large crosses which they made from recycled cardboard and paper clippings. While making them the children got to talk about God’s gift of Creation and how precious animals, flowers and insects are.

In Hastings, Michael raised over £1,000 (shared between CAFOD and a local homelessness charity) being pushed in his wheelchair by his friend, Fidelis for a two and half mile stretch to the old town and back. They first met at their church, the Parish of The Good Shepherd.



*Enfield Malayalee Present Cheque for £1111 to CAFOD representative Tony Sheen*

The Enfield Malayali Association, a cultural organisation representing the tradition and rich heritage of the southern Indian state of Kerala, organised a charity lunch for CAFOD. Over 100 parishioners from Our Lady of Mount Carmel and St George Church, Enfield enjoyed a lovely authentic Indian curry. Event organiser Beena George raised £1,111 as well as awareness of CAFOD’s work – thank you!

Matching your  
donations with

UKaid

## DFID UK Aid Match

UK Aid Match is a programme funded by the UK government's Department for International Development (DFID). It allows British taxpayers to have a say in how UK foreign aid is spent and provides an opportunity to engage with international development issues. By matching contributions made during an appeal – for every £1 donated, the government also contributes £1 – the programme doubles the good that donations to CAFOD achieve.

Starting in 2016 and funded by the Lent appeal that year, June 2019 saw the end of a 3-year Aid Match programme to improve access to water, sanitation and hygiene facilities for communities in the DRC, Uganda and Zimbabwe. Illustrating the impact that your matched donations can have, CAFOD is proud to have helped our local Caritas partners achieve;



# 360,867

people provided with safe and sustainable water access, including 61,018 children under 5 – significantly exceeding our original goal of 269,852.

UGANDA  
**71,051**

36,435 Female 34,616 Male

DRC  
**173,520**

90,230 Female 83,290 Male

ZIMBABWE  
**116,296**

62,641 Female 53,655 Male



# 281,064

people provided with access to at least 20 litres of safe water per day

UGANDA **71,051** 36,435 Female 34,616 Male

DRC **146,320** 76,193 Female 70,127 Male

ZIMBABWE **63,693** 35,676 Female 28,017 Male

# 56,880



## LATRINES

constructed, considerably improving the health, hygiene and dignity of communities.



# 110,353

cattle, goats, donkeys, and sheep provided with access to clean, reliable water, ensuring farmers can better look after their flocks throughout the year.



# 89,417

people trained in good hygiene practices.

UGANDA  
**68,316**  
36,916 Female 31,400 Male

DRC  
**4,488**  
2,334 Female 2,154 Male

ZIMBABWE  
**16,613**  
8,697 Female 7,916 Male

# 18,176

people trained in water conservation techniques.



UGANDA  
**1,609**  
943 Female 666 Male

DRC  
**1,065**  
794 Female 271 Male

ZIMBABWE  
**15,502**  
8,061 Female 7,441 Male

Access to a community water supply was reduced from an average distance of 10km to between 1km and 500m, saving people, particularly women and children, valuable time that would have otherwise been spent walking to collect water.

The health and wellbeing of the communities reached by this programme has improved dramatically. For example:



In Zimbabwe, data from health centres serving the communities reached by the programme showed a decrease in diarrhoea cases from **168** (2017) to **98** (2019); dysentery from **25** (2017) to **17** (2019); and bilharzia (a disease caused by parasitic worms) from **21** (2017) to **14** (2019).



In DRC, all health centres in the areas we delivered our programme recorded decreases in waterborne illness – For example, in Mubana village, **83 cases** of cholera were reported in 2017, **12** in 2018, and when the programme concluded in June 2019 there **has not been a single case** of cholera reported.



In Uganda, increased availability of water has meant that Loputuk Health Centre has increased both the range of services it can offer and number of people it can help, with average monthly patient numbers increasing from **280** to **670** per month.

The impact of a clean, reliable, local source of water has also made a huge impact on the futures of the young people we reached. For example, school enrolment in 7 schools in Uganda, which were provided with a water supply and hygiene facilities, rose from **2,138** in 2016 to **3,232**, a 50% increase. In just one school Lokeriaut, in Moroto province, school enrolment went from **37** boys and **29** girls in 2016 to **338** boys and **198** girls in 2019, a truly amazing change for both the young people, their families and the community. Owing to the successes of the programme, Mannion Daniels (a fund manager who administers and reviews all UK Aid Match programmes) award CAFOD the mark of A\* in their final evaluation, in recognition of our achieving or exceeding all of the initial goals set.

Thank you to all our supporters who contributed to this appeal back in 2016, you have enabled transformational improvements to be made to the lives of hundreds of thousands of people.

We began another 3-year Aid Match programme in 2018, building community resilience to the impact of climate change, improving food security and nutrition, and raising sanitation and hygiene standards in rural communities in Eritrea, Zambia and Zimbabwe. In October 2019 we reflected on some of the outcomes your support has already enabled during the first year:

**Households at higher risk of malnutrition have improved food and nutrition security (through integrated approaches addressing underlying causes).**

**122** Eritrea  
**2,982** Zambia  
**5,756** Zimbabwe

**Households who meet minimum nutritional diversity thresholds (eating a 'balanced' diet).**

**1,613** Eritrea  
**815** Zambia  
**9,376** Zimbabwe

**Households participating in income generating activities.**

**24** Eritrea  
**3,660** Zambia  
**2,335** Zimbabwe

**Households engaging in diversified food production.**

**5,249** Eritrea  
**500** Zambia  
**3,308** Zimbabwe

**Primary caregivers trained in good caring practices (i.e. diversified diets, breastfeeding, hygiene, antenatal care, supplements, immunisations).**

**2,328** Eritrea  
**3,087** Zambia  
**3,050** Zimbabwe

**People reached with information on caring practices for vulnerable groups (e.g. cooking demonstrations).**

**2,328** Eritrea  
**13,853** Zambia  
**22,736** Zimbabwe

**People with access to new/improved, appropriate sanitation facilities.**

**1,280** Eritrea  
**1,350** Zambia  
**2,650** Zimbabwe

**In future years, we look forward to celebrating the improvement to these communities that the generosity of our supporters during Lent will enable.**

## Ten years on Celebrating the achievements of Just One World

In June 2010 we launched the 'Just One World' strategic framework which guided our decision-making at CAFOD for ten years. It outlined our vision for change and agenda for action, ensuring that the poorest people are at the heart of our work with change, faith identity and partnership as the three inter-woven elements which defined our distinctive approach.

Our world has changed significantly since then: The conflict in Syria and the resulting refugee crisis had not yet begun, South Sudan had not yet gained independence from the Republic of the Sudan. Some positive moves towards more democratic and pro-poor governments have gone into reverse, with many countries restricting civil society space. The increasing impact of climate unpredictability and its impact upon the poor and the survival of the planet is clear for all to see, with the Church championing an integral ecology approach. Technology developments offer new challenges as well as opportunities and CAFOD's ways of working have evolved significantly so that we can achieve our aims in a rapidly changing world.

We are proud of the difference that our partners, volunteers, supporters and CAFOD colleagues have been able to make to local communities, transforming lives:

- The Catholic community has raised more than £45M through Fast Days with an additional £22M awarded through DFID's UK Aid Match scheme and further boosted by Gift Aid. Sponsored walks, alms giving, sacrificing chocolate for Lent and thousands of simple Fast Day lunches in parishes contributed to this amazing total that has transformed lives. Our *Hands On* regular giving scheme has connected individuals and communities in England and Wales to communities working for change in the global South over two-year periods with projects in Niger, Kenya, Bolivia and Colombia benefitting.
- Thanks to tens of thousands of supporters who have taken part in our

campaigns tackling some of the root causes of poverty over the years, we've witnessed some historic breakthroughs: Action on energy taken by the World Bank, mass evictions stopped in Brazil and the UK becoming the first G8 nation to commit to spending 0.7 per cent of national income on international development aid.

- Over the past ten year we have witnessed the generosity of our supporters, responding to 56 appeals to help people in crisis from natural disaster, climate change and conflict. We have seen some of the largest and most complex responses over this period from working to support people in conflict in Syria to drought in East Africa with major responses in the Philippines (Cyclone Haiyan 2013 - £9.2m), Nepal (Earthquake 2015 - £8.2m) and Syria (Conflict since 2011 to date - £8.1m). Through CAFOD's global partnerships we are able to reach communities throughout the world during times of crisis.
- The conflict in Darfur, Sudan, predates Just One World. 16 years later CAFOD continues to work within Darfur in one of the longest and most complex protracted crises and conflicts in history. In 2004 CAFOD launched what has now become one of the largest ecumenical humanitarian programmes. The focus of the programme was in Darfur, Sudan working with over 2.5 million people who had fled the brutal conflict. The ecumenical program between the Catholic and Anglican Churches, which CAFOD has co-led, has been a huge success and has had a significant impact on the displaced. In 16 years CAFOD has helped raised and oversee a programme of £120m of which CAFOD and Caritas has contributed £46m.
- CAFOD is not just there in a crisis. As HIV changed from being a death sentence to a manageable illness, our partners shifted from provision of palliative care to treatment, care and support and later expanding to livelihoods and income-



generating programmes for people living with HIV. After 30 years of working on HIV, having established a leading role as a faith-based organisation in the global response, we stopped having dedicated HIV staff following a strategic review. However, our work supporting partners to respond to HIV and AIDS continued as needed and appropriate in each country and context.

- We saw continued confidence by institutional donors in the quality of our work and succeeded in securing funding from Institutional donors, including DFID, the UN, the EU, CARITAS sister agencies and are now supporting some partners to be successful in their own funding bids. The START network has supported our work through local partners with over £6M since 2014.
- Our work with children and young people has been widely recognised, with some of our resources being used by Caritas agencies globally. Our school volunteers reach thousands of children every year and over the last ten years, our *Step into the Gap!* gap year students reached over 200,000 people.

Some of our efforts to make a difference happen quietly behind the scenes, working in coalition with like-minded organisations and advocating for a shift in power.

- Working with and through the Catholic Church, we have made a significant contribution to strengthening the Caritas global family, particularly in the area of safeguarding, HIV, water health and sanitation and management standards. This has enabled local Caritas agencies to better respond to local need.
- Strengthening the capacity of our partners has developed into a recognised area of strength in partner surveys and external evaluations. Flexibility with partners, continued investment in capacity strengthening and relationship support are areas that we take forward into Our Common Home.
- Over the past decade, CAFOD has played a leadership role in the humanitarian sector promoting greater political support and funding for local civil society groups in their frontline crisis response efforts. This included instigating a coalition of international agencies and their local partners called

Charter4Change, of which the UN is now a signatory, playing a leadership role in support to the START Network in establishing new funding and capacity-strengthening methods to enable local groups to access funding for crisis response and to strengthen their organisational systems and preparedness when emergencies strike.

Since 2010 Catholic parish and school communities, trusts, foundations, thousands of volunteers and over 250,000 supporters have impacted millions of poor and marginalised brothers and sisters all over the globe at the time they needed help most. And yet some of what matters cannot easily be counted: Dignity, Compassion, Solidarity and Hope. We are grateful for the continued trust by the Catholic Community in England and Wales to put their faith into action through CAFOD, so that all people, communities and the earth may flourish and no one is beyond reach of the love and support they need to fulfil their potential.

In the last ten years CAFOD has responded to local needs, identified by our partners globally and has adapted to a complex and changing world. Our strategy for the next ten years, *Our Common Home*, builds on the best of CAFOD, our work and experience as we seek to answer the call of *Laudato Si'*.



*Last minute preparation before the feast begins! The parish of St Mary of the Angels, Aldridge, raise money for CAFOD with an annual fundraising dinner. This dinner has taken place for over 15 years.*

# Environmental Stewardship

As part of our new strategic framework we have a commitment to “an ecological conversion to transform ourselves”. One of the measures of our ecological conversion is that CAFOD will “exemplify environmental stewardship and be net carbon neutral by 2030”. Last year we challenged ourselves on what our own ecological conversion looks like, setting up internal systems and policies as well as making progress that we can celebrate.

Our environmental policy has been updated in line with our new strategy. The policy covers our operational work both in the UK and our international programmes. We commit to both protect the environment through reducing any negative environmental impacts across all of our operations and programme work; as well as to regenerate the environment, where possible, through programmes that respond to “the cry of the earth and the cry of the poor”.

