

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

For the year ended  
**31 March 2019**



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# Letter from the Chair

## Rt Rev John Arnold, Bishop of Salford



I always enjoy meeting CAFOD supporters, and hearing first-hand about their passion for social justice and commitment to producing lasting change.

I am very pleased to introduce this annual report, which celebrates the work of CAFOD during the past year. Every year, we are able to strive further and have more impact, which is made possible through the generosity of so many people – particularly members of the Catholic community in England and Wales, but also Catholics across Europe and the rest of the world, and many more people beyond that. I am equally grateful for all for the support we receive.

These are challenging times. As the uncertainty around the UK's position within Europe continues, we are planning for the potential impacts that leaving the EU could have on our work, both in the UK and overseas. We can, however, rely on firm continuing collaboration with the Catholic Church in Europe, through our membership of the European Conference of Bishops. I also give thanks for the many European Catholics living in the UK who continue to support our work, and for those EU citizens who are part of the wonderful team working for CAFOD in our London office and abroad.

Of increasing urgency is our response to the evident impact of climate change. We have already done great work in educating and advocating for this cause, and in assisting our partners to respond to floods, drought, storms and rising sea-levels. The evidence of climate change is rapidly increasing, evidenced by crop failures in East Africa, wildfires in California, flooding in Kerala; the list has grown rapidly even in recent months, and the time to act is now. We need to champion a much more radical response; a response that includes us all without exception. Our greatest gift is that of creation, and through our collective actions we must preserve and repair what we have been entrusted with.

There have also been many things to celebrate and give thanks for. During this year our Director, Chris Bain, retired after fifteen years of enthusiastic, innovative and successful leadership, for which we have every reason to be grateful. He leaves CAFOD a much changed organisation with a more effective frontline presence with our partners.

We wish Chris a long and productive retirement, during which he will surely remain closely associated with our work.

We also welcomed Christine Allen as the new Director in March. Christine knows CAFOD well as she worked here previously and has brought great energy and enthusiasm to her new job. The role of Director is crucial in providing the spirit for our work. We have been well served by all our Directors and wish Christine every success.

The canonisation of Oscar Romero in October was of particular importance to me and to CAFOD as a whole. He spoke and wrote so much in that same spirit which guides our work – that every individual has dignity, and the rights and wellbeing of all depend on our mutual collaboration and work for justice and the eradication of poverty. May that same spirit continue to inspire all those who work for social justice.

We are right to be proud of CAFOD's work; however there is much to be done and the challenges are ever increasing, particularly due to climate change. It is more important than ever that collectively we continue to make a difference to thousands of people every year. It is your generous support that makes this possible. For that, I sincerely thank you.

Yours in Christ,




Last autumn I was privileged to visit local church groups in Liberia and Sierra Leone. These are two of the poorest countries in the world, and I saw great work being done to help people develop new ways of earning a living with lasting benefits for their families and local communities. We heard many stories about the provision of clean water, sanitation and health facilities, and new methods of farming. Everywhere I witnessed and gave thanks for the life-changing outcomes of the work that your support enables CAFOD to deliver.

# Letter from the Director

## Christine Allen



As I took up my post at the beginning of March 2019, much of what you will read in this report pre-dates me. I pay tribute to all of those responsible for the amazing work that you see here; it stands as a testimony to the leadership of Chris Bain, who served CAFOD so well for the last fifteen years. As a result, I take over a strong and vibrant organisation that reflects the desire for a world marked by justice and generosity, and I pay tribute to all he has achieved.

I first worked at CAFOD 29 years ago as Campaign Coordinator on the Renewing the Earth campaign. Almost three decades later, CAFOD is still – and even more so – committed to combating climate change. Now in these most urgent of times we do all we can to respond to the call from Pope Francis to “hear the cry of the poor and the cry of the earth”. People in poverty are experiencing most sharply the impacts of the degradation of our natural earth, yet they have done the least to contribute to it. This is why we speak about climate justice. The climate crisis has the same roots as the crises of poverty and inequality. Our development has to be sustainable, fair and inclusive, or it is meaningless.

As Catholics, we must have gratitude for God’s gift of our common home, and love that underpins a concern for the poor and vulnerable that we share it with. That, for me, is the essence of our work. It is a deep expression of an organisation seeking to walk in the path of Jesus Christ.

We face many challenges, of course. Political uncertainty in the UK is creating a protective instinct which can lead people to feel hostility towards overseas aid, people in need and our global neighbours. Overseas, we face serious security threats and limits on how community and voluntary groups are allowed to operate. However, these negative headlines are drowned out by the thousands of CAFOD supporters who pray, act and give for a better world each day, and by the people and communities around the world who are bringing hope and opportunity to so many. We are Easter people – people of hope, faith and love. And I am so privileged to be able to see that every day in our work and the people who support us.

In 2018 safeguarding scandals raised significant challenges for charities like ours. Over the last year we have done a huge amount of work to strengthen our safeguarding policies and systems (you can read more about this on page 35).

We have put better practices in place, staff and volunteers have been trained and there has been engagement with our overseas partners to ensure that everyone knows what is expected and acceptable in terms of behaviour and accountability. It has been a lot of hard work and I thank our staff, volunteers and partners for all they have done. It has been tough – often emotionally challenging for people – but we are stronger as a result. Our commitment to zero-tolerance of abuses of power comes not only from our professionalism, but also from our faith and our fundamental commitment to the dignity of all people.

As I re-joined CAFOD, I was struck by quite how far CAFOD is able to reach – thanks to your support, combined with the local networks and partners we work with.



In March I joined thousands of other Catholics at Flame2019. It was great to meet and speak with many young CAFOD supporters who are already on their way to making a huge and lasting change to the world.

Funding from emergency appeals meant we could provide immediate, lifesaving help for those caught up in the flooding and earthquakes in India and Indonesia. We continued to work with those affected by conflict in the Middle East – supporting refugee communities in Lebanon and Jordan, helping families return to their homes in Syria, and advocating for human rights in the occupied Palestinian territories. In Latin America, we addressed some of the less well publicised (but no less severe) humanitarian crises affecting the region, such as mass migrations driven by widespread economic inequalities and conflict. We also worked across Africa, building economic resilience, promoting female empowerment, boosting preparedness to future hazards, and fostering peace and reconciliation. And this is only a small sample of the amazing work delivered – as you read on, I hope you enjoy learning about CAFOD's reach and impact as much as I did.

Looking ahead, 2020 will be an important year. We will have just ten years left to meet the United Nations' Sustainable Development Goals targets to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. Also the Paris Agreement will come into force,

requiring greater ambitions around climate change. However, at the moment the world is not on target to meet either of these. That's why we are working on a new strategic framework, 'Our Common Home'. Named after the subtitle of Pope Francis' encyclical *Laudato Si'*, it reflects our desire to be an organisation that puts the Pope's encyclical into practice. In the words of the Holy Father, we are challenged to "hear both the cry of the earth and the cry of the poor". This means that care for creation, our earth, must be integral to our task of tackling the scandal of global poverty, vulnerability and exclusion. Pope Francis reminds us that our economic, political and cultural systems must work for all, and enable a more equitable and sustainable sharing of the gifts of creation. Without this change, there will be no future for too many in our world, and indeed for the earth itself. This is why it's at the heart of our new strategy and guides our future direction, and I thank you for enabling CAFOD to accept this challenge.

Sincerely,

*Catherine Allen*

# 1. Strategic report

## No one is beyond reach

We believe that **every single person** and living creature is loved by God. Every one of us has **equal value**, and a place to belong in one global family. If even **one** of us is hurt, hungry or abandoned, then we **all** are hurt, hungry and abandoned. **No one** is beyond the reach of God's love. But right now:

**783 million** people live on less than £1.50 a day

Over **845 million** will go to bed hungry

More than **780 million** people around the world don't have access to clean, safe water



We believe in a world where together we can reach every woman, man and child who needs our support. Because of our global Church network and local presence we have the potential to reach everyone – but currently we have to turn away one in three requests for help, simply because we don't have enough money to go round. This is why we have launched **No one beyond reach**, our new approach to engaging Catholics in England and Wales. We want to mobilise our supporters, and also those who are less familiar with our work, and through doing so enable CAFOD to answer the cry of **all those who are in need**, closing the gap between those we can help and those we can't. With your support, together we can and will go far beyond our current reach, bringing hope to those living in the hardest of conditions.