In this report we focus on our own operations and in future years will look in more detail at our overseas programmes and our work with the Catholic community in England and Wales.

## Changes to our travel policy

International travel has been a key part of our work – sharing skills, building meaningful relationships and monitoring projects is central to CAFOD’s partnership approach, enabling us to ensure that funds are spent appropriately and to evaluate the effectiveness of our work. However, since travel accounts for around two thirds of our operational carbon footprint we have made reducing it a priority as part of our own ecological conversion.

Our revised travel policy requires travel by train (particularly within Europe) wherever possible and encourages all staff to only travel when absolutely necessary and to think of other ways of working. Our move to a single travel provider allows us to track all of our air and rail travel in one place, enabling us to produce an accurate annual carbon footprint for travel from 2020-21.

While improving our security provision for staff, the new system also enables staff to see the carbon footprint of travel options and take this into account in their decision-making. We have also introduced more widespread use of video-conferencing technology, including the installation of improved videoconferencing facilities in Romero House and Nairobi offices, as part of our drive to reduce air travel.

## Environmental actions taken in Romero House

Since 2014-15 CAFOD has reduced its energy use in our London office, Romero House, by 22 per cent. We have been using 100 per cent renewable electricity for five years and 100 per cent green gas for the past two years, allowing our energy carbon footprint to drop much more than our energy use.

This year we started replacing all of the lighting with LED bulbs and systems, at an investment cost of £60,000. This will contribute to an overall drop in energy use in Romero House of approximately 12 per cent once the work is finished. We will recover this investment fully over four years due to reduced electricity and maintenance costs and it will make a noticeable impact on our energy usage and expenditure moving forward. CAFOD has environmental guidelines for purchasing and printed materials and will update these in the light of the new environmental policy.

Three years ago, we installed new photocopiers in Romero House that itemise printing, as well as raising awareness among staff about paper use. Paper use by staff reduced by a third and has remained at that lower level since then. We have stopped purchasing single use items, such as plates, cups and cutlery and have adopted a vegetarian catering policy for meetings hosted by CAFOD.

## Environmental Stewardship Tool

Together with our Caritas sister agencies CRS (USA), Caritas Australia and Trócaire (Ireland) we have developed an environmental stewardship tool. This will support programme staff and partners to

assess, manage and reduce risks to the environment. Over twenty staff members have been trained and the tool has so far been used to support programme design in Liberia, Eritrea, Zambia, Afghanistan and Zimbabwe. The tool will be rolled out across all programmes.

## Plans for the future

Our plans for the current financial year (2020-21) were impacted by external events almost as soon as they were agreed. Due to the coronavirus crisis, we faced disruption to all areas of our work. Lockdown meant that our fundraising activities were impacted, parishes and schools were not able to engage as normal with our volunteers and handling of postal income presented some practical challenges. We adjusted our programming so that we could support our partners and local communities who were also impacted by coronavirus, we lobbied the Prime Minister to ensure that the most vulnerable people are the priority in the UK's international efforts as well as at home and we launched our coronavirus fundraising appeal. We did this with all colleagues working from home, a significant change to our usual ways of working.

While the overall directions for our work this year remain clear and focused on our new strategy, the operational reality will be massively changed, as we respond flexibly to the rapidly changing circumstances for all areas of our work, the income that continues to flow from our loyal supporters and the funds we are able to secure from institutional donors.

**In 2020-21 we will begin to reshape our programmes and ways of working to reflect the vision and respond to the challenges Pope Francis put to us in *Laudato Si'*, incorporating lessons learned from the global coronavirus crisis alongside the commitments made in our new strategic framework *Our Common Home*.**

**We will continue to deliver challenging programmes internationally.** We are continuing to support our partners to deliver life-changing work, mindful of the increased risks they face and shrinking civil society space in many places. Globally we are accompanying our partners, supporting them to strengthen their capacity, particularly to help in the delivery of humanitarian programmes and through Safe, Dignified and Inclusive Programming. Across our programmes we will be promoting greater gender equality and work towards incorporating environmental approaches, such as clean energy. We will build on our integrated approach across humanitarian advocacy and programming, such as in Syria and South Sudan. In Latin America particularly, we will support the Catholic Church and partners' work on integral ecology, building on the recommendations of the Amazon Synod. Peacebuilding and reconciliation are themes found in almost all our programmes.

Most of our partners are reprioritising their efforts, responding to support local communities affected by the threat of the virus or impacted by lockdown measures. The global coronavirus crisis is still unfolding at the time of writing this report, but the impact has already been significant. We will be doing our best to flexibly support our partners and the communities they support during these challenging times. We know we may face economic challenges ourselves in England and Wales but remain committed to protecting our grants to partners while reducing our overall costs.

2020 was intended to be a key year to influence a change in political priorities, discourse and policies; to reflect interconnected agendas and the need for new ways of thinking, whilst enabling deeper supporter understanding and engagement. 2020 had been called a 'super year' because it featured international meetings covering poverty / inequality, climate, biodiversity / nature. Although these meetings have been postponed till next year, other opportunities have arisen. The coronavirus crisis has highlighted the urgent need for debt cancellation, to ensure money is spent on food and health, not repayments. The scale of the global recovery needed offers us an opportunity to build back better, investing in sustainable technologies and ensuring investments have the needs of the poorest at their heart. Pope Francis has been clear that we should "plan the future" not "plan for the future".

**We will engage the Catholic Community to act in solidarity for the common good; committed to reaching out to younger, more diverse audiences.** In England and Wales, we will continue to share what we and our partners do, to inspire existing supporters and engage with new audiences in line with our No One Beyond Reach strategy. We may not be able to achieve the increase in face to face participation and fundraising that we had hoped for but we will use opportunities to engage our supporters in innovative ways online, including our Summer of

Hope. We will be expanding our portfolio of giving opportunities and work alongside community networks in asking supporters to 'walk for water' and fundraise during Lent 2021. We will support our volunteer leaders and strengthen our volunteer welcome programme.

**As we begin to change as an organisation, aligning ourselves to Our Common Home, we will ensure our administrative infrastructure is fit for purpose, supported by adequate information technology and sound governance.** We will ensure that our technology is effective, supports nurturing relationships and enables collaboration and remote working. The coronavirus crisis has already shown us that we can operate effectively with less carbon-heavy travel. We will do this in a way that is in line with our values and people framework, ensuring that staff are supported to deliver the agreed plans, prioritising the needs of our partners as much as possible.

We remain committed to being an organisation that ensures our ways of working are safe, dignified and inclusive and that we welcome diversity. The dignity of all people is at the heart of our faith but we are called to recognise where particular groups are excluded or marginalised. As Pope Francis reminds us: 'We cannot tolerate or turn a blind eye to racism and exclusion in any form and yet claim to defend the sacredness of every human life'.



*East Africa Food Crisis Marsabit, Kenya*



# Principal risks and uncertainties

Risk refers to factors that could prevent us delivering our plans and strategies or achieving our aims. Risks can be financial, political, regulatory or operational. Whilst we cannot always prevent a risk occurring, we can ensure that we have sound mitigating actions and controls in place to reduce any negative impact. Risk management is incorporated into our planning, organisational decision-making and management procedures. CAFOD Trustees review the organisational risk register regularly, ensuring that we manage threats to our work appropriately. Our principal risks and uncertainties are:

## Safeguarding and Code of Behaviour

**Risk:** The vulnerability of many participants in our international programmes heightens the need to ensure our programmes are safe. Incidents, where they occur, can have far reaching impact on people's lives and on the organisations they represent.

**Mitigation:** We are committed to ensuring that all our work embodies good safeguarding practice, by having in place appropriate policies, procedures and training, as well as welcoming feedback (which can be anonymous) through our Complaints Management system, accessible via our website. We also have dedicated resource to support colleagues and partners to prevent and safely respond to safeguarding cases. All CAFOD staff and representatives are aware of our commitments and expectations. Last year the Trustees appointed Dame Mary Ney as our first ever Trustee safeguarding lead.

## Serious allegations or incidents arising at CAFOD, our partners or the Catholic Church

**Risk:** Serious incidents can lead to severe reputational damage with associated loss of income or support. Incidents can result in significant damage: physical and

emotional harm, financial loss or liabilities and / or a loss of trust. These incidents can be as a result of staff, volunteer, Trustee or partner behaviour; inappropriate identification, handling and reporting of sexual exploitation and abuse cases; or perceived transgression of Catholic Social Teaching, associated with CAFOD.

**Mitigation:** CAFOD takes all reasonable steps to ensure the dignity and support the wellbeing of those affected by such incidents and to minimise future harm. Whilst we cannot prevent all serious incidents, we have effective policies in place that express our expectations to any person who represents CAFOD, as well as the processes to capture and manage incidents appropriately. These include our Code of Behaviour, the Fraud and Loss Policy, Safeguarding Policy, Aid Diversion Policies and our Fundraising Policy, with these key policies reviewed regularly by our Trustees. We and most of our partners are subject to internal and external audits to provide assurance that we have adequate controls in place. Through our complaints handling processes we monitor all incidents to ensure they are resolved and that we learn from them. Our crisis management protocols ensure a co-ordinated response to potentially significant incidents working closely with Trustees to manage reputational risks.

## Ability to change and thrive in a volatile economy and an uncertain fundraising environment

**Risk:** The extreme economic volatility created by the coronavirus crisis and the resulting changes in donor priorities and allocations make it difficult to plan both income and expenditure, at a time when the scale of need and the rapidity of change are greater than ever.

**Mitigation:** We actively manage the impact of a changing external environment on our work and our finances. We work to ensure that unrestricted

general income remains in balance with, or exceeds, our core operating costs, that we are responding to the changing economic context including exchange rate fluctuations and, most importantly, that we respect the balance of resources in favour of our partners. We have an action plan in place to stimulate step change in income growth, with appropriate investment identified. This includes engaging carefully

with donors and seeking new sources of income. We carefully monitor the impact of the coronavirus crisis and Brexit on funding, mindful of the economic impact on our supporters. There are a number of financial management mechanisms in place including financial modelling and scenario planning and regularly reporting to the Trustees on such financial matters.

## CAFOD programmes

### Safe, accessible, dignified, inclusive

We are committed to keeping people safe – the people we reach, our partners, volunteers and staff. CAFOD has a comprehensive and detailed set of policies that govern the behaviour we expect of ourselves and the people with whom we work, with stringent systems in place to ensure that these are followed. Our work to keep everyone safe is now providing a much greater challenge due to the implications of the coronavirus on our staff, partners and communities.

Over the past year we have invested a significant amount of corporate effort in rolling out the Safe, Accessible, Dignified and Inclusive programming (SADI) framework that was developed in 2018. The framework has been designed to put the safety, access and dignity of people and communities at the heart of our work, reflecting our Catholic values and the inclusivity of our key organisational commitments to 'leave no one behind' and 'do no harm'. It enables us to demonstrate how we meet safeguarding standards, core humanitarian standards and other sector best practices.

A comprehensive set of tools and training materials to accompany the framework is available to support our staff and local and national partner organisations. The framework is being used by our partners to assess their current practice and it provides a clear roadmap for how to develop inclusive programming and strengthen safeguarding measures.

#### Key achievements:

- Introduced a new complaints and incident management system, EthicsPoint, that enables anyone connected with CAFOD's work to easily raise concerns, allegations, complaints or feedback online or by phone.
- Trained over 250 staff in partner organisations and in CAFOD on Safe, Accessible, Dignified and Inclusive programming.
- Completed the formal partner safeguarding profiles for 79 per cent of our local partner organisations, which assess what safeguarding measures are in place and what actions are needed to strengthen capacity and practice, working to bring this to 100 per cent in 2020.

We are committed to this work over the long-term and we take a bespoke, collaborative approach with our partners to support the development of systems, policies and practices that effectively meet standards at a local level and respects the diversity of our partnerships.

We hope this work will reassure our supporters, the people and communities with whom we work and all our stakeholders, that we are passionate about and able to protect, as well as serve, the poorest communities overseas. Our supporters rightly expect us to be transparent and accountable, guided by our values and vision, always having the most vulnerable people at the centre of what we do.

## Financial review

Our total income in 2019-20 was £45.4 million, just over 10 per cent higher than last year. This reflects improved income from many sources, underpinned by strong levels of general income from our supporters and a record year for our legacy income, despite the uncertain economic environment due to Brexit concerns that prevailed for much of the period. The timing of the unfolding coronavirus crisis had no significant impact on our results for 2019-20.

As is the case every year, the majority of our income comes from the hugely generous support from the Catholic community of England and Wales. We received £30.4 million in general donations and legacies from supporters. Our legacy income was exceptional, at £10.5 million, which now exceeds our previous peak of £9.3 million income in 2017-18. Our general donations from supporters at £19.9 million, was £0.8 million above last year, which is a very positive result given the difficult climate for fundraising during much of the year.

We received a further £2.1 million from supporters in 2019-20 in response to specific emergency appeals (in addition to the £1.2 million which we received through being a member of the Disasters Emergency Committee). This total emergency appeal income at £3.3 million was just £0.2 million above last year. The continued relatively low level of appeal income is a result of CAFOD being required to respond to fewer major emergency situations than we have in years past, not any indication of our supporters failing to support our emergency relief work. Our most recent appeal (for the coronavirus crisis) was officially launched after the end of the financial year and we will fund a major response in 2020-21.

The balance of our income, £11.7 million (compared to £10.0 million in 2018-19) was raised largely from Caritas and other Catholic agencies, the UK government and other government and institutional donors. Income from Caritas sister agencies was slightly lower than last year, but we grew our income from governments and institutional donors, despite the strong competition for such funding. Finally, our total income in 2019-20 includes £0.1 million of other investment income.

Supporter donations to emergency appeals this year included £1.4 million for the southern Africa Cyclone Idai emergency and £0.2 million for the Zimbabwe Food Crisis. Grants totalling £3.7m from Caritas, CIDSE and other Catholic agencies support specific international programmes, including several emergency responses that CAFOD is leading on behalf of Caritas Internationalis. Grants from governments and institutional donors included £1.6 million from the UK Government's UK Aid Match Fund programme grants, £1.5 million from the European Union and £1.3 million from United Nations agencies. We also received £1.0m from the START Network.

We spent £5.6 million on raising funds, this year, reflecting the investment we are making to grow income, by inspiring existing supporters and engaging with new and younger audiences. We were able to spend another £40.3 million on our programmatic activities to support our mission, bringing the total spending to £45.9 million. Almost half our total spending was focused on international development and just under a third on emergency disaster relief work. Our total expenditure was broadly in balance with our income in 2019-20, except for spending down on designated funds (investment funds set aside in previous years by the Trustees, when income exceeded normal operating expenditure).

As a member of Caritas Internationalis, we operate as part of a worldwide network of agencies committed to helping those in need. We also work with a wide range of other local and non-faith-based partners. We made 545 direct grants to our partners (totalling £22.4 million after foreign currency exchange adjustments), including £1.0 million in direct payments in support of their activities. This approach enables us to have a truly global impact. We were able to contribute £15.1 million to support work in 16 countries within Africa; £3.8 million for work in 14 countries across Asia and the Middle East and £3.1 million for 9 countries in Latin America and the Caribbean. £0.7 million was spent on grants to support global work including advocacy and education.

## Factors affecting the financial performance and position going forward

We have continued to receive funding from the UK government through the DFID UK Aid Match programme, though the scale of future matching opportunities for UK Aid Match remains capped at £2 million going forwards. Neither our Lent 2019 nor Lent 2020 appeals benefitted from any matched funding. We continue to pursue other possible funding opportunities with DFID, including smaller commercial contract awards (as a sub partner to others) and now have one such contract in progress.

We have been carefully monitoring the impact on supporter fundraising of the difficult economic environment, primarily focused on Brexit concerns in 2019-20. We had seen no significant impact on our income following the introduction of best practices for fundraising in the UK by the Fundraising Regulator and the introduction of new Data Protection laws. Though this has impacted on our ability to access new donors.

We still have a fully funded contingency reserve to cover the eventuality of any significant income shortfall due to these or other factors. This will give us flexibility to cope with any income downturn in 2020-21 because of the UK economic impact of coronavirus crisis. We were already attracting new donors via online donations and this has been invaluable in preparing us to launch our coronavirus appeals rapidly, without the benefit of our parish and schools fundraising platforms being fully operative.

The looming end date of the transition period for the UK leaving the EU has been obscured by the more immediate health, economic and political challenges brought on by the coronavirus crisis. Uncertainty remains stronger than ever, over a range of issues affecting CAFOD and other UK-based INGOs. Although the anticipated turmoil in currency rates was relatively benign and short lived in 2019-20, the long term depreciation of the pound against the US dollar has reduced the effective value of our Sterling grants to our partners, as they spend in local currencies mostly aligned to the US dollar. This continues to add to our cost base for overseas offices and salary

costs in many countries. We are mindful of this ongoing risk and we continue to buy forward on US dollars to smooth out currency impacts and practice careful stewardship of our finances. The process and extent of the impact of exiting the EU remains uncertain. We have continued to receive solid levels of EU income. In 2019-20 we received £1.5 million (£1.8 million 2018-19). It is still unclear if UK INGOs will remain eligible for some EU funding instruments after the December 2020 cut off, but it seems less likely that additional funds will be available from the UK government, who will no longer be contributing to the EU. We remain involved with various groups lobbying and researching this situation. However, we expect to receive minimal new programme funding from EU sources in 2020-21. The longer-term impact on our total institutional income will continue to be closely watched.

## Financial position and reserves policy

Each year the Trustees set aside sufficient reserves, to ensure a balance between spending to meet the immediate needs of our programmes and protecting our future work; by allowing time to adjust to any unexpected operational challenges in our overseas work or to a large reduction in the amount of income we receive.

At 31st March 2020, we held total funds of £18.8 million: £10 million general funds, which the Trustees considered to constitute CAFOD's reserves (£9 million held as a stabilisation fund and a further £1.0 million unallocated reserve); £5.4 million designated by the Trustees for specific purposes; £2.8 million restricted funds in hand; and a permanent endowment fund of £0.6 million.

There are potential risks associated with the assets that CAFOD owns and with potential unforeseen costs, however, the Trustees consider the main financial risk to be a downturn in general income. To manage a sudden downturn in general income, without damaging the long-term commitments we make to our partners, we would need at least two years to adjust our programmes, reduce other costs or recover income levels. Based upon a possible shortfall of 10-15 per cent in the level of general income and the need for two years



to adjust our activities, the Trustees have agreed the level of general funds to be held as a stabilisation fund at 20-30 per cent of the planned annual general income for the coming year, which is a range of £6 million to £9 million.

At 31 March 2020, a stabilisation fund of £9 million is available, together with £1.0 million in unallocated reserves, so that our target level of £6 million to £9 million for general funds is met. The Trustees will not set aside further reserves to specific programmes in 2020-21 unless the total of general funds is expected to exceed £9 million throughout 2020-21. As we had planned to spend more on our grants to partners and operating costs in 2020-21 than we expect to receive in unrestricted income, we will use the £1.0 million unallocated reserve and some of the £9 million stabilisation fund, to cover this planned gap in income compared to spending. The Trustees may consider further use of the stabilisation fund to cover any reduction in planned unrestricted income in 2020-21, that is a result of the impact of the coronavirus crisis on our fundraising activities.

We also held £5.4 million designated funds at the balance sheet date: £4.9 million set aside to fund the fixed assets that are required for our operations and £0.5 million already assigned by the Trustees to be spent in the next year on specific activities.

Having reviewed the financial position and future plans for the charity, the Trustees have identified no material uncertainties related to events or conditions that cast significant doubt on the charity's ability to continue its activities for the foreseeable future. In light of the disruption to some normal activities during the coronavirus pandemic and with the increased short- and longer-term economic uncertainty as to funding levels this has entailed, CAFOD has undertaken a range of measures to ensure financial sustainability. This includes updates to current budgets, scenario planning, financial modelling, risk analysis and careful cashflow forecasting and monitoring. CAFOD has the flexibility to adapt our financial management, including the utilisation of contingency reserves and to adjust expenditure as needed, in response to income levels, during the initial stages of this pandemic and as the future longer-term impacts unfold.

## Investment Policy

To ensure continued good stewardship of our resources and maintain the trust of the Catholic community we have a responsible and considered approach to investing. The objective of our investment policy is to maintain high liquidity, whilst remaining in a secure position by avoiding risking our capital. We also ensure that any investment meets the ethical standards we have set ourselves. Within these guidelines, we work to achieve the best possible returns, growing the resources available to help us achieve our charitable aims.

In addition to having Sterling deposits with suitable UK regulated financial institutions and holding transactional balances in Sterling, US dollars and Euros, we have a permanent endowment fund, the capital element of which is held in perpetuity and from which the income is applied to our work. To maintain the capital value of this fund, meet its ethical standards and achieve the best possible return, this fund is invested in an ethical UK common investment fund.

Our investment policy is reviewed by the Finance, Legal, Audit and Risk Committee, acting as an investment sub-committee and is approved by the Trustees annually. The Finance, Legal, Audit and Risk Committee, reporting to the Trustees, monitors investment performance and compliance with investment policy quarterly. The Trustees have confirmed that the objectives of our investment policy were met during the year.

## 2. Structure, governance and management

### Legal structure and governing document

CAFOD is the official overseas development agency of the Catholic Church in England and Wales. Following the actions of Catholic women's organisations that held the first 'Family Fast Day' in 1960, CAFOD was formally established by the Bishops of England and Wales in 1962 to address the concern of the Catholic community about the needs and problems of developing countries. CAFOD is constituted as a charitable company limited by guarantee and not having a share capital (company number 09387398, charity registration number 1160384). Our governing document is the Memorandum and Articles of Association. Our charitable objects are:

- The relief of poverty throughout the world.
- The advancement of education throughout the world.
- The advancement of the Christian religion throughout the world.
- The relief and prevention of sickness, disease and physical or mental disability throughout the world.
- Such other charitable purposes anywhere in the world as are for the benefit of the UK community
- and Articles. All other powers, including the establishment of specialist committees and general responsibility for the running of CAFOD are vested with the full Board of Trustees. There are three sub-committees: Strategy and Performance Committee (SPC), Remuneration Committee and Finance, Legal, Audit and Risk Committee (FLAR), as well as other specialised advisory committees on which some Trustees sit. The Trustees give their time voluntarily and receive no private benefits from CAFOD. The Trustees have taken account of the statutory reporting duty to illustrate how, in practice, the activities of CAFOD meet the legal public benefit requirement. In this respect, the Trustees have noted and paid due regard to all the Charity Commission's statutory guidance that is relevant to our mission and have highlighted in this report examples of CAFOD's activities which illustrate how our work fulfils its mission and the significant benefits it brings to:
- Individuals and communities in poverty overseas, irrespective of their race, religion or creed.
- Teachers, youth workers, students and pupils involved in teaching and learning about global poverty and injustice and its causes.
- The Catholic Community in England and Wales in expressing its faith in action in response to global poverty and injustice issues.

### Board of Trustees

CAFOD is governed by four Member Trustees and a wider group of Trustees, who together form the Board of Trustees. Any new Member Trustees are appointed by the existing Member Trustees and their appointment has to be ratified by the Standing Committee of the Bishops' Conference of England and Wales. The Member Trustees hold a limited number of reserved powers, including the appointment of other Trustees and the power to amend CAFOD's Memorandum

### Charity Governance Code

The Charity Governance Code is a non-binding set of best-practice guidelines. The code is "deliberately aspirational", setting out a 'perfect scenario' to strive towards, rather than a list of parameters that every charity must be achieving. There are seven key principles outlined in the guide which this year CAFOD Trustees took time to reflect on and identified areas of strength and actions for further improvement.

## Organisational purpose

Our Board of Trustees is the custodian of CAFOD's vision, mission and values; they approve strategy, structure, corporate plans and budgets and ensure the organisation is effective and accountable. Trustees approved the Our Common Home strategic framework which replaced Just One World and continued to provide oversight of our No One Beyond Reach brand strategy and the implementation of our Safe, Accessible, Dignified and Inclusive programming. The Board selection process considers a potential member's understanding of and commitment to our aims and objectives. Trustees undertake an induction process during their first 12 months on the Board. Some take part in specialist committees and involve themselves with the work of CAFOD, to ensure that collectively they have the overview necessary for the proper governance of CAFOD. Regular briefings are delivered to the Board to ensure they can continue to articulate our charitable purpose, our effectiveness and outcomes.