People like the inhabitants of Lolu Town, Indonesia, who were badly affected by the earthquake and tsunami. Previously their remote location, combined with damage caused to the roads and paths, would have made it hard for us to reach them. But with your support, we used local networks and expertise to distribute 2,500kg of rice, cooking oil, clean water and nappies to 300 households at 11 different sites, and thousands of people who had feared they may be too isolated to receive help were able to begin rebuilding their lives.

As a member of Caritas Internationalis, and through working with other local and non faith-based partners, we operate as part of a worldwide network of agencies committed to helping those in need. Between us, we are working towards a world in which **no one is beyond reach**.

Your support enables us to have a truly **global impact**. This year we made 579 direct grants to our partners and programme payments (totalling £25 million) in 40 different countries, reaching millions of people:



Our global reach means we can help people like Mahinur, who lives in Bangladesh with her husband Khalek and son Rabiul. Their house is so remote you need to cross a river by boat to reach it. Her husband cannot work, so Mahinur catches fish to support her family, but droughts, rising sea levels and other impacts of climate change mean there are fewer and fewer fish. There used to be days when the family would have nothing to eat.

Working with Caritas Bangladesh, using some of the funds raised during Lent 2019, we have started a new three-year project in 15 villages, including Mahinur's. Your support will enable 3,000 families to be provided with seeds, ducks, chickens, goats and sheep, meaning they can earn a living and support their families in other ways, and are less reliant on the river as their only source of income.

# Together, we are CAFOD

We are part of a **global community** with the potential to reach everyone. We are **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. By acting together, we are achieving extraordinary things every day. **But we need your help** – right now, we are forced to turn away **one in three people** who come to us for help, as we just don't have enough resources to go around.

## We have a **vision**

A world transformed to reflect the Kingdom of God, 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.

Where women, men and children share equally in shaping a peaceful, safe and sustainable environment, as agents of their own development.

A world with just economic, environmental, political, and social structures, rooted in the dignity and rights of each person.

A world where all of us may live well, respecting and supporting neighbours, all living things and the earth itself, our common home.



## We have a **mission**

To work with others to challenge and overcome the world's social and environmental crises and enable the flourishing of people, communities and the environment. We will achieve this through:

- Working in partnership with others, locally and globally, maximising our reach and impact
- Promoting and enabling the agency, capacity and leadership of our local partners and the people and communities they serve, as authors of their own development, ensuring power is re-balanced and held in appropriate ways to achieve the common good
- Transforming the systems and structures that keep people poor, oppressed, vulnerable and excluded, and that disproportionately harm the environment in which these people live
- Informing, inspiring and enabling others, particularly the Catholic community in England and Wales, to act in solidarity with poor, vulnerable and excluded communities and to protect and sustain our common home

We stand beside those who are living in poverty, helping people in their own communities so that everyone can reach their full potential. We work with poor and disadvantaged communities in the global South to overcome inequality and bring about sustainable and environmentally friendly development and wellbeing. During emergencies we protect lives and relieve suffering, as well as working to reduce the risks and build the resilience of vulnerable communities. Our advocacy work raises awareness and understanding of the causes of poverty and injustice and inspires a commitment to lasting change. Not afraid to speak out, we challenge those with power to adopt policies and behaviours that promote social justice and work towards ending poverty.

## We have **global reach**

We are a member of Caritas Internationalis – a group of more than 165 Catholic agencies from around the world – known as ‘the helping hand of the Church’. We are also a member of CIDSE, an international alliance of 18 Catholic agencies from Europe and North America. We also collaborate with other organisations and networks in the UK, Europe and globally.

Our local experts help some of the most difficult-to-reach people in Africa, Asia, Latin America and the Middle East. These skilled women and men understand what people need because they are part of the communities they work in. Their commitment, passion and knowledge reach people other organisations can’t.

## We are **Catholic**

CAFOD is an expression of the compassion of the Catholic community of England and Wales and its solidarity with the poorest and most marginalised, regardless of faith, gender, race, ethnicity or any other defining features. We are inspired by the Scriptures and tradition of the Church, particularly Catholic Social Teaching and Pope Francis’ *Laudato Si’*, and we are driven by our values of compassion, hope, dignity, partnerships, solidarity, stewardship and sustainability. While we work with people of all faiths and none, most of our work is through local and international church structures, allowing us to reach people who would otherwise be left behind.

## We help people **thrive**

No one wants to live on handouts, nor do we believe it is God’s will for them to do so. We equip people with skills and opportunities to live with dignity, support their families and give something back to their communities. Where possible, we try to work with local organisations with whom we share common principles and values, making grants which allow them to deliver on our shared objectives. We believe the best people to help in a situation are usually those closest to it; therefore, the majority of our grants are made to organisations who have expert localised knowledge and experience. Our partners are grounded in the local communities where they work and are committed to supporting communities over the long term and ensuring that there is active community participation throughout. This localisation of aid is an essential aspect of ‘shifting the power’ in favour of the poorest and most disadvantaged.

The people we work with are central to identifying locally appropriate answers to address the challenges they face. We support a number of initiatives and standards that facilitate national and local actors to play a far more central role when responding to disasters, such as the Grand Bargain, Charter for Change and the START network. All of these commit us to ensure that communities in the global South play an increased and more prominent role in emergency responses. Before making a grant, we carefully consider the governance, financial stability and procedures, past achievements, expected outcomes and guiding values of a potential partner. Our grants are usually made within long-term strategies agreed with our partners, often on a three-year basis, and are always subject to formal proposals, assessment and approval. We monitor all projects systematically and major projects are subject to a final evaluation review, which we publish on our website.

We also support partners to apply to institutional donors directly, as lead applicant, further helping to shift the balance towards our Southern partners and supporting their growth and development. This also supports the trend for some donors to favour funding local organisations directly. We supported partners in Myanmar, Colombia and Guatemala to raise £1.4 million from donors.

This helped support work across a range of areas, including inter-faith peacebuilding, environmental protection and promoting indigenous people's rights. Donors included the Embassy of the Netherlands and the European Union's organisation for dignity and human rights.

## We face **tough challenges**

Conflict. Climate change. Inequality. HIV and AIDS. Food insecurity. Human trafficking. Marginalisation. Together we tackle these issues head on every day, using our passion and expertise to bring about positive change. Given the increasing severity and frequency of these challenges, the need for effective communities of change makers continues to increase. But also ever-increasing is our resolve to take action, our determination to overcome these unjust and undeserved burdens, and the scale and variety of support we are able to deploy in fulfilling this mission.

## We are there 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.

## We speak out for **justice**

We believe in the need to channel resources to support the poorest and most disadvantaged. And this means addressing the unjust systems and structures and the broken relationships that sustain them and increasing awareness and influencing skills amongst those active in civil society who are committed to the common good. It can take years of effort, or be as simple as signing a petition, but campaigning does work. Cancelled debt, increased aid for water and sanitation, action on climate change and a clamp down on corruption have all come as a result of people taking action together.

We believe that poverty is a condition we don't have to accept. Injustice is not simply a fact of life. When international bodies and governments make decisions that damage poor communities, we must speak out. Our faith is why we choose to act. The world can and must change as we seek to play our part in reflecting the Kingdom of God. Many of the organisations we work with around the world also do campaigning and advocacy work and are strengthened by knowing that the Catholic community in England and Wales supports their efforts.

## We reach out to **young people**

Pope Francis called on young people to "be revolutionary" and "not be afraid to bring Christ into every area of life, to the fringes of society". Each year, tens of thousands of young people encounter our work at school, in groups or through our programmes – volunteers, teachers, classmates and friends.

Together we inspire young people to be the change they want to see in their communities worldwide and give them an opportunity to begin this journey.

People like Proto (16), Fiona (13) and Dana (15), in the photo opposite. They are part of the Young Guardians group of the Atrato River in Colombia. They live in Yuto, a region susceptible to the impacts of climate change. The area is also hard hit by Colombia's ongoing internal armed conflict, which is fuelled by illegal economies including illegal gold mining which has contaminated much of the Atrato and destroyed the communities' traditional ways of life.



In 2016 the Colombian Constitutional Court gave rights to the Atrato River, its tributaries and the Indigenous and African-Colombian communities who live alongside it, in a ground-breaking ruling.

This year we have supported our partner Father Sterlin, the parish priest of Yuto and part of the Pastoral Social of Quibdó, to create a group of young guardians in his parish – teaching them about the ruling, and encouraging them to raise awareness in the community as well as taking practical environmental action such as cleaning the Doña Josefa creek, which flows into the Atrato River.

## We are **trusted**

The tremendous support shown by the Catholic community in England and Wales should and will only continue if we are trusted to deliver on our mission. In an annual poll of Mass-going Catholics, 82% of those asked reported that they trusted CAFOD “a great deal” or “quite a lot”. We aim to be as transparent as possible when reporting our finances, and will always do our best to answer individual enquiries as promptly and accurately as possible.

## We are **inspired** by ordinary people

Our roots lie in actions led by women in Catholic parishes across England and Wales more than 50 years ago. Elspeth Orchard is just one of the extraordinary Catholic women who volunteered and helped organise the first Fast Day in 1960 from which CAFOD evolved. Much of our work is still supported and enabled by volunteers. There are many ways in which our thousands of volunteers enrich, sustain and drive our work:

- Parish and school volunteers enable their communities to understand some of these big issues and support them to take action.
- Campaign volunteers hold politicians and companies to account.
- Young leaders and gap year volunteers reach out to their friends, communities, young and old alike, Catholic and non-Catholic.

- Volunteers write prayers, work in our offices and share our work online using Twitter, Facebook and other channels.
- Fundraisers gather their friends, family and fellow parishioners together to raise money and celebrate the difference we can all make by sharing what we have.

Many of our partners overseas also rely on local volunteers to deliver their life-changing work, often in very difficult circumstances. These partnerships with volunteers embody and exemplify solidarity and interconnectedness.

Last year we were fortunate enough to have:

- **6,305** volunteers – and, as many of our volunteers help in more than one way, we had the equivalent of 8,547 individuals split across 15 different volunteering roles.
- An average of **27,862** hours volunteered each month, or 334,344 over the course of a year – that’s over 100,000 more than last year.
- The equivalent of **£2.9 million** worth of volunteered time, if everyone was being paid the living wage of £8.75 per hour.

We are extremely grateful for every hour given toward helping us reach our objectives. When so many people work together, it doesn’t take much to achieve the extraordinary – on average each of our volunteers spent just **four and a half hours every month** volunteering for CAFOD, but when this is all added together it becomes a truly transformational force for good.

Our volunteers tell us that they are motivated by different things: some volunteer to express their Catholic faith, others want to gain work experience in the international development sector. Many say that volunteering is very rewarding and offers them the opportunity to learn new skills, meet inspiring new people, and make new friends in their community. Thank you, to all of 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.

## You are part of an **extraordinary** global network



### The **partners** we work with

#### – Justice on the Railway Tracks, Brazil

In November, Justice on the Railway Tracks (JnT), one of our partners in Brazil, was presented with the first ever Human Rights and Business Foundation Award and Grant for their outstanding work defending poor communities from human rights abuses, and for highlighting environmental abuses by mining companies in the Amazonian state of Maranhao, north-eastern Brazil. Danilo Chammas (pictured), a lawyer working for JnT, told us: “this award is a recognition of those communities impacted by mining and mega-projects, who have peacefully held companies and the State accountable to rights violations caused by businesses in the region.”



### Our dedicated **staff**

#### – Michel Monginda Mondengele, Sudan

Michel joined CAFOD in 2005, working to support our partners in the Democratic Republic of Congo, Rwanda and Burundi. He has had various roles over the last 14 years and is now the Country Representative for Sudan. He told us how privileged he feels to work for CAFOD and how much he enjoys the opportunities to interact with different communities.

His time working for CAFOD has also been a spiritual journey. In 2017 Michel went on pilgrimage to El Salvador, to visit the places where Saint Oscar Romero lived, preached, and was martyred. He then travelled to Rome in 2018 to witness Romero’s canonisation by Pope Francis. He describes Saint Oscar Romero as “my model of a Saint: who was humble, preached against injustice and defended the poor against oppression.” You can read more about our work in Sudan on page 23.

### The people who **volunteer** their time, and those who **fundraise** for us



#### – Agnes Milne, Dunstable

Many of our volunteers spend years campaigning and fundraising for CAFOD. So long that they sometimes deserve some very special recognition. And that’s exactly what Agnes got when she received an Apostolic Blessing from Pope Francis, giving thanks for the incredible 25-year career she has had volunteering for CAFOD. Agnes was presented with her certificate by Fr Eamon Devlin, at St Mary’s parish in Dunstable in February. She told us how she was “so surprised and overwhelmed” to get this blessing, and was joined by her five children and eleven grandchildren in celebrating this well-deserved recognition.



#### – Freda and John Vine, Bexley

Freda and John hold an annual garden party to raise funds for CAFOD. This year, they fundraised for our Ethiopia Food Crisis Appeal. In attendance were 50 of their local parishioners, family, friends, and parish priest, Fr Jim Spencer. The event was a huge success, and along with money from a plant sale and raffle, Freda and John raised a wonderful £725. We value all our supporters’ contributions and are always excited to hear about the new approaches you are taking that enable more and more people to support our work.



### – Gwendolyn, Bedford

Gwendolyn first started volunteering after she heard about CAFOD in her local church. She told us how enthused she was learning about the impact of our programmes and was surprised by how easy it was to get involved. Gwendolyn has helped fundraise for projects in Bolivia and Myanmar amongst others, as well as raising awareness of issues around migration. She has also visited schools to speak with pupils about CAFOD's work, helping them learn about the challenges facing our world and what they can do to help.



## Our committed Trustees

### – Dame Mary Ney

Our longest standing Trustee, Dame Mary was honoured for her services to local government in the 2019 New Year's Honours list. Mary was Chief Executive of the Royal Borough of Greenwich from 2000 to 2014, and was subsequently appointed as a Commissioner for Rotherham Metropolitan Borough Council. She has served on the Board of CAFOD since 2007, and is the Trustee designated with overseeing all safeguarding matters.



## The people we reach

### – Paolo, La Capilla, Peru

Paolo spends every Sunday volunteering with a community group, making improvements and carrying out household repairs in his neighbourhood. But building work needs cement, and cement needs water.

Water is a major problem in La Capilla. With no running water in the community, water is delivered by huge trucks. But sometimes the water trucks don't come, which means people don't have water. And after heavy rain, it is virtually impossible for the trucks to make it up the steep hillsides.

Residents in these poorer neighbourhoods can end up paying up to eleven times more for water than people in districts with a public water supply. And when the trucks do come, they deposit the water in tanks that are open to the dust and dirt. Water quality is therefore extremely poor.

CAFOD's partner DESCO is training young people like Paolo to use a mobile app to collect information from residents about their access to water. In the future, the app will be developed to collect information on other issues too, including public spaces and waste management. The information will be collected to be presented to Congress and used to lobby for greater investment in communities like La Capilla.



To see more of Paolo, download the Zappar app to a smartphone and scan the photo above. Using new technology like this is just one of the ways we are constantly working to bring our supporters in England and Wales closer to the people their support is reaching overseas.

## We are **accountable** for our impact

Some of our work takes place in very challenging situations, and when things don't go to plan, we are committed to learning from this so that we can respond better in the future. We will never be complacent: we will not accept the inequalities that exist in the world, nor will we turn away from opportunities to increase the impact we can make.

## CAFOD is guided and driven by a set of **values**

Every day, we consider how we can put our values into practice. These values are based on scripture and Catholic teaching, are inspired by our Catholic faith and come from our belief that we can live out this faith in words and deeds, working for justice and an end to poverty.