## Leadership

Through quarterly meetings, sub-committees and ad hoc discussions of any significant matters that arise in between meetings, the Board collectively maintains responsibility for ensuring a suitable set of aims are used to govern our work and for implementing a strategy to achieve these. The Board members agree to govern by the same values and beliefs that drive our work, reflect CAFOD positively and uphold our reputation both within the international development sector and externally. By regularly meeting CAFOD leaders and occasionally accompanying our work, the Board ensures our values continue to underpin the ethos of CAFOD and the work that it delivers. Our whole Trustee body brings a wide range of skills and experience from a variety of backgrounds, including finance, government and the charity sector, as well as from the Catholic community.

## Integrity

The Board will always act in the best interests of CAFOD and makes decisions based on what they genuinely believe is the best course of action to ensure that we strive towards our charitable objectives. Every year the Board members, as well as senior leadership within CAFOD, complete

declaration of interest forms, to highlight and address any potential conflicts; these are also reviewed by our auditors. The Board remains entirely independent in its decision-making and measures are taken to ensure that when necessary any potentially contentious decisions are justified and explained in a way that ensures the reputation of CAFOD and the sector, is maintained. The culture of the Board is one which encourages members to challenge, question and offer support.

## Decision-making, risk and control

Our Trustees appoint the Director of CAFOD and have delegated to the Director and management of CAFOD the responsibility for the approval of grants to partners. The Board of Trustees has delegated the responsibility for making senior remuneration recommendations to the Remuneration Committee. A sub-committee for Strategy and Performance (SPC) considers the details of ways in which CAFOD is keeping to its strategy and measures performance, reporting to the Board. Operational matters are delegated to the CAFOD Leadership Group with only the most serious of these being brought before the Board. Careful consideration is given to the stewardship of our resources and the financial position of the organisation is regularly and transparently reported to the Board. Financial and non-financial risks are managed by a separate expert advisory committee (FLAR), which includes Board members and specialists. As with SPC, a report from FLAR is presented to the Board at each meeting for members to comment on and review. Progress against our plans and other achievements and concerns are reported on to the Board as appropriate, in order for them to maintain responsibility and provide oversight for the entire organisation.

## Board effectiveness

The selection process for finding Board members aims to ensure a wide and diverse range of relevant and beneficial skills, experience and networks are maintained across the group. This includes both within and outside the Catholic community and the international NGO sector. Meetings are scheduled to try to ensure as full an attendance as possible and detailed minutes and actions are

recorded, circulated and stored on file. This year Fr. Mark Odion was appointed as Trustee. The Board initiated a governance review to become even more effective. As part of this it was agreed to extend all Trustee terms that were due for renewal by one year to ensure effective succession planning for those Trustees who terms were completed.

### Diversity

The Board recognises that a broad variety of perspectives and abilities is essential for effective, beneficial governance. The selection of new members aims to ensure a wide degree of diversity is maintained on a range of categories amongst the Board and that this difference is celebrated and optimised to best achieve positive outcomes for the organisation. Currently there is an almost 50/50 gender split with one vacancy. The members come from a range of backgrounds and sectors, including the Catholic Church, local government, international diplomacy, law and higher education. Increasing board diversity will be an important issue in forthcoming Trustee recruitment.

### Openness and accountability

The Board takes an active role in guiding and reviewing how our outcomes, impact and actions are accurately and transparently reported to key stakeholders. This includes assessing the policies and approach related to the handling of serious complaints, media relations and any incidents of whistleblowing. This year Trustees had a constructive meeting with representatives of the Charity Commission to review the serious incidents that were submitted last year as well as discuss the Board's safeguarding duties. The Commission was satisfied that CAFOD takes this seriously. The Chair personally communicates important messages and decisions directly to the entire organisation. The Board works to maintain and foster the trust and support of the Catholic community, wider supporter base and NGO sector equally and always considers any ramifications to the public perception of CAFOD that its actions, either as a group or individually, might cause.

## Remuneration policies and gender pay gap

CAFOD staff and Trustees take careful consideration of their responsibility as stewards of the resources entrusted to us. All employees should be treated with dignity and respect which is why we are a Living Wage employer. Our remuneration packages reflect the skills and experience required in particular roles. The Board of Trustees is responsible for setting the remuneration levels for the CAFOD key management personnel (defined as the CAFOD Director and those persons responsible for co-ordination of the Board of Trustees, Strategy and Performance committee and Finance Legal Audit and Risk committee). The CAFOD Leadership Group is responsible for setting the remuneration for the CAFOD workforce. However, CAFOD is committed to ensuring that there is a clear relationship between the remuneration policy of the Director and that of CAFOD's whole workforce. For our UK / International pay scales, the ratio is set at 5:1, although we are currently operating at 3.6:1. Our remuneration review process is designed to ensure we remain within these parameters. Salary scales are reviewed annually, adjusted if appropriate and published to all staff.

In line with UK government requirements, we track and report on our gender pay gap annually. For April 2019, our gender pay gap was 8.08 per cent (mean) and 8.13 per cent (median) which was significantly below the national average of 17.9 per cent source. Whilst encouraging, we are not complacent and continue to examine ways in which we can close the gap further.

The full gender pay report which includes details of the proportion of women and men in each of the pay quartiles is available on our website.



## Dignity, Diversity and Equality

CAFOD believes in the intrinsic dignity of every person. As set out in the CAFOD Code of Behaviour, CAFOD expects all staff, volunteers, partners and consultants to conduct themselves in a manner that preserves the dignity, respect and equality of every individual. In line with the Vision, Mission and Values and as a Catholic agency, the dignity of every human person, as set out in Catholic social teaching, is an overriding principle of the way we work, for this reason we expect all who undertake work for CAFOD to sign and adhere to our Dignity in the Workplace policy.

## Statement on Safeguarding

**We are committed to recognising the personal dignity and rights of all people we work with, especially vulnerable groups.**

We have a particular concern to ensure children, young people and vulnerable adults are safeguarded and recognise we have a special duty of care and respect towards them. We are committed to upholding professional conduct in all areas of our work and creating an organisational culture that prioritises safeguarding and ensures a safe and trusted environment for all who come into contact with us.

Our Safeguarding Policy and the procedures and training that support its implementation provide the framework for preventing and addressing abuses of power that negatively impact our staff or communities we support and we ensure that staff and key representatives receive mandatory briefing and training on all key policies. Staff with safeguarding responsibilities receive tailored training to build their skills and competencies. We raise awareness of the confidential channels available for staff and representatives to raise any concerns they might have, both as part of the induction process and during refresher training.

In addition to our standard practice, in the past year we have taken the following specific actions to strengthen safeguarding in the organisation:

- Developed a Terms of Reference for the safeguarding lead role on the Board of Trustees, which is currently held

by Dame Mary Ney. Safeguarding is a standing item for our Board of Trustees.

- Delivered enhanced training to 18 safeguarding focal points across our international programme, enabling them to support their colleagues in implementing our policies and to embed our Safe, Accessible, Dignified and Inclusive programming framework as well as provided support to Caritas Internationalis.
- Set up a safeguarding case management committee that meets monthly to ensure that safeguarding cases are managed in a timely manner, according to the principles in CAFOD's Complaints Policy and Safeguarding Policy, that investigations are initiated where appropriate, onward reporting takes place and that learning is fed back to improve CAFOD's policies and practices.
- Revised our safe recruitment policy and implemented a standard approach to vetting (police checks) across our international programme. We anticipate being able to fully implement the Interagency Misconduct Disclosure Scheme in our recruitment processes before the end of 2020.
- We are committed to a zero-tolerance approach to misconduct that breaches our policies, including abuse, exploitation, intimidation and other acts. CAFOD has a number of channels for staff and representatives to report safeguarding breaches to us, including our new complaints and incident management system.

We have seen the number of reports rise in comparison to previous years and this is an indication that there is greater safeguarding awareness amongst staff and partner representatives, the reporting systems we have in place are working and people feel confident to report breaches.

It is important to understand the incident figures within the context of our work. CAFOD has the full time equivalent of 410 staff and over 6,000 volunteers and works in partnership with nearly 300 trusted local partner organisations.

In the last financial year, CAFOD handled 13 safeguarding reports involving individuals associated with CAFOD or

our partner organisations. Three reports were found not to be safeguarding breaches. Three incidents involving partner representatives were confirmed as sexual exploitation and abuse as defined by our policy. In all instances the cases were referred to the authorities for investigation and engagement of the individuals involved with the implementing partner was terminated. Two incidents were confirmed as sexual harassment. These included a CAFOD representative and a partner representative. In both cases the engagement of the individuals with the respective organisations was terminated. One case involved other inappropriate conduct and resulted in the termination of engagement with the CAFOD representative involved. In two reports involving alleged historical sexual exploitation and abuse there was insufficient information to enable us to pursue an investigation. Two cases involving alleged sexual abuse and exploitation perpetrated by partner representatives remain open at the time of this report.

We commit to supporting any survivors in the way that best meets their needs, such as providing access to specialised support where appropriate.

We are committed to being openly accountable for our work and to reporting serious breaches of our code of conduct and safeguarding policy to donors and the Charity Commission.

We routinely review each case to identify any gaps in safeguarding policy or practice that led to the breach and ensure that these are addressed and additional safeguarding measures applied where necessary. We are committed to improving safeguarding practices that contribute to preventing exploitation or abuse of the people and communities we work with. We continue to evaluate our approach to safeguarding using both internal and external resources and we actively participate in several initiatives with other overseas development agencies to strengthen cross-sector information sharing.

## Statement on Fundraising

At CAFOD, we have made a Fundraising Promise to our supporters. It outlines how we will behave when we fundraise and ensures our fundraising is legal, honest, open, transparent and accountable.

We do all we can to ensure that fundraisers, volunteers and any fundraising contractors working with us comply with our Fundraising Promise. We are registered with the Fundraising Regulator which sets and maintains the standards for charitable fundraising in the UK. We comply with laws relating to data protection, health and safety and the environment.

We tell the truth and do not exaggerate. We do what we say we are going to do. We welcome and answer questions about our fundraising activities and costs.

We are clear about who we are, what we do and how gifts are used. Where we have a promotional agreement with a commercial company, we make clear how much of the purchase price we receive. We give a clear explanation of how someone can make a gift and amend a regular commitment.

We respect the rights, dignities and privacy of our supporters and beneficiaries. We will not put undue pressure on supporters to make a gift and if a supporter does not want to give, or wishes to cease giving, we respect their decision and act on this. We offer supporters choices about how they wish to be contacted and we respond to requests to end contact. We deliver most of our fundraising activity directly, with the exception of some payroll giving promotions. The professional payroll giving fundraisers, who act on our behalf, are responsible for responding to invitations by companies to speak to employees about the general benefits of payroll giving. These fundraisers represent a wide range of charities and are not operating only 'on CAFOD's behalf'. They are providing a 'reactive' service to companies and employees. They are instructed to talk specifically about CAFOD only if an employee first mentions CAFOD's name and expresses an interest in supporting us. While the risk of these fundraisers applying pressure to give is very low, there is a system in place where employers are surveyed after each visit, so they can report anything they were unhappy with. No issues or complaints have been

communicated to us with regard to payroll giving. The agencies we use have a clear vulnerable people policy and meet the standards outlined in the Fundraising Code of Practice.

In 2020 we have developed an overarching Fundraising policy, which includes a section which governs our approach to protecting vulnerable people. This is also referenced within our organisational Safeguarding Policy.

With regards to fundraising and set out in our policy, existing principles already in use are:

- If it is known or there are reasonable grounds for believing that an individual lacks capacity to make a decision to donate, a donation will not be taken.
- Donations given by someone who lacked capacity at the time of donating will be returned.

We take care not to use images or words that cause unjustifiable distress or offence and try not to cause unreasonable nuisance or disruption. We encourage any feedback from the public and our Trustees regularly review trends in the feedback we receive. We are registered with the Fundraising Regulator, have paid the levy and uphold the code of practice. We continue to develop our policies and practices in line with best practice requirements and our regular detailed return on all fundraising related complaints has been submitted to the Fundraising Regulator for financial year 2019-20.

The main fundraising activities undertaken by CAFOD last year and the number of complaints about each we received (2019-20 number) [2018-19 number] were:

In total, 541 [437] complaints, comments and opinions were received from the public. Whilst there was rise in the number of complaints, queries and opinions, this represents a smaller proportion of feedback in relation to the fundraising activities we undertook at 0.0017 per cent [0.0045 per cent].