Our **hope** is not passive. Inspired by Christian faith and the strength and resourcefulness of our partners and the people they serve, we believe that by working together, a better world will be achieved.

*“We come together to **take charge of this home which has been entrusted to us**, knowing that all the good which exists here will be taken up into the heavenly feast... May our struggles and our concern for this planet never take away the joy of our hope”*

*(Laudato Si' #244)*

Our response to global poverty, suffering and inequality is **compassion**, rooted in love. We refuse to accept the suffering or marginalisation of our brothers and sisters and are compelled to take action, with others, to alleviate it.

*“Feel compassion for others in such a way that **all distance vanishes**”*

*(Gaudete et Exsultate #76)*

We believe in the intrinsic **dignity** of every person. We work with all people irrespective of gender, disability, age, race, ethnic origin, nationality, culture, sexuality or political or religious belief. Dignity requires everyone to have voice and agency, and to own and lead the decisions that affect them. We aim to be an inclusive and diverse organisation, which celebrates difference and creates relationships of mutual respect.

*“Human persons are willed by God; they are imprinted with God's image. Their dignity does not come from the work they do, **but from the persons they are**”*

*(St Pope John Paul II, Centesimus Annus, #11)*

We walk in **solidarity** alongside local organisations and the people and communities they serve, making their cause our cause, uniting in action and prayer for the common good, and inviting others to join us. We are committed to the principle of subsidiarity, encouraging issues to be understood, managed and resolved at as local a level 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)*

We build **partnerships** between and within poor communities overseas and the Catholic community in England and Wales. We work alongside our partners at home and overseas, acknowledging that we receive as well as give. We work within, and beyond, our wider Catholic family, seeking justice to change our world for the better.

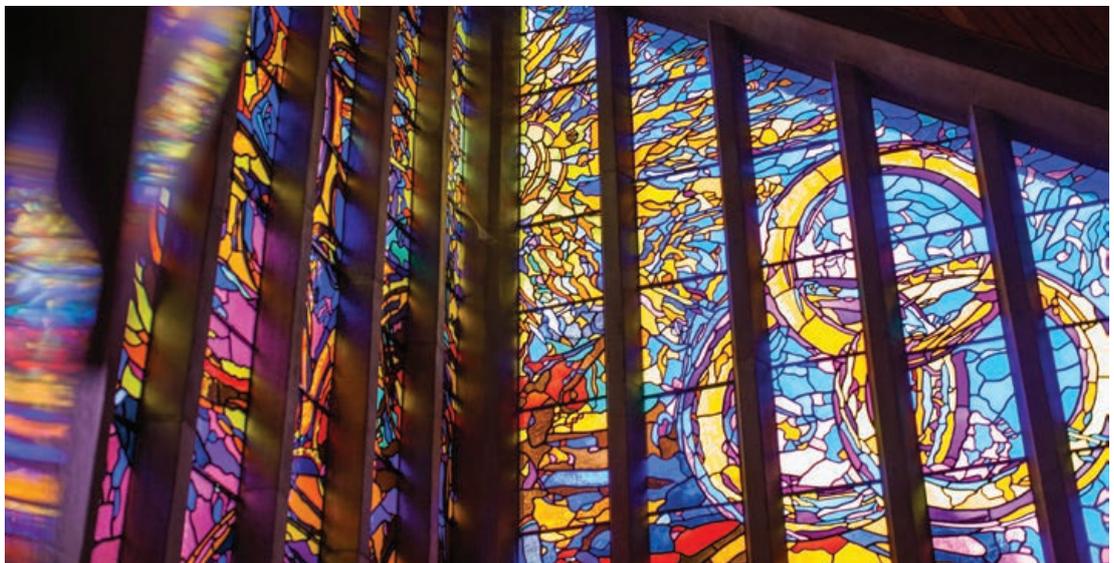
We aim to take proper account of ecological **sustainability** in our work and in our lifestyle. We recognise that, to respond to the cry of the poor, we must also respond to the cry of the earth. We aim to integrate an ecological perspective into all our work, in how we support partners and programmes, in how we work internally, and in advocacy work, believing we are enriched by living simply.

We strive to be good **stewards** of all the resources entrusted to us. We endeavour to be openly accountable for our work, transparent in our decision-making, focussing on positive change through systematically evaluating our impact and effectiveness.

*“That is the goal toward which we must work. An ever more effective **world solidarity** should allow all peoples to become the artisans of their destiny”*  
(Pope Paul VI, *Populorum Progressio* #65)

*“The first level of articulation for **authentic progress** is the intrinsic link between the social and the environmental spheres. Since human beings are part of the ecosystems which facilitate the relationships that give life to our planet, caring for them – given that everything is interconnected – is fundamental to promoting the dignity of each individual, the common good of society, social progress, and care for the environment”*  
(*Amazonia: New Paths for the Church and for an Integral Ecology: Preparatory Document of the Synod of Bishops for the Special Assembly for the Pan-Amazon Region*, #9)

*“The earth is essentially **a shared inheritance**, whose fruits are meant to benefit everyone. For believers, this becomes a question of fidelity to the Creator, since God created the world for everyone. Hence every ecological approach needs to incorporate a social perspective which takes into account the fundamental rights of the poor and the underprivileged”*  
(Pope Francis, *Laudato Si'*, #93)



These **values** shape everything we do, from large-scale international programmes, to national advocacy work, to our individual actions.



## Hope

### – for a peaceful future in Nigeria and Niger

In Hausa, the language that is spoken across large areas of Central and Western Africa, 'Zaman Tare' means 'living together'. However, this is something that different ethnic and religious groups within Nigeria and Niger can struggle to do peacefully, with recurrent outbreaks of conflict erupting between Christian and Muslim communities or between settled people and herders.

Zaman Tare is also the name of a project, funded by the EU, managed by CAFOD, working with our Caritas partners in Nigeria and Niger, which focuses on building tolerance and understanding between these groups. We aim to bring different sections of society together to address the causes of religious intolerance, and have found that one reoccurring theme is how much the supposed intolerances are created and amplified by politicians for electoral gain. One participant asked us: "Tell me whether this was not the same religion that we were practising in the 1980s – how come we weren't killing each other then?" Thanks to your support, programmes like this enable individuals, families and communities from all sides to recognise and work through their differences, and hope for the peaceful and prosperous future that they deserve.



## Compassion

### – for those affected by violence in Gaza

In May we issued a statement expressing our compassion for those who had been injured and killed during protests in the Gaza Strip. Beginning in March and continuing almost every Friday to date, thousands of Palestinians participate in 'Great March of Return' demonstrations near the border fence with Israel, calling for wider recognition of their rights and an end to the Israeli blockade of Gaza. Young people we met there wanted their story to be told, to remind the world that they, like all people, deserve to live with peace and dignity. Alongside our public statement we supported our partner Caritas Jerusalem to provide medical aftercare treatment to casualties of the protests.



## Dignity

### – for dispossessed homeowners in Brazil

For most people, filling in forms and completing paperwork is a tedious but necessary part of day to day life. But for some, it can be life changing. Our partner APOIO has helped hundreds of families in São Paulo complete the necessary administrative steps to receive the legal deeds to their homes, enabling them to live with dignity in their communities, accessing clean water and electricity and safe from illegal eviction. After becoming the legal owner of his home, Jose Vincente da Costa (pictured) told us: "I never imagined that at my age I would finally have a home to pass on to my children and grandchildren. I give thanks to God, and to everyone who helped us."



## Solidarity

### – with women in Guatemala

CAFOD works in solidarity with people across the world, reaching those who previously might have thought help was never coming. In the Diocese of Verapaz, in Guatemala, we are supporting our partner the Caritas Social Pastoral Outreach Team to provide psychological, legal and economic support to women caught in abusive relationships. By making the women more aware of their rights and enabling them to take better control of their lives, these workshops are helping break the cycles of violence and readdress the power dynamics between men and women. They also show the women that, although their problems may feel narrowly confined to their homes in Guatemala, Catholics thousands of miles away are standing with them in solidarity and doing what they can to help ease their burden.



## Partnership

### – with young Catholics attending Flame2019

Flame is the biggest Catholic youth event in England and Wales, held annually in Wembley arena. 8,000 people attended this year's event, enjoying presentations, music, drama and adoration around the theme of 'significance'. Many CAFOD staff and supporters were in attendance, including Francis Hillen, a 22-year-old volunteer based at the Soli Centre for Youth Ministry, who helped to lead the activities at lunch-time. He said: "I came to Flame last year with CAFOD and enjoyed it a lot. I was excited to be there again this year. It's always really fun and it's great to share the experience with young people who might not have been involved in CAFOD's work before." The Chair of the Board, Bishop John Arnold, and Director Christine Allen also attended, and Christine said "It's brilliant for CAFOD to be a part of the Flame experience and great for its young attendees to be able to speak to the many CAFOD volunteers who were representing us on the day. CAFOD's work with young people helps us to build a future for the Church and it's so powerful for young people to be able to put their faith into action in this way. It was inspiring to hear young people at Flame speak, to hear them making a noise and getting involved!"



## Sustainability

### – by providing alternative gifts for our supporters

This year we sold almost 40,000 World Gifts, raising more than £800k. World Gifts is our virtual giving scheme, allowing supporters to give gifts that represent a way in which CAFOD is helping people in poverty. Each gift card comes with a description of the gift, as well as a case study of someone who has been helped in this way. World Gifts help our supporters treat their friends and families in a sustainable, environmentally beneficial way, and stops money being wasted on unwanted or short-lived gifts that will soon be on their way to a landfill site. Many people also opt to receive ecards or print-at-home cards, making the gift even greener as it doesn't need to be transported anywhere. Each year we add new gifts to choose from, which this year included the popular option to 'Help a llama farmer'. All the money raised goes towards CAFOD's general funds, which are used to support development and humanitarian projects all over the world.

## Stewardship

### – of the gifts of creation

In line with Pope Francis' call to save our common home, CAFOD is now, more than ever, working to reverse and repair the impacts of environmental change, and to draw attention to the climate emergency that this generation must address:



**Zero.** This is what CAFOD is campaigning for the UK government to adopt as its target for net greenhouse gas emissions by 2045, meaning that **no more greenhouse gases are put into the atmosphere than those that are removed.** Along with the other agencies from the environment, development and nature sectors that make up the Climate Coalition, CAFOD supporters (including the pictured students of Palmer Catholic Academy) sent **618** letters to MPs urging them to become 'Zero Heroes' and champion this goal.



**1.5** degrees Celsius - this is the **maximum rise in global temperature** that can occur before serious, irreparable damage is caused, which will be especially felt by those communities least responsible for the rise. In December **30** CAFOD staff and volunteers travelled to Poland to campaign at the COP24 UN climate change conference, calling on governments to ensure **full implementation of the 2015 Paris Agreement** and accept the challenge of keeping global warming below this figure.

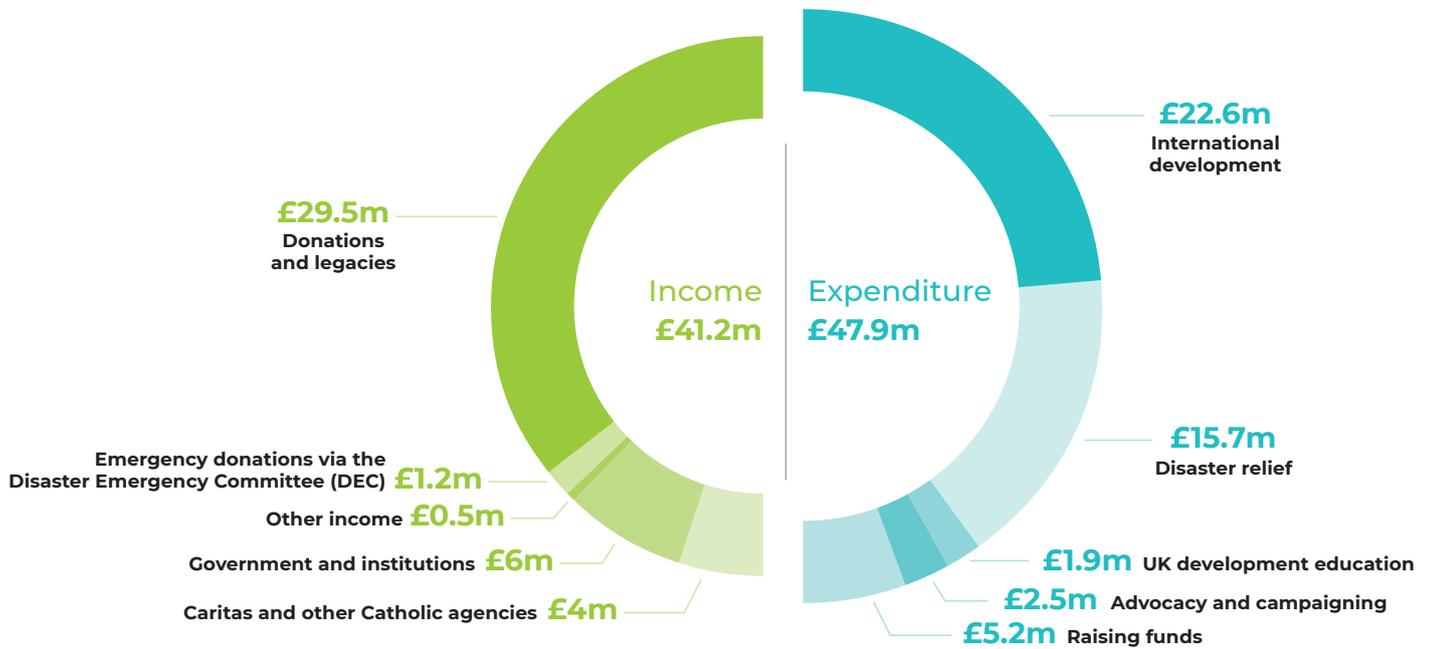


**10** of our very own 10-year-old Zero Heroes donned capes and masks and marched on Parliament to ask MPs to join them on their quest to limit net carbon emissions to zero. November 2018 marked ten years since the **Climate Change Act 2008** received royal assent – the last stage before a Bill becomes an Act of Parliament. We marked the occasion by reminding MPs of the **promises that had previously been made**, and the people whose whole lives will be affected by their actions on climate change.



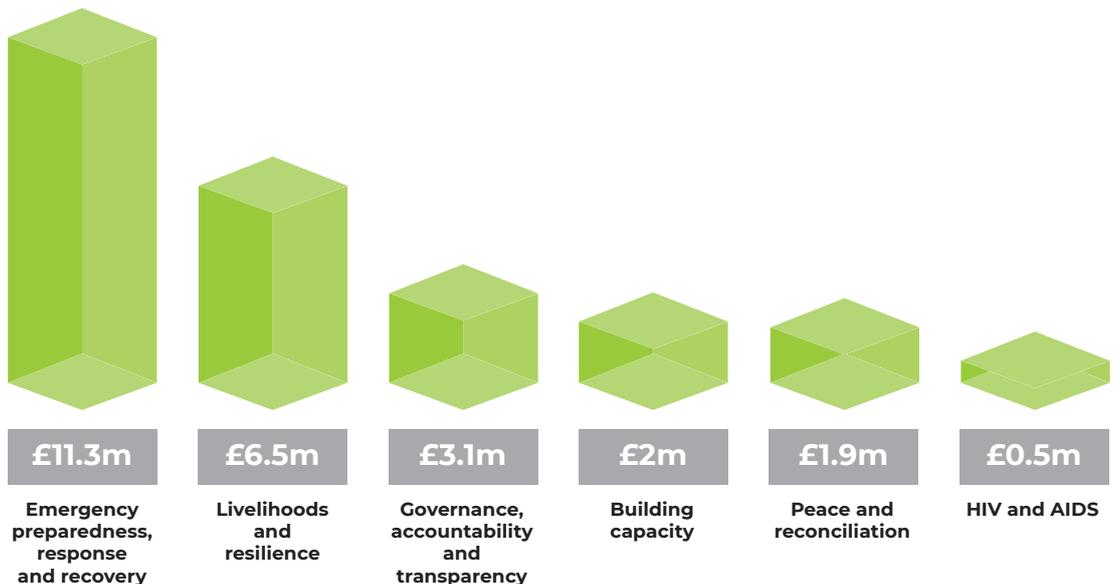
**52** LiveSimply awards have been made to parishes and schools for their commitment to **living sustainably** and lowering their environmental impact. This could be by walking or cycling to church or school, encouraging recycling or cutting down on food waste, planting a wildlife garden or an allotment, or campaigning with CAFOD to combat climate change. **Small changes** like these add up to make a **huge difference**, and we encourage all our supporters to reflect on the impact their actions can have on the environment – just as we do ourselves as an organisation.