Over half of the contact made by supporters were related to fulfilment issues e.g. non-receipt of orders, or a missing item, or extra sheets of stickers needed, or thankyou letters not being sent to the right address. More detail is supplied below:

Online fundraising (172) [169]. The majority of these were related to order fulfilment queries (mostly our World Gifts fundraising scheme). We also had additional queries from supporters, asking for more clarity with our virtual gifts and raising some website technical issues. Many of the queries indicated that the expectations of our supporters on supply times, payment channels etc., are rising and we have made changes in our digital business processes and communications to match those expectations more closely in 2020.

Postal direct mailing (255) [204]. The majority of these were about items not being received as expected (e.g. World Gift Cards or gifts). Other concerns were the frequency of our communications with supporters, enquiries around data privacy, dislike of the method of communication or content of the campaign. We are currently reviewing our mailing house arrangements. Benefits of any changes made are only likely to be experienced towards the end of 2021.

The other main fundraising activities were press advertising (1) [0], magazine and newspaper inserts (0) [1] and email fundraising (9) [4]. We received a further 104 [59] items of feedback across the other 10 [10] fundraising channels we use.

## Statement on Streamlined Energy and Carbon Reporting (SECR)

As CAFOD we are legally required to report annually on energy consumption in our UK offices and volunteer centres. Specifically, we need to report, as a minimum, our emissions from UK energy use and business vehicle travel. This also shows us ways of saving energy.

The carbon footprint of this in 2019-20 was 211 tons CO<sub>2</sub>e. This represents a carbon intensity of 0.83 tCO<sub>2</sub>e per full time equivalent employee at CAFOD in 2019-20.

The table below summarises our legally obligated emissions as required by SECR and also gives a brief summary of our progress towards the broader carbon footprint that we hope to measure for future years.

Emissions source	Quantity	Unit	Carbon footprint (tCO <sub>2</sub> e)	Scope
Electricity use, Romero House	461,148	KWh	145.7	2
Gas use, Romero House	53,092	KWh	11.0	1
Electricity use, Volunteer Centres	78,468	KWh	24.8	2
Gas use, Volunteer Centres	78,024	KWh	16.2	1
Business vehicle travel	49,495	vkm	13.4	3
<b>TOTAL</b>	–	–	<b>211.1</b>	

### Explanatory notes:

All electricity and gas at Romero House and eight per cent of the electricity and gas at Volunteer Centres, was purchased from renewable suppliers in 2019-20. However, in compliance with UK government reporting standards, the carbon saving this creates is not included in the standardised carbon footprint reported above. If the lower carbon associated with the purchase of renewable energy was taken into account, the total carbon footprint in the table above would be only 50.2 tCO<sub>2</sub>e (i.e. 75 per cent lower).

CAFOD does not own any vehicles in the UK and thus does not purchase any vehicle fuel directly. UK staff and volunteers do sometimes use their own cars for CAFOD business, however and this has been estimated in the table above, based on mileage claims in the finance system.

These carbon footprints have been calculated using Defra's 2019 greenhouse gas emissions factors, including Well-to-Tank (WTT) emissions. Business travel has been calculated using the factor for "Average car, unknown fuel". Energy use data was collected from energy bills in most cases. For some volunteer centres in shared buildings,

separately metered bills were not available and so the energy use was estimated based on the average energy use at the metered volunteer centres and the number of full-time equivalent staff at each centre.

We have taken a number of measures to reduce our energy use in recent years – please see the environmental stewardship section of this report for some examples.

### The rest of our carbon footprint – next steps:

As noted in the environmental stewardship section of this report, we are working towards measuring a comprehensive carbon footprint of CAFOD's global operations that would include significantly more than just UK energy and vehicle emissions. For 2020-21 we will report carbon emissions from our international flights, as well as UK based rail travel, commercial printing, water & waste. In future years we plan to report on CAFOD's global operations, not just the UK. This will help us set meaningful and ambitious targets for the reduction of our greenhouse gas emissions, in line with climate science and global justice.



### 3. Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report, which incorporates the directors' report as required by company law, and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and the group as at the end of the financial year of the income and expenditure of the group for that period. In preparing these accounts, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Statement of Recommended Practice
- "Accounting and Reporting by Charities" (the Charities' SORP)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

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

Insofar as each of the Trustees of the charity at the date of approval of this report is aware there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each Trustee has taken all of the steps that he/she should have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The Trustees' Report, including the Strategic Report, was approved by the Trustees on 14th July 2020 and signed on their behalf by



The Right Reverend John Arnold,  
Chair of Trustees

## 4. Independent Auditor's Report to the Members of Catholic Agency for Overseas Development

### Opinion

We have audited the financial statements of Catholic Agency for Overseas Development for the year ended 31 March 2020 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement 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 charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### 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 charitable company in

accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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 charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 our 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 included within the trustees' report have been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 41, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

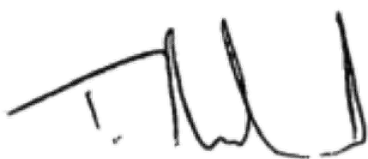
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at:  
[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).  
This description forms part of our auditor's report.

## Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.



Tim Redwood  
Senior Statutory Auditor  
For and on behalf of  
**Crowe U.K. LLP**  
Statutory Auditor  
**London**

21 September 2020



## 5. Statement of Financial Activities

(incorporating an income and expenditure account)

### for the year ended 31 March 2020

	Note	Unrest- ricted Funds £'000	Rest- ricted Funds £'000	Total Funds 2020 £'000	Unrest- ricted Funds £'000	Rest- ricted Funds £'000	Total Funds 2019 £'000
Income and endowments from:							
Donations and legacies	2	26,339	7,328	33,667	24,572	6,099	30,671
Charitable activities	3	294	11,337	11,631	240	9,768	10,008
Other trading activities		37	-	37	16	-	16
Investments	4	89	19	108	88	19	107
Other income		-	-	-	398	-	398
<b>Total</b>		<b>26,759</b>	<b>18,684</b>	<b>45,443</b>	<b>25,314</b>	<b>15,886</b>	<b>41,200</b>
Expenditure on:							
Raising funds	5	5,525	120	5,645	5,031	196	5,227
Charitable activities:							
International development	5	14,029	8,604	22,633	14,610	7,965	22,575
Disaster relief	5	4,045	9,259	13,304	3,989	11,706	15,695
UK development education	5	1,840	104	1,944	1,860	66	1,926
Advocacy and campaigning	5	2,357	48	2,405	2,418	81	2,499
<b>Total</b>	<b>5</b>	<b>27,796</b>	<b>18,135</b>	<b>45,931</b>	<b>27,908</b>	<b>20,014</b>	<b>47,922</b>
Operating (deficit) / surplus		(1,037)	549	(488)	(2,594)	(4,128)	(6,722)
Net (loss)/gain on investments	12	-	(18)	(18)	-	43	43
<b>Net (expenditure) / income</b>	<b>7/21</b>	<b>(1,037)</b>	<b>531</b>	<b>(506)</b>	<b>(2,594)</b>	<b>(4,085)</b>	<b>(6,679)</b>
Reconciliation of funds:							
Total funds brought forward	18/19	16,420	2,857	19,277	19,014	6,942	25,956
<b>Total funds carried forward</b>	<b>18/19</b>	<b>15,383</b>	<b>3,388</b>	<b>18,771</b>	<b>16,420</b>	<b>2,857</b>	<b>19,277</b>

CAFOD did not change any of its principal activities during the above financial years and there were no gains and losses other than those included above. Restricted funds above include permanent endowment funds with a current value of £554,682 (see note 13). All of the charity's income and expenditure is derived from continuing operations.

# Balance Sheet

## as at 31 March 2020

		2020	2019
	Note	£'000	£'000
Fixed assets			
Tangible assets	10	9,725	9,865
Intangible assets	11	679	882
Investments	12	4,021	4,039
		<b>14,425</b>	<b>14,786</b>
Current assets			
Stock		14	18
Debtors	13	5,311	5,262
Short term cash deposits		2,949	3,085
Cash at bank and in hand		4,677	5,347
		<b>12,951</b>	<b>13,712</b>
Current liabilities			
Creditors: amounts falling due within one year	14	(8,026)	(8,542)
Net current assets		<b>4,925</b>	<b>5,170</b>
Total assets less current liabilities		<b>19,350</b>	<b>19,956</b>
Pension scheme liability	17	(579)	(679)
Total net assets	20	<b>18,771</b>	<b>19,277</b>
The funds of the charity:			
Endowment funds	18	555	573
Restricted income funds:			
General donations and legacies	18	732	375
Emergency appeals	18	2,374	2,714
Income from charitable activities	18	(277)	(824)
Interest	18	4	19
Unrestricted funds:			
Designated fixed asset fund	19	4,870	5,213
Designated programme fund	19	527	975
General funds	19	9,986	10,232
Total funds	20	<b>18,771</b>	<b>19,277</b>

The financial statements were approved and authorised for issue by the Trustees on 14th July 2020 and signed on their behalf by:



The Right Reverend John Arnold  
Chair of the Trustees



Chris Perry  
Honorary Treasurer

# Cash Flow Statement

## for the year ended 31 March 2020

	Note	2020 £'000	2019 £'000
Cash flows from operating activities			
Net cash used in operating activities	21	(726)	(8,431)
Cash flows from investing activities			
Dividends and interest from investments		108	107
Proceeds from sale of fixed assets		0	753
Purchase of tangible fixed assets		(188)	(160)
Purchase of intangible fixed assets		0	(107)
Net cash generated / (used) in investing activities		(80)	593
Change in cash and cash equivalents in the reporting period	22	(806)	(7,838)
Cash and cash equivalents at the beginning of the reporting period		8,432	16,270
Cash and cash equivalents at the end of the reporting period		7,626	8,432

# Notes to the Financial Statements for the year ended 31 March 2020

## 1. Accounting policies

### (a) Basis of accounting

CAFOD is a charitable company limited by guarantee incorporated in the United Kingdom (company number 9387398, charity registration number 1160384) with the liability of members (four in number) of £1 each. The registered office is: Romero House, 55 Westminster Bridge Road, London SE1 7JB. The nature of the charity's operations and principal activities is described in the Trustees' Report accompanying the Financial Statements.

The financial statements have been prepared in accordance with 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)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and applicable company and charity law in the UK.

Having reviewed the financial position and future plans for the charity, the Trustees have identified no material uncertainties related to events or conditions that cast significant doubt on the charity's ability to continue its activities for the foreseeable future. In light of the disruption to some normal activities during the coronavirus pandemic and with the increased short- and longer-term economic uncertainty as to funding levels this has entailed, CAFOD has undertaken a range of measures to ensure financial sustainability. This includes updates to current budgets, scenario planning, financial modelling, risk analysis and careful cashflow forecasting and monitoring. CAFOD has the flexibility to adapt our financial management, including the utilisation of contingency reserves and to adjust expenditure as needed, in response to income levels, during the initial stages of this pandemic and as the future longer-term impacts unfold.

Accordingly, the Trustees continue to adopt a going concern basis in preparing the financial statements.

The charity is a public benefit entity as defined in FRS102.

### (b) Income

Unrestricted income is available for expenditure approved by the Board. Restricted income is available for expenditure in accordance with the purpose specified by the donor. Income is credited to the Statement of Financial Activities when entitlement can be demonstrated, receipt is probable and the amount can be reliably measured.

#### *Donations and legacies:*

Donations from supporters are accounted for when received. Legacies are included in the Statement of Financial Activities at the earlier of receipt and the date the estate accounts are approved or a distribution authorised by the executors.

#### *Charitable activities:*

In respect of income from governments and other institutional donors, entitlement is obtained when only administrative requirements exist and all disbursement and other entitlement conditions are satisfied.

### (c) Expenditure

Expenditure is included in the Statement of Financial Activities when incurred and includes attributable input VAT which cannot be recovered. Expenditure is categorised both by type (namely grants to partners, activity costs and support costs) and by purpose (namely raising funds and charitable activities); an analysis of total expenditure by type and by purpose is given in note 5.

#### *Grants and programme payments:*

Grants to third parties are charged to the Statement of Financial Activities when they have been approved and where a binding commitment has been made to the partner organisation. Grants



represent funds made available to partner programmes and comprise either cash funds transferred to the partners or in-kind provision of goods and services procured on their behalf. Programme grants that have been approved but not yet disbursed at the balance sheet date are carried forward as programme creditors in the balance sheet.