# Overview of income / expenditure



We received £41.2m in income, including £29.5m in general and emergency appeal donations and legacies from the **Catholic community in England and Wales**. As ever, we are humbled by and hugely appreciative of this support. We spent £47.9m in total: £5.2m raising income and £42.7m on our **charitable activities**.

The 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 to maximise the impact of our programmes. We made 579 direct grants to partners and programme payments totalling £25m, covering a wide and diverse range of issues:



Please refer to page 37 for a full explanation of our financial performance, and page 51 for our full audited accounts.

# Just One World

## a vision for change, an agenda for action

**Aim 1 - Increasing Power and Influence**, so that women and men in the poorest and most disadvantaged communities are able to influence the systems, decisions and resources affecting them, living under governments, institutions and global structures that are just and accountable.

**Aim 2 - Promoting Sustainable Change**, so that women and men in the poorest and most disadvantaged communities have access to the essential services and resources they need to live sustainably, with dignity.

**Aim 3 - Achieving Peace, Security and Recovery**, so that women and men in the poorest and most disadvantaged communities live in a safe and secure environment, and are able to minimise, survive and recover from crises.

**Aim 4 - Building our Partnerships in the Catholic Community**, so that Catholics in England and Wales are inspired to challenge global poverty through prayer, action and giving, and in doing so transform their own lives.

Just One World has been our strategic framework for the past nine years, guiding our overall focus and direction. During this time, we have delivered truly life-changing work, reaching millions of people across the world. Just One World has governed how we steward the resources entrusted to us and enabled us to connect hundreds of thousands of Catholics in England and Wales with the communities we are working with internationally.

Over the course of 2019, we will transition to a new strategic framework - 'Our Common Home'. The new framework responds to the challenge given by Pope Francis in his letter *Laudato Si'* to answer both the "cry of the earth" and "the cry of the poor". It also integrates our No One Beyond Reach approach, engaging more supporters in our work to close the gap between those we can help and those we can't (read more about this on page 32).

With your support, together we can and will go far beyond our current reach, bringing hope to those living amongst the hardest of conditions. Over the coming pages we will share examples of the four aims of Just One World in action and celebrate how your support has contributed to the lives of so many people.

Some achievements are the culmination of partnerships nurtured over many years. Other achievements are the result of a rapid mobilisation of resources in England and Wales to respond to emergencies, built on our disaster preparedness work and lessons learned from previous crises.

What remains consistent are the high standards we expect of ourselves and those we work with, the belief in what we do, and the extraordinary outcomes achieved through our collective action – made possible through the actions, gifts and prayers of our supporters, partners, staff, volunteers, and communities both here and overseas.

## Aim 1 - Increasing Power and Influence

From the 1970s until his martyrdom in March 1980, Saint Oscar Romero used the radio station YSAX to inform people in his native El Salvador and the international community about the horrors of the civil war. Public media was heavily censored by those in power, and Saint Romero's enemies destroyed his radio station several times. Support from CAFOD helped rebuild it, and nearly 50 years later we are still helping El Salvadorians change their community using the power of radio. Following in the footsteps of Saint Romero, Ana María Gomez Duenas has jointly founded Radio Copinule, a community radio station in Guaymango. "I know I'm just an ordinary person," she told us, "but my voice – through the microphone – is helping to transform my community." Many women listen to her broadcasts, learning about their rights and becoming empowered to call out abuse and injustice. Ana Maria explained that she "feels the station is helping to demolish myths that exist about women, and empower girls and women across the community to work for the change they want to see – to keep going and keep fighting for what they want and believe in, and ultimately make their dreams a reality".



In Brazil, Joenia Wapichana (pictured above), a lawyer with CAFOD partner the Indigenous Council of Roraima (CIR), became the first indigenous woman in history to be elected as a federal Congresswoman. The importance of democracy for allowing the voices of the most marginalised to be heard is more evident than ever, and the appointment of Joenia represents an historic achievement for the indigenous movement in Brazil.

Joenia's policy commitments include indigenous collective rights, indigenous women's rights, sustainable development of Roraima, respect for the environment, transparency, ethics and the fight against corruption – truly empowering those communities who are in the greatest need of a voice to shape their own futures. She said her election victory was "the fruit of the work of all who fight for justice and law. This is the first step. The challenge continues, and we will need to count on everyone's support".

In July we took part in a conference at the Vatican, calling for increased ambition on climate change. The event, which marked the third anniversary of the publication of *Laudato Si'*, looked at ways in which the Church can call for action on climate change ahead of important international discussions. The conference brought together climate scientists, indigenous groups, politicians, young activists, economists, church leaders and key policy makers, who reflected on the progress made so far as well as the need for greater ambition and urgency going forwards. We supported one of our partners, REPAM, to bring a group of indigenous young people from the Amazon, who shared their experiences and were given a platform to speak out against the mining projects which are destroying their land.

We also made the voices of young people from Catholic schools in England and Wales heard: young supporters of CAFOD prepared a scrapbook of photos, stories and letters sharing how they are caring for our common home, and our Head of Education, Monica Conmee, was honoured to present this to Pope Francis during the conference.



## Aim 2 - Promoting Sustainable Change

Goubé is a small town 50 kilometres north of Niamey, the capital of Niger. It faces many development problems including food insecurity, poor access to clean water and a lack of education for young girls. With your support, CAFOD partner CADEV Niger has delivered several projects that bring about positive changes – both those that are felt immediately and more longer term, sustainable benefits – for the communities of Goubé and the wider region.

After working with the community to assess their requirements, 50 goat kits, made up of 100 female goats, 50 male goats and feed, have been given to women, supporting mothers to increase their income and in turn support their children to continue attending school by buying essential school supplies, clothing and food.

To further support their education, CADEV Niger has built three new classrooms – development is impossible without education, and it is especially important for young girls to be given the opportunity to flourish through attending school. At the opening of the new classrooms, a mother said: “We have not had the same educational opportunities as our children, and that hurts us to this day. Because of this we will make sure that our girls go to school, so that they can enjoy the benefits that we didn’t have in our time.”

In March we marked International Women’s Day, a day of global celebration and a call for gender parity. A core component of effective development is that it benefits both men and women equally, and much of our work seeks to



rebalance the share of power between genders as a part of improving the lives of the communities we are working with.

Working with our partner Srer Khmer, Len Samorn in Cambodia has learned organic farming methods that improved her land’s fertility, enabling her to grow more vegetables and rice. Learning about climate-resilient farming techniques has also helped her grow more crops, so she now has enough to both feed her family and earn an income from a local market. She has improved her knowledge, confidence and skills as a farmer, a role traditionally more likely to be occupied by the men in her community. The programme has also enabled her to become a businesswoman, and she now helps other women in her community by leading a savings group and training other women in farming skills, nutrition, sanitation and hygiene.

In February, our Sudan team hosted a meeting in which all the partners we work with in the region gathered to reflect and share learnings from their work during the year. Sudan is in need of urgent and sustainable positive changes, and during the meeting we were able to collectively celebrate:

- 1,000 farmers being supplied with quality seeds and tools, contributing to increased crop yields and improved food availability. Farmers were also able to save seeds from their crops for the next planting season, providing further food security.
- 10 savings groups being supported to set up three cooperative societies, which allow members to trade animals and access small, affordable loans for starting businesses.
- 8 classrooms being constructed and teaching materials supplied, creating an improved learning environment for 311 school children.
- 151,611 refugees benefitting from water, sanitation and hygiene projects.