Programme payments are CAFOD managed programme activities made in support of partners.

*Activity and support costs:*

Activity costs include the costs of all teams in CAFOD, other than Finance, Facilities, the Directorate, Governance, IT and People and Performance functions, which are classified as support costs.

Governance costs include the costs of internal and external audit, Board expenses and an apportionment of the salary costs of the senior executive team, relating to time spent by them on the governance of CAFOD's activities.

Activity costs are attributed directly to expenditure purpose headings. Support costs are allocated to expenditure purpose headings on the basis of the full-time equivalent number of staff contributing towards each purpose. The expenditure purpose headings are:

*Raising funds:*

Raising funds costs are the costs of generating income for the charitable purposes of the charity;

*Charitable activities:*

International development: work with poor and disadvantaged communities in the global South to overcome poverty and bring about sustainable development and well-being;

Disaster relief: work to protect lives and relieve suffering during emergencies and reduce the risks to vulnerable communities as a result of conflict and natural disasters;

UK development education: work to raise understanding of the causes of poverty and injustice to inspire a commitment to lasting change;

Advocacy and campaigning: challenging those with power to adopt policies and behaviour that promote social justice and end poverty.

#### **(d) Foreign currency translation**

Transactions in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. Financial assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rate of exchange on that date and any gains/(losses) on exchange are credited/(debited) to the Statement of Financial Activities. Foreign exchange forward contracts are included on the balance sheet at their fair value and realised and unrealised gains/(losses) are credited/(debited) to the Statement of Financial Activities.

#### **(e) Pensions**

CAFOD operates five contributory money purchase pension schemes. Scheme funds are independent of CAFOD's finances. Three schemes are administered by The Pensions Trust. Two schemes are administered by Fairfield Pension Trustees Limited.

One of the schemes that CAFOD is a member of is the Pensions Trust's Growth Plan. The Growth Plan is a money purchase pension scheme which also has some historical guarantees. This is a multi-employer pension scheme for which it is not possible to identify separately the assets and liabilities of participating employers and, as such, CAFOD's regular payments in respect of this plan are charged in the Statement of Financial Activities on a defined contribution basis. A liability is recognised for the present value of agreed additional contributions payable to fund a deficit in this plan related to past service.

#### **(f) Fixed assets**

##### **(i) Tangible assets**

Tangible assets costing £1,500 or more are capitalised. Depreciation on assets is charged from the date of first usage and provided on the straight-line method at the following annual rates in order to write off each asset over its estimated useful life:

- Leasehold land and buildings (subject to annual impairment review): 1-2% on cost
- Plant and machinery: over 15 years
- Computers, office furniture and equipment and motor vehicles: 25% on cost

##### **(ii) Intangible assets**

Software development costs are recognised as internally generated intangible assets provided that:

- there is certainty that it is technically feasible to complete the development activity so that it will be available for future use;
- there is the intention to complete the development activity and use it;

- the organisation can use the intangible asset to generate probable future economic benefits;
- adequate technical, financial and other resources are available to complete the development activity and to use it; and,
- the expenditure attributable to the intangible asset during its development can be measured reliably.

Intangible assets costing £50,000 or more are capitalised.

Amortisation on intangible assets is charged from the date of first usage and provided on the straight-line basis in order to write off each intangible asset over its estimated useful life of five years.

#### **(g) Investments**

Investments are included on the balance sheet at their market value at the end of the financial year. Realised and unrealised gains/(losses) are credited/(debited) to the Statement of Financial Activities in the year in which they arise.

#### **(h) Cash and cash equivalents**

Cash and cash equivalents include deposits repayable on demand without penalty. Short term money market deposits and fixed term cash deposits which do not meet this criterion are held under current assets as short term deposits. Cash and bank deposits are stated at the cash amount.

#### **(i) Other financial assets and liabilities**

Debtors and creditors are stated at the settlement amount after any applicable discounts.

#### **(j) Fund accounting**

Designated funds comprise funds set aside out of unrestricted funds for specific future purposes.

General reserves represent those monies that are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to conditions imposed by donors.

Endowment funds comprise monies that must be held indefinitely as capital. Income therefrom is credited to general funds and applied for general purposes unless under the terms of the endowment such income must be used for specific purposes, in which case it is credited to restricted funds.

#### **(k) Operating leases**

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

#### **(l) Financial instruments**

The charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Financial instruments are initially recognised at transaction value and subsequently measured at the present value of future cash flows (amortised cost). Financial assets held at amortised cost comprise cash at bank and in hand, short term cash deposits and the group's debtors excluding prepayments. Financial liabilities held at amortised cost comprise the group's short- and long-term creditors excluding deferred income. Other than the pension scheme liability, no discounting has been applied to these financial instruments on the basis that the periods over which amounts will be settled are such that any discounting would be immaterial. The pension scheme liability will be settled over four years and ten months from the balance sheet date and is discounted appropriately.

#### **(m) Critical accounting judgements and key sources of estimation uncertainty**

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

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

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

## 2. Income from donations and legacies

	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	£'000	£'000	2020 £'000	£'000	£'000	2019 £'000
General donations from supporters	15,646	4,209	19,855	15,872	3,219	19,091
Legacy income from supporters	10,398	123	10,521	8,416	68	8,484
Emergency donations from supporters	256	1,846	2,102	236	1,657	1,893
Emergency donations via DEC	39	1,150	1,189	48	1,155	1,203
<b>Income from donations and legacies</b>	<b>26,339</b>	<b>7,328</b>	<b>33,667</b>	<b>24,572</b>	<b>6,099</b>	<b>30,671</b>

Emergency appeal donations from supporters includes income received from the Disasters Emergency Committee (DEC), a group of 14 leading UK aid charities that come together in time of crisis.

## 3. Income from charitable activities

	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	£'000	£'000	2020 £'000	£'000	£'000	2019 £'000
Caritas and other Catholic agencies (a)	38	3,684	3,722	65	3,902	3,967
Government grants (b)	148	5,701	5,849	79	4,634	4,713
Institutional and other grants (c)	108	1,952	2,060	96	1,232	1,328
<b>Income from charitable activities</b>	<b>294</b>	<b>11,337</b>	<b>11,631</b>	<b>240</b>	<b>9,768</b>	<b>10,008</b>

<b>(a) Caritas and other Catholic agencies:</b>						
Caritas Australia	6	712	718	7	390	397
Caritas Austria	3	43	46	-	-	-
Caritas Denmark	-	47	47	4	90	94
Caritas Finland	-	-	-	-	9	9
Caritas Germany	-	23	23	4	128	132
Caritas Italy	-	-	-	-	26	26
Caritas Japan	-	-	-	-	8	8
Caritas Korea	-	-	-	-	88	88
Caritas Norway	7	228	235	8	196	204
Caritas Spain	-	-	-	-	89	89
Caritas Switzerland	-	182	182	-	-	-
Caritas Taiwan	-	-	-	-	8	8
Catholic Relief Services	2	59	61	3	139	142
Development & Peace	-	-	-	-	4	4
Manos Unidas	-	-	-	1	52	53
Misereor	5	403	408	1	373	374
Scottish Catholic International Aid Fund	16	110	126	17	228	245
Séjours Catholique	3	269	272	10	245	255
Trócaire	(5)	1,460	1,455	1	1,712	1,713
Vastenaktie	1	148	149	9	116	125
Others	-	-	-	-	1	1
<b>Caritas and other Catholic agencies:</b>	<b>38</b>	<b>3,684</b>	<b>3,722</b>	<b>65</b>	<b>3,902</b>	<b>3,967</b>

### 3. Income from charitable activities (continued)

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2020 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2019 £'000
<b>(b) Government grants:</b>						
UK Government, DFID:						
UK Aid Matched Funding	-	1,591	1,591	-	1,679	1,679
Other	59	659	718	14	495	509
European Union	62	1,403	1,465	61	1,532	1,593
European Community Humanitarian Office	2	(9)	(7)	-	245	245
Government of Guernsey	-	60	60	-	25	25
Government of Ireland	-	508	508	-	-	-
Government of Isle of Man	1	75	76	-	50	50
Government of Jersey	-	140	140	-	37	37
Government of the Netherlands	-	(15)	(15)	-	15	15
United Nations agencies	24	1,289	1,313	4	556	560
<b>Government grants</b>	<b>148</b>	<b>5,701</b>	<b>5,849</b>	<b>79</b>	<b>4,634</b>	<b>4,713</b>

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2020 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2019 £'000
<b>(c) Institutional and other grants:</b>						
Big Lottery Fund Grant	-	-	-	-	(19)	(19)
Christian Aid	-	54	54	-	22	22
Denise Coates Foundation	31	306	337	23	226	249
Islamic Relief Worldwide	5	136	141	-	-	-
Latin America Children's Trust	-	98	98	-	133	133
The Church of Jesus Christ of Latter-day Saints	-	-	-	10	252	262
Norwegian Church Aid	12	53	65	11	53	64
Porticus	-	122	122	-	-	-
START	48	945	993	50	508	558
The Mott Foundation	11	182	193	2	36	38
Other	1	56	57	-	21	21
<b>Institutional and other grants</b>	<b>108</b>	<b>1,952</b>	<b>2,060</b>	<b>96</b>	<b>1,232</b>	<b>1,328</b>

There were no unfulfilled conditions or contingencies relating to grants existing at the year end.

### 4. Income from investments

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2020 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2019 £'000
Interest receivable	89	-	89	88	-	88
Dividends receivable	-	19	19	-	19	19
<b>Income from investments</b>	<b>89</b>	<b>19</b>	<b>108</b>	<b>88</b>	<b>19</b>	<b>107</b>



## 5. Expenditure

	Grants & programme payments £'000	Activity costs staff costs £'000	non-staff costs £'000	Support costs staff costs £'000	non-staff costs £'000	Total 2020 £'000
<b>Raising funds:</b>	-	3,365	1,477	442	361	5,645
International development	13,594	4,439	1,654	1,621	1,325	22,633
Disaster relief	8,729	2,474	731	754	616	13,304
UK development education	41	1,327	267	170	139	1,944
Advocacy and campaigning	68	1,615	357	201	164	2,405
<b>Charitable activities:</b>	22,432	9,855	3,009	2,746	2,244	40,286
<b>Total expenditure 2019/20</b>	<b>22,432</b>	<b>13,220</b>	<b>4,486</b>	<b>3,188</b>	<b>2,605</b>	<b>45,931</b>

	Grants & programme payments £'000	Activity costs staff costs £'000	non-staff costs £'000	Support costs Staff Costs £'000	non-staff costs £'000	Total 2019 £'000
Raising funds:	-	2,946	1,569	382	330	5,227
International development	13,678	4,378	1,572	1,583	1,364	22,575
Disaster relief	11,116	2,426	810	721	622	15,695
UK development education	53	1,326	253	158	136	1,926
Advocacy and campaigning	118	1,633	370	203	175	2,499
<b>Charitable activities:</b>	24,965	9,763	3,005	2,665	2,297	42,695
<b>Total expenditure 2018/19</b>	<b>24,965</b>	<b>12,709</b>	<b>4,574</b>	<b>3,047</b>	<b>2,627</b>	<b>47,922</b>

	2020 £'000	2019 £'000
Information technology	2,005	1,979
HR and organisational development	1,318	1,227
Financial management	882	914
Premises and facilities	743	745
Strategic leadership	295	341
Governance (analysed below)	550	468
<b>Support costs:</b>	<b>5,793</b>	<b>5,674</b>
Senior management	239	250
Legal and professional services	72	35
Internal audit	157	108
External audit	73	72
Board training and meeting costs	9	3
<b>Governance costs:</b>	<b>550</b>	<b>468</b>

## 6. Grants and programme payments

Grants and programme payments are made up of: 545 grants (2019: 579) to third parties totalling £21,653m (2019: £24,075m), plus programme payments made in support of partners for programme activities totalling £1,005m (2019: £1,266m), less realised and unrealised exchange gains of £0.226m (2019: £0.375m).

Details of grants to third parties and partner payments are provided in a Report of Grants for 2019/20 published on CAFOD's website [cafod.org.uk](https://www.cafod.org.uk).

	2020 Number	2020 £'000	2019 Number	2019 £'000
<b>Analysed by activity:</b>				
Capacity strengthening	112	1,535	143	2,024
Emergency preparedness, response and recovery	110	8,804	98	11,285
Governance accountability and transparency	122	3,171	125	3,117
Livelihoods resilience and environment	143	6,973	151	6,979
Peace and reconciliation	58	2,175	62	1,935
	545	22,658	579	25,340
Realised (gains) on Foreign Currency	-	(49)	-	(301)
Unrealised (gains) on Foreign Currency contracts	-	(177)	-	(74)
<b>Total grants and programme payments</b>	<b>545</b>	<b>22,432</b>	<b>579</b>	<b>24,965</b>

	2020 Number	2020 £'000	2019 Number	2019 £'000
<b>Analysed by region</b>				
Africa (a)	290	15,152	297	16,321
Latin America and Caribbean (b)	109	3,074	126	3,227
Asia, Middle East and Europe (c)	104	3,767	111	4,909
Global, policy and education	42	665	45	883
	545	22,658	579	25,340
Realised (gains) / losses on Foreign Currency	-	(49)	-	(301)
Unrealised (gains) / losses on Foreign Currency contracts	-	(177)	-	(74)
<b>Total grants and programme payments</b>	<b>545</b>	<b>22,432</b>	<b>579</b>	<b>24,965</b>

See note 16 on Forward foreign currency contracts.

## 6. Grants and programme payments (continued)

(a) Africa	2020 no. of grants	2020 £'000	2019 no. of grants	2019 £'000
Central African Republic	1	10	-	-
Democratic Republic of Congo	55	2,021	54	1,428
Eritrea	12	1,526	9	1,083
Ethiopia	8	699	7	1,100
Kenya	14	654	32	917
Liberia	14	801	14	431
Malawi	-	-	1	5
Mozambique	14	1,343	13	413
Niger	10	399	11	270
Nigeria	19	208	21	2,187
Sierra Leone	16	314	13	138
Somalia	-	-	-	(9)
South Sudan	32	1,341	30	2,864
Sudan	19	1,485	13	1,879
Swaziland	7	183	6	186
Uganda	8	327	11	573
Zambia	15	996	18	746
Zimbabwe	39	2,620	35	1,821
Multi-Country	7	225	9	289
<b>Africa</b>	<b>290</b>	<b>15,152</b>	<b>297</b>	<b>16,321</b>

## 6. Grants and programme payments (continued)

(b) Latin America & Caribbean	2020	2020	2019	2019
	no. of grants	£'000	no. of grants	£'000
Bolivia	10	339	9	382
Brazil	21	774	22	949
Colombia	15	490	22	445
El Salvador	4	142	3	113
Guatemala	10	357	7	273
Honduras	6	123	5	98
Nicaragua	7	196	8	303
Peru	14	285	18	343
St Lucia	1	30	-	-
Multi-country	21	338	32	321
<b>Latin America and Caribbean</b>	<b>109</b>	<b>3,074</b>	<b>126</b>	<b>3,227</b>

(c) Asia and Middle East and Europe	2020	2020	2019	2019
	no. of grants	£'000	no. of grants	£'000
Afghanistan	10	305	11	386
Bangladesh	16	384	10	729
Cambodia	10	259	9	317
Greece	-	-	1	50
India	2	42	4	300
Indonesia	2	362	4	786
Israel	5	173	4	103
Jordan	2	118	1	1
Lebanon	10	701	9	245
Myanmar	13	356	19	431
Nepal	-	-	4	448
Philippines	1	30	1	30
Sri Lanka	14	273	14	240
Syria	4	275	5	259
Yemen	1	227	1	130
West Bank and Gaza	8	206	9	361
Multi-country	6	56	5	93
<b>Asia, Middle East and Europe</b>	<b>104</b>	<b>3,767</b>	<b>111</b>	<b>4,909</b>

## 7. Net expenditure

	2020	2019
	£'000	£'000
Net expenditure is stated after charging/(crediting):		
Depreciation of tangible fixed assets	328	290
(Profit) / loss on sale of tangible fixed assets	-	(440)
Operating leases: land and buildings	324	361
Auditors' remuneration	78	75
<b>Auditors' remuneration:</b>		
Audit of CAFOD		
UK (primary auditor, Crowe UK LLP)	31	33
Overseas (secondary auditors)	42	39
	<b>73</b>	<b>72</b>
Other non-audit services (UK, Crowe UK LLP)	5	3
<b>Auditors' remuneration</b>	<b>78</b>	<b>75</b>

## 8. Taxation

CAFOD is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities. All of its income falls within the various exemptions available to registered charities.

## 9. Employees, Trustees and volunteers

	2020	2020	2019	2019
	Employees average full-time equivalent	Employees cost £'000	Employees Average full-time Equivalent	Employees cost £'000
Raising funds	86	3,807	75	3,328
International development	172	6,060	171	5,961
Disaster relief	80	3,228	78	3,147
UK Development education	33	1,497	31	1,484
Advocacy and campaigning	39	1,816	40	1,836
<b>Total</b>	<b>410</b>	<b>16,408</b>	<b>395</b>	<b>15,756</b>
Salaries		13,610		13,114
Employer's social security contributions		1,280		1,196
Employer's pension contributions		1,518		1,446
<b>Total</b>		<b>16,408</b>		<b>15,756</b>

The total average number (by headcount) of employees in the year was 443 (2019: 417).

Included in the above are costs relating to redundancy and compensation for loss of office of £28,167 (2019: £33,376) all of which were settled during the year.

The number of employees whose emoluments (excluding employer's national insurance and pension contributions) amounted to over £60,000 in the year was as follows:

	2020 Number	2019 Number
£60,001 - £70,000	8	10
£70,001 - £80,000	5	3
£90,001 - £100,000	1	1

Total remuneration and benefits received during the year by CAFOD's highest paid member of staff was £97,996 (2019: £95,142) salary, £12,333 (2019: £11,967) employer's national insurance and £9,800 (2019: £16,650) employer's pension contribution. The total remuneration and benefits received during the year by the other key management personnel (2 persons) who have delegated responsibility for the Strategy and Performance Committee and the Finance Legal Audit and Risk Committee was £152,766 (2019: £149,251) salary, £18,700 (2019: £18,148) employer's national insurance and £18,514 (2019: £20,236) employer's pension contribution.

### Trustees

The Trustees do not receive any remuneration for their services. The total expenses CAFOD paid on behalf of Trustees during the year was £5,100 (2019: £3,855) for the costs for the accommodation of all Trustees at the annual residential board meeting and two Trustees travel to board meetings. There are no other related party transactions requiring disclosure within the financial statements.

### Volunteers

In addition to employers staff and Trustees, CAFOD relied on the services of 6,358 volunteers (2019: 6,035) some carrying out multiple roles supporting CAFOD's work; with 3,584 (2019: 3,666) taking parish-based roles, 280 (2019: 338) taking school roles; and 3,914 (2019: 3,149) engaged in a range of volunteer roles such as campaigning, fundraising, media, office support and youth work.



## 10. Tangible fixed assets

	Leasehold land and buildings £'000	Office equipment £'000	Motor vehicles £'000	Total tangible fixed assets £'000
Cost at 1 April 2019	11,067	566	743	12,376
Additions	57	34	97	188
Disposals	-	(117)	(34)	(151)
<b>Cost at 31 March 2020</b>	<b>11,124</b>	<b>483</b>	<b>806</b>	<b>12,413</b>
Depreciation at 1 April 2019	1,516	478	517	2,511
Charge for the year	205	22	101	328
On disposals	-	(117)	(34)	(151)
<b>Depreciation at 31 March 2020</b>	<b>1,721</b>	<b>383</b>	<b>584</b>	<b>2,688</b>
<b>Net book value at 31 March 2020</b>	<b>9,403</b>	<b>100</b>	<b>222</b>	<b>9,725</b>
Net book value at 31 March 2019	9,551	88	226	9,865

Leasehold land and buildings held at 31 March 2020 is Romero House (net book value at 31 March 2020: £9.4m – being £8.5m for the land and building and £0.9m for the plant and machinery) which is used as CAFOD's head office.

## 11. Intangible fixed assets

	Software development £'000	Total Intangible fixed assets £'000
Cost at 1 April 2019	1,018	1,018
Additions	-	-
<b>Cost at 31 March 2020</b>	<b>1,018</b>	<b>1,018</b>
Amortisation at 1 April 2019	136	136
Charge for the year	203	203
<b>Amortisation at 31 March 2020</b>	<b>339</b>	<b>339</b>
<b>Net book value at 31 March 2020</b>	<b>679</b>	<b>679</b>
Net book value at 31 March 2019	882	882

Intangible fixed assets relates to the development of CAFOD's supporter and volunteer relationship management system. This development was completed and brought into use in July 2018.

## 12. Investments held as fixed assets

	2020	2019
	£'000	£'000
Sterling deposits	3,466	3,466
Permanent endowment fund	555	573
<b>Investments held as fixed assets</b>	<b>4,021</b>	<b>4,039</b>

The sterling deposits corresponds to the amount of the stabilisation fund held in bank and cash. The permanent endowment fund is invested in CCLA Charities Ethical Investment Fund Income Units at a historic cost of £449,024. The movement on investments during the year was:

	£'000
Market value at 1 April 2019	573
Unrealised loss	(18)
<b>Market value at 31 March 2020</b>	<b>555</b>

	£'000
Market value at 1 April 2018	530
Unrealised gain	43
<b>Market value at 31 March 2019</b>	<b>573</b>

CAFOD, the charity, owns the entire £3 issued share capital of The CAFOD Trading Company Limited ("CAFOD Trading"), registered in England and Wales (company number 989846). The principal activity of CAFOD Trading has been to carry out commercial activities for the benefit of the charity. CAFOD Trading ceased to trade on 28th February 2017 and remains dormant. The registered office is Romero House, 55 Westminster Bridge Road, London SE1 7JB.

## 13. Debtors

	2020	2019
	£'000	£'000
Interest receivable	24	12
Taxation recoverable	1,707	1,938
Accrued income	2,699	2,610
Prepayments	440	365
Other debtors	264	263
Forward foreign currency contracts (note 16)	177	74
<b>Debtors</b>	<b>5,311</b>	<b>5,262</b>

Included in accrued income above is an amount of £833,000 (2019: £457,000) relating to legacies. As at 31 March 2020, CAFOD also had entitlement to a number of legacies from estates for which the administration had yet to be finalised. The future income from these legacies is estimated at £8,247,000 (2019: £10,017,000), though we do not expect all of this to be received in the next financial year.

## 14. Creditors: amounts falling due within one year

	2020	2019
	£'000	£'000
Programme creditors	6,496	6,251
Taxation and social security	463	544
Other creditors and accruals	1,064	1,679
Interest free loans from supporters	3	68
<b>Creditors</b>	<b>8,026</b>	<b>8,542</b>

Other creditors and accruals include pension contributions of £143,000 (2019: £151,000).

Programme creditors represent grants approved that are yet to be paid to partners. Some grants for partners are approved in principle for two or three years. Second- and third-year grants represent planned future commitments but are not recognised as a liability when they are approved, as payment is conditional upon satisfactory progress. As at 31 March 2020 planned future commitments under formal multi-year funding cycle approvals amounted to £2.7m; £2.1m due within one year and a further £0.6m due within two years (2019: £1.5m; £1.4m due within one year and a further £0.1m within two years).

## 15. Operating lease commitments

At 31 March 2020, the total future minimum lease payments under non-cancellable operating leases in respect of operating leases for land and buildings were:

	2020	2019
	£'000	£'000
Within one year	29	26
In the second to fifth years inclusive	3	15
Later than five years	-	-
<b>Operating lease commitments</b>	<b>32</b>	<b>41</b>

## 16. Forward foreign currency contracts

CAFOD mitigates the risk of having to change or cut planned activities because of the financial implications of a rapid change in the value of Sterling against US Dollar and other currencies. To achieve this CAFOD purchases a proportion of US Dollars requirements on forward contracts. The fair value of these contracts is calculated at the balance sheet date by comparison between the rate implicit in the contract and the exchange rate at that date. The unrealised gain on these contracts at 31 March 2020 was £177,000, which has been included in debtors and grant expenditure (2019: £74,000).