## Aim 3 - Achieving Peace, Security and Recovery



In September a 7.5 magnitude earthquake triggered a tsunami that hit the Central Sulawesi province in Indonesia, resulting in widespread damage and loss. By the end of January, 4,340 people had been declared dead, more than 211,000 people had been forced to flee their homes and 66,000 houses were destroyed. Some areas had been entirely wiped out by the tsunami, and mudslides caused whole neighbourhoods to sink into the earth. We held an emergency appeal and called a national DEC appeal, and the donations enabled our local Church and Caritas network to provide immediate assistance, delivering food, clean water and hygiene items to the affected communities. And the scale of support we received means that we can continue our work repairing homes, restoring livelihoods, and engaging the community in projects that reduce their vulnerability to future hazards.

In India, unrelenting rain in July and early August caused unprecedented flooding and landslides across the Southwestern state of Kerala. The worst flooding in a century, over 300 people were killed and thousands made homeless. Communities lost possessions, livestock and livelihoods, and many families arrived at emergency camps with only the clothes they were wearing. Using funds raised from our Kerala Appeal, and the Start Network fund, CAFOD provided rapid response funding to our long-established partner Caritas India, to enable them to quickly respond to the floods, supporting more than 43,000 people in six districts. Caritas India has built a strong reputation and capacities to enable them to respond to emergencies at local, national and regional levels.

The civil war in Syria is in its ninth year. The UN estimates that more than 400,000 people have been killed, and more than 11 million either displaced within Syria or forced to flee to neighbouring countries. Since 2012, we have been working with regional partners to provide both immediate and long-term assistance to those caught up in this conflict, and we have now spent almost £4.5 million on our response. The government of Syria has now retaken much of the country, but for many there is still no end in sight to the suffering that has been caused.

One focus of our ongoing work is to support families who are returning to the city of Homs, some of whom have not been back since fleeing the outbreak of war in 2011. We are funding local partners to help families rebuild damaged homes and shops, to provide shelter when the damage is too severe or while building work is taking place, and to support people while they rebuild their livelihoods and community life. We are also providing funds for desperately needed medical support to families in Homs where the costs are often beyond the most vulnerable households. The scale of destruction is appalling, but with your support we will continue to help people overcome the horrors of the last nine years and give them hope for a brighter future.





In Lebanon with EU funding we have been supporting youth-led community action and social cohesion activities. This has seen Syrian and Lebanese youth working together on quick impacts projects repairing and rehabilitating shared community spaces such as playgrounds and schools. This has been a great opportunity for Lebanese and Syrian youth to break down the barriers between communities and look for common ground during this challenging period in Lebanon and Syria.

In August 2018, an outbreak of Ebola was identified in Eastern DRC, in North Kivu Province, bordering Uganda. Since then we have been working with our local partner Caritas Butembo-Beni to combat the spread of the disease and help affected communities. Our response has been guided by the experience of our response to the crisis in Sierra Leone and Liberia in 2015-2017.

Our support to Caritas Butembo-Beni enabled them to send Ebola experts to control the spread and treat those who had caught the virus. An important element of the programme was strengthening communication between communities and religious leaders around the sanitation and hygiene practices required to limit

the likelihood of infection (for example, not shaking hands during Mass) or when conducting funerals of Ebola victims and raising awareness of the issue using billboards, posters, on the radio and through churches. Many households have been displaced by the outbreak of Ebola, and so are unable to grow and harvest their crops. We supported over 6,000 men, women and children with emergency food and other essential items, until it was declared safe to return home.

Funding was also provided to help keep frontline health workers (many of whom are volunteers) safe, by paying for the necessary protection equipment and training in how to work safely. Ebola represents just one of the many burdens facing the people of the DRC, but with your support we will continue to work in contexts like this, delivering life-changing work across a wide range of areas. The challenges we face are complex, and rarely will our work in a country address just one singular issue. But treating no one as beyond reach also applies to the scope of issues we seek to address; we want our impact to extend to each person but also address every challenge they are facing, as it is only through doing this that we can truly say we have helped them to flourish.

## Aim 4 - Building our Partnerships in the Catholic Community



We recognise that young people can and should make a huge difference to the world, which is why we work to equip them with the skills and experience needed to become leaders for social justice in their local and global communities. Our Young Leaders programme offers sixth form students an opportunity to volunteer with CAFOD, and to make a difference by fighting poverty and injustice. It's also a great chance for them to meet new people, grow in their faith and gain confidence, skills and experience. This year more than 300 Young Leaders from 11 dioceses across England completed the programme, celebrating all that they had achieved over the past year and sharing their ambitions for a fairer, more sustainable future.

Each year our Connect2 scheme links parishes in England and Wales with the people we work with overseas. Parishioners send donations, letters and photographs to communities, who in return send news and share stories of what the support has meant to them. At Christmas, many of these people reach out to Catholics in England and Wales in order that they might celebrate the festive season together:

Abba Solomon Beyene from the parish of Sebeya in Ethiopia sent blessings on behalf of his community: "I would like to thank you very much for supporting the community of Sebeya. May the guidance of the Holy Spirit be with you in your good work and life. May God bless you for your passion to help and save lives in our community. Thank you very much and don't forget us in your prayers. May the grace of Jesus and the love of God be with you."

Eliete, a community educator who is part of POIO, one of CAFOD's Brazilian partners, has been helping poor families in São Paulo gain access to good quality, secure housing. She sent a message on behalf of the families, saying: "We wish that all our UK friends may share the celebrations of Christmas and New Year with joy, happiness and deep faith, together with your relatives, friends and loved ones. Remember us and pray for us, the many homeless people of Brazil, and wish us the courage to face our daily struggles. Happy Christmas, and may our hearts continue beating together."



This year we launched our new online volunteer portal, to better enable us to talk to, support and engage the thousands of people each year who volunteer their time for CAFOD. With separate sections to address the specific needs of each volunteer role, this tool provides a wide range of functions, including helping us share resources, providing a space for volunteers to share insights and reflections, undertake e-learning modules on a wide range of subjects, and access key policies and organisational information. We will always strive to ensure the volunteer roles remain as fulfilling and engaging as possible, and that those giving their time are supported to get the most satisfaction and enjoyment out of their contribution.

We have also updated the way we store and access the information that we keep about our supporters. This is enabling us to more effectively communicate news and appeals, respecting supporters' preferences for when and how they wish to be contacted.

## Share the journey

In *Laudato Si'*, Pope Francis lists the three fundamental relationships of human life as those with God, with the earth, and with our neighbours. And right now, millions of **our neighbours** are being forced from their homes – due to conflict, the impacts of climate change, illegal land possession or to escape massive inequalities.



People like Karim, 8, who lives in a tented settlement in the Bekaa valley in Lebanon. Karim works picking potatoes to support his family, after they were forced to flee the war in Syria (as millions before them have also done). Caritas Lebanon, part of our Church network, works with people like Karim, providing education and community projects.

Or the over **700,000 Rohingya Muslims** who were forced from Myanmar last year and now live in camps along the Bangladeshi border, who we continue to support with humanitarian aid.

Or the over **3 million people in Venezuela** who have been forced into neighbouring countries, fleeing poverty and political oppression. We are working with Church networks in Colombia and Peru to support these people as they wait to return home.

The figures on migration are staggering. The UN reports that there are currently **65 million** people who have been forcibly displaced from their home – 40 million who are displaced within their home countries and 25 million refugees. 85% of these people are being hosted by some of the world's poorest developing countries. 57% of the refugees come from just three countries – South Sudan, Afghanistan and Syria.

CAFOD and our partners are working with displaced people across Africa, Latin America and the Middle East. We are also welcoming supporters in England and

Wales to **Share the Journey** that so many of our neighbours are being forced to take. Thousands of CAFOD supporters have together walked more than **100,000 miles**, travelling in solidarity to raise money and awareness for the plight of refugees and migrants. In August we created a display of shoes outside Westminster Cathedral, to reflect on and draw attention to the unplanned and unwanted journeys that millions are forced to make.