The contracts are to purchase US Dollars (USD) and sell Sterling (GBP) for a period of up to 12 months in duration, at USD/GBP rates between 1.24 and 1.31. At the balance sheet date, a purchase value of USD 6.9 million remained on these contracts representing approximately 41% of the estimated currency exposure on project creditors and salary and expense commitments for the coming year. The actual rate of exchange at 31 March 2020 was 1.24.

## 17. Pensions

The charity operates five contributory money purchase pension schemes. Scheme funds are independent of the charity and are now all administered by independent Trustees. (Three schemes are administered by The Pensions Trust. Two schemes are administered by Fairfield Pension Trustees Limited.)

For all these schemes, CAFOD paid contributions at the basic rate of 10 per cent during the year and members paid contributions at a basic rate of 5 per cent during the year. For members with more than 10 years' service, CAFOD paid 12.5 per cent and also matched any additional members' contributions up to a maximum employer's contribution of 17.5 per cent.

One of the schemes that CAFOD participates in is the Pensions Trust's Growth Plan, a multi-employer pension plan which also has some historical guarantees. As at the balance sheet date there were 194 active members of the Growth Plan (31 March 2019: 187). CAFOD intends to continue to offer membership of the Growth Plan (Series 4) to its employees along with the Pensions Trust's Flexible Retirement Plan.

Contributions paid into the Growth Plan up to and including September 2001 were 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 within the Growth Plan or by the purchase of an annuity. Current contributions to Series 4 of the Growth Plan are entirely money purchase.

The Trustee of the Growth Plan commissions an actuarial valuation every three years to determine the funding position of the Plan by comparing the assets with the past service liabilities at the valuation date and the rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met.

The triennial actuarial valuation results at 30 September 2017 were finalised during the year ended 31 March 2019. The valuation of the Plan was performed by a professionally qualified actuary. The market value of the Growth Plan's assets at the valuation date was £794.9 million (£793.4 million as at 30 September 2014) and the Plan's technical provisions (i.e. past service liabilities) were £926.4 million (£969.9 million as at 30 September 2014), which is equivalent to a funding level of 85.8% (82 per cent as at 30 September 2014). The shortfall in assets compared with the value of liabilities was £131.5 million (£176.5 million as at 30 September 2014).

The reduction in the deficit in this valuation, resulted in a revised recovery plan being issued by the Actuary. The length of the recovery plan was shortened by 8 months from the 2014 recovery planning period and now extends to 31 January 2025.

Contribution amounts were also adjusted depending on the Actuary's calculations of each employer's relative share of the liabilities. CAFOD's annual additional contribution amount was consequently increased from £98,530 to £117,468, for the year ending 31 March 2020 and contributions for the following five years and ten months, starting on 1st April 2019, would be this sum increased by 3% compound per year.

CAFOD's obligation to pay additional contributions over the period of a recovery plan are recognised as a specific balance sheet provision. The movements on this provision are as follows:

	2020	2019
	£'000	£'000
Provision at start of year	679	669
Payments made during the year	(118)	(96)
Increase during the year	-	51
Discount rate adjustment	18	25
<b>Provision at end of year</b>	<b>579</b>	<b>679</b>

The Trustees have determined that the appropriate discount rate to apply to the future cash liability is that published by actuaries from time to time for single employer pension schemes. This rate was 2.30% at 31 March 2020 (2.40% 31 March 2019).

For the year ended 31 March 2021, CAFOD's regular pension contributions for all its pension arrangements are estimated to be £1,200,000 and its additional contribution to the Pensions Trust Growth Plan will be £120,993.

## 18. Restricted funds

	Balance Apr-19 £'000	Income £'000	Expenditure £'000	(Gains) / losses £'000	Transfers £'000	Balance Mar-20 £'000
Endowment funds:						
Sr. Laura Tanti Foundation	573	-	-	(18)	-	555
Restricted income funds:						
General donations and legacies	375	4,332	(3,975)	-	-	732
Emergency appeals donations	2,714	2,996	(3,336)	-	-	2,374
Income from charitable activities	(824)	11,337	(10,790)	-	-	(277)
Investment income	19	19	(34)	-	-	4
<b>Restricted fund movement 2019/20</b>	<b>2,857</b>	<b>18,684</b>	<b>(18,135)</b>	<b>(18)</b>	<b>-</b>	<b>3,388</b>

	Balance Apr-18 £'000	Income £'000	Expenditure £'000	(Gains) / losses £'000	Transfers £'000	Balance Mar-19 £'000
Endowment funds:						
Sr. Laura Tanti Foundation	530	-	-	43	-	573
Restricted income funds:						
General donations and legacies	239	3,286	(3,150)	-	-	375
Emergency appeals donations	4,156	2,812	(4,254)	-	-	2,714
Income from charitable activities	2,017	9,769	(12,610)	-	-	(824)
Investment income	-	19	-	-	-	19
<b>Restricted fund movement 2018/19</b>	<b>6,942</b>	<b>15,886</b>	<b>(20,014)</b>	<b>43</b>	<b>-</b>	<b>2,857</b>

The Permanent Endowment relates to the Sister Laura Tanti Foundation for which CAFOD has received cumulative donations as at 31 March 2020 of £421,155 (2019: £421,155) held under trust deeds. The Trustees of CAFOD hold this amount and its income in trust and will apply the income for the benefit of the poor as stipulated.

The balances on restricted funds represent amounts raised for specific purposes less amounts spent on those purposes by the year end. As at 31 March 2020 the balances held were for the following purposes:

	2020 £'000	2019 £'000
Africa Programme	1,179	94
Asia, Middle East and Europe Programme	1,020	1,927
Latin America Programme	(50)	(205)
General Programme	684	468
Permanent endowment	555	573
<b>Restricted funds</b>	<b>3,388</b>	<b>2,857</b>

Some restricted funds are in surplus where amounts already received are yet to be fully spent and some in deficit where amounts already spent on those specific purposes are receivable from the donor after the year end. Restricted fund balances at 31 March 2020, shown net above, comprises:

	2020 £'000	2019 £'000
Programme grants in surplus	5,359	5,296
Programme grants in deficit	(1,971)	(2,439)
<b>Restricted funds</b>	<b>3,388</b>	<b>2,857</b>



## 19. Unrestricted funds

	Balance Apr-19 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance Mar-20 £'000
Designated funds:					
Fixed asset fund	5,213	-	-	(343)	4,870
Programme fund	975	-	(448)	-	527
General funds:					
Stabilisation fund	9,000	-	-	-	9,000
Unallocated reserve	1,232	26,759	(27,348)	343	986
<b>Movement on unrestricted 2019/20</b>	<b>16,420</b>	<b>26,759</b>	<b>(27,796)</b>	<b>-</b>	<b>15,383</b>

	Balance Apr-18 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance Mar-19 £'000
Designated funds:					
Fixed asset fund	5,685	-	-	(472)	5,213
Programme fund	2,095	-	(1,120)	-	975
General funds:					
Stabilisation fund	9,000	-	-	-	9,000
Unallocated reserve	2,234	25,314	(26,788)	472	1,232
<b>Movement on unrestricted 2018/19</b>	<b>19,014</b>	<b>25,314</b>	<b>(27,908)</b>	<b>-</b>	<b>16,420</b>

### Designated fixed assets fund:

This fund represents unrestricted funds that are not available for current expenditure, as they are tied up in the assets used in day to day operation of the charity. The value of the fund held is set at: the net book value at the balance sheet date of unrestricted tangible and intangible fixed assets, less £5.5m – being the amount the Trustees would consider making available by taking a loan mortgaged on Romero House (CAFOD's head office), or otherwise realise the excess value available in the property, if CAFOD needs to utilise these funds. CAFOD's bankers have signified their willingness in principle to provide such a loan if requested.

### Designated programme fund:

This fund represents available funds which the Trustees have designated for expenditure on specific programme activities within the detailed budget for the coming years.

### General funds:

General funds are available unrestricted funds in hand, over and above those set aside for designated purposes and are generated as planned or because more general income has been received than was expected or because budgeted expenditure has not been incurred. General funds are 'reserves', as defined in CC19 and comprise the stabilisation fund plus the unallocated reserve.

The Trustees have established a policy to hold a desired level of general funds in a stabilisation fund, to limit any potential disruption associated with the financial risks CAFOD faces from its operations. Based upon a risk assessed as a shortfall of 10 to 15 per cent in the budgeted general income and the need for two years to adjust programmes, the Trustees have established the target level of the Stabilisation fund at 20 to 30 per cent of the planned annual general income for the coming years, which equates to a range of £6 million to £9 million. At the balance sheet date, the Stabilisation fund stood at £9m with £5.5m held in the value of Romero House (as explained above) and £3.5m held in cash deposit investments.

The Trustees have established a policy to spend any unallocated reserve within general funds in excess of the target level on CAFOD's programme and partners promptly, taking the opportunity to meet existing needs or invest for the future, whilst ensuring that any further commitments which the expenditure generates are sustainable.

## 20. Analysis of net assets between funds

	Fixed assets £'000	Investments £'000	Net current assets £'000	Pension provision £'000	Total net assets £'000
Endowment funds:					
Sr. Laura Tanti Foundation	-	555	-	-	555
Restricted income funds:					
General donations	-	-	732	-	732
Emergency appeals	-	-	2,374	-	2,374
Income from charitable activities	-	-	(277)	-	(277)
Interest	-	-	4	-	4
Designated funds:					
Fixed asset fund	4,870	-	-	-	4,870
Programme fund	-	-	527	-	527
General funds:					
Stabilisation fund	5,534	3,466	-	-	9,000
Unallocated reserve	-	-	1,565	(579)	986
<b>Total net assets at 31st March 2020</b>	<b>10,404</b>	<b>4,021</b>	<b>4,925</b>	<b>(579)</b>	<b>18,771</b>

	Fixed assets £'000	Investments £'000	Net current assets £'000	Pension provision £'000	Total net assets £'000
Endowment funds:					
Sr. Laura Tanti Foundation	-	573	-	-	573
Restricted income funds:					
General donations	-	-	375	-	375
Emergency appeals	-	-	2,714	-	2,714
Income from charitable activities	-	-	(824)	-	(824)
Interest	-	-	19	-	19
Designated funds:					
Fixed asset fund	5,213	-	-	-	5,213
Programme fund	-	-	975	-	975
General funds:					
Stabilisation fund	5,534	3,466	-	-	9,000
Unallocated reserve	-	-	1,911	(679)	1,232
<b>Total net assets at 31st March 2019</b>	<b>10,747</b>	<b>4,039</b>	<b>5,170</b>	<b>(679)</b>	<b>19,277</b>

## 21. Reconciliation of net expenditure to net cash provided by / (used in) operating activities

	2020 £'000	2019 £'000
Net expenditure	(506)	(6,679)
Depreciation	531	426
(Profit) on disposal of fixed assets	-	(440)
Income from investments	(108)	(107)
Loss/(gain) on investments	18	(43)
Decrease/(increase) in stock	4	(2)
(Increase) in debtors	(49)	(1,397)
(Decrease) in pension scheme liability	(100)	(20)
(Decrease) in creditors	(516)	(169)
<b>Net cash (used in) operating activities</b>	<b>(726)</b>	<b>(8,431)</b>

## 22. Analysis of changes in cash and cash equivalents

	Opening balance £'000	Movement £'000	Closing balance £'000
Short term cash deposits	3,085	(136)	2,949
Cash at bank and in hand	5,347	(670)	4,677
<b>Cash and cash equivalents</b>	<b>8,432</b>	<b>(806)</b>	<b>7,626</b>

## **I have a dream**

I dream of a world  
filled with peace and harmony  
where humans and creation really live as one  
where the sun of justice shines  
on all the children of the Creator Father and Mother Earth.

I dream of a world  
where there are no exploiters and exploited,  
no slaves and masters,  
no very rich and very poor,  
no oppressors and oppressed.

I dream of a world  
where governments are on the side of the poor, those without land,  
the homeless and the unemployed;  
those in society who are  
not considered to be children of God and Mother Earth.

I dream of a world  
where chemicals, herbicides, fungicides, pesticides  
and other deathly substances  
disappear from the earth forever.

I dream of a world where the richness of forests,  
the fresh air, fields and rivers  
can, with humanity, live life to the full and praise God the creator.

I dream of a world where the reign  
of God  
would also be a reign of justice and peace and love for the whole of creation.

If we all dream  
The dream will become a reality...

*Caritas El Salvador, Diocese of Zacatecoluca*