## Building peace in Colombia

Conflict in Colombia began in the 1960s, originally between left wing guerrillas, various paramilitary groups and security forces, and has continued ever since. Driven by widespread inequality, and fuelled by the illegal economies built around gold mining and drugs production, there have been devastating effects on the country:

**17%** of the population has been directly affected by the armed conflict

Approximately **8 million** people have been forced to flee their homes because of conflict

More than **280,000** Colombians have been killed

More than **60,000** remain missing

A peace agreement between the government and the main armed group, FARC, was signed in November 2016, but hostilities continue with several smaller groups, and the need for peace is just as urgent now as it was in the 1960s.

Specifically at risk are those who speak out for human rights, with threats and assassinations a worryingly regular

occurrence. For decades, people in remote areas have turned to their local parish priests if their loved ones were killed or injured, if they had to flee their home, or if they had no food.

The Church network is often the only organisation with enough reach to foster dialogue among armed actors, broker ceasefires, respond to emergencies, or provide services such as schooling or healthcare.

CAFOD first made a grant to a Colombian partner in 1969, and in 2019 we marked 50 years of involvement. We have been there throughout the conflict, supporting Church networks to carry out peacebuilding work and raising awareness of the extent and cost of the challenges faced.

Luz (pictured left), a member of the Red de Mujeres del Magdalena Medio women's network, shows us what peace would mean to her. The network is one local NGO that CAFOD works with who, in the words of their leader Nieves Emilia Rodriguez Noguera, "fight for peace not with weapons, but by shooting knowledge and training and learning."



When Pope Francis visited Colombia in September 2017 he reminded us of the responsibility of the Church to foster peace and reconciliation among those who are in conflict. We are working with our local networks to break the spiral of conflict and secure lasting and sustainable change, by:

- Acting in **long-term partnerships**, providing ongoing support to partners that produces structural changes to the root causes of the conflict.
- Bringing the issues affecting Colombia on to the world stage, carrying out **international advocacy** and working to protect the human rights of those affected.
- Working alongside other members of our global network to use the Church's unique reach and **access even the most remote communities**.
- Fostering solidarity between Catholics in England and Wales and their brothers and sisters in Colombia.

In 2014, CAFOD started our *Hands On* project, which connects individual supporters with people from the communities their contributions are helping. Since it began, over 2,000 people have raised more than £800k for a wide range of causes.

Through our *Hands On* Colombia appeals, our supporters have recently funded a new three-year youth peacebuilding programme, co-funded by the European Union. Our local partner Programa de Desarrollo y Paz is aiming to reach more than 2,500 students and 870 parents, working in 34 secondary schools and 4 local community groups. Students will explore the factors that contribute towards conflict and discuss ways to resolve these situations with words and positive actions, rather than physical violence.

With your support, CAFOD will continue to fund programmes like this, helping a **generation of Colombians** to work towards finally **settling the conflicts** that have affected the country for the past 50 years.

CAFOD Catholic Agency for Overseas Development

**Hands On Magdalena Medio**

Your progress update 3 of 8

**Increased risk for our friends in Colombia**

Dear friends,

I've recently returned from Magdalena Medio and I'm sorry to report that there has been an increase in threats to teachers and some outspoken community leaders have been killed.

You may have seen in the news that a police cadet was killed in Bogotá at the beginning of this year. As a result of this, talks broke down between the government and the guerrilla group ELN (National Liberation Army). Since then, violence has escalated in our project area and we've had periods of panic in our project area and we've had periods of panic in our project area and we've had periods of panic in our project area.

CAFOD is supporting people who have been threatened and helping them get to a safe place, which often means leaving their hometowns, for our Hands On project. This has serious implications for our ability to travel. This has serious implications for our work, as Magdalena Medio is a large area, made up of lots of individual towns and villages that are hard to reach. But we've rescheduled our plans and are back out training in schools and supporting our four local specialist organisations.

Inside this update, you can read more about one of the local specialist organisations we're working with, and their radio station. Broadcasts like these are crucial for opening up conversations and sharing messages of peace, especially when people can't travel around freely.

We've got local elections coming up in a few months, so it's a turbulent time for our Colombian friends. But our young people are not giving up and you can see from the survey we collected (back page), that they still believe peace is possible.

Your prayers, solidarity and hope are needed now more than ever. Please keep the people of Magdalena Medio in your thoughts.

Un abrazo, Ulli

**Meet the PDP team**

Meet the 6 PDP team members working on our Hands On project. From left to right: Camilo Andrés García Castillo - specialist in psychology, Luis Eduardo Quiñero - health expert, Nelly Claudia Martínez Rueda - team director, Blanca Isabel Herrera Guerrero - specialist in communications, PDP stands for Programa de Desarrollo y Paz del Magdalena Medio - Peace and Development Programme in Magdalena Medio.

**THANK YOU FROM BLANCA, PDP TEAM MEMBER**

"Thank you for remembering Colombia, our rare towns, our conflict zones, our people who peacefully resist violence. We need people like you who have an enormous heart and want to help change things. Every bit of help that you give, wherever you are, is very well invested, it's invested in the hopes and dreams of our communities. Your support is not just financial, it means we know there are other people who believe things can change. That's so important. So thank you to all of you who are helping."

Blanca

**Magdalena Medio** - your support is reaching remote, rural villages

Magdalena Medio is a large area, made up of 30 municipalities, which are like districts or larger parishes. The region covers 20,000 square kilometres - roughly the same size as the Midlands in England. Your support is reaching nine municipalities across the Magdalena Medio region. In the places that have been hardest hit by conflict:

These municipalities are remote, and the roads are bad or non-existent. It takes our local team 12 hours travelling by car and boat to reach the furthest parishes like 'Nagila'.

In the more rural areas, fewer young people go to school, the quality of teaching is poor, there are fewer reliable jobs and young people are more likely to resort to joining armed groups. This is why your support is so crucial in these villages.

**Community radio - breaking the silence**

In Arrenal town, you're helping to fund a small community radio station, which runs from a booth on the high street. It broadcasts music, news, live music, and many discussions and debates.

Romulo, a local secondary school teacher, presents some of the broadcasts. He explains how the radio is helping people to speak out.

"Today we invited some local students to talk about peace in a broadcast. This is something we do a lot - young people, farmers, housewives, street vendors - they all take part in our programmes. Our broadcasts are about life here and the context we're living through.

We have suffered from intense conflict. Voices have been silenced by armed groups. Displacement, violence and killings have all being used to silence voices.

A community radio in the midst of such adversity, such difficulty, is fundamental. It gives us a tool so we can finally raise our voices.

On our programme this morning, I was saying that young people are 100% the future of our communities and the future of Colombia. They're the future of the world, aren't they?

That's why we bring young people here to take part. They express their feelings and their experiences. The radio is our space for dialogue and good communication. A space to demand our rights. A space for peace."

**What do we need to build peace?**

On live radio, secondary school students in Arrenal share one thing that's needed for peace:

**DIALOGUE** - with dialogue we can dream of becoming full of peace.

**LOVE** - without love, we can't do anything.

**RESPONSIBILITY** - we must have responsibility to see the fruits of our work.

**HONESTY** - when you're honest with everyone around you, you bring out the best in yourself.

**Latest news...**

- Students have started organising their own peacebuilding activities in their secondary schools.
- Young people from four schools in Magdalena Medio took part in a group exchange with other teenagers from across the country to share tips for building peace.



## 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. During Lent 2018, DFID matched contributions during our Fast Day appeals. The Catholic community made the most of this opportunity, holding sponsored fasts in schools and parishes, making one-off donations and signing up to make regular gifts, and spreading the word to others. The amazing generosity enabled a total of £5.1 million to be raised – including £2.4 million from individuals and £1.9 million from communities.

DFID matched £4.3m of this (some donations are not eligible for the scheme, such as donations from corporate partners), and the money has been used to support partners in Eritrea, Zimbabwe and Zambia. Over the course of three years, your support, along with DFID's contributions, will enable us to build communities' resilience, ensure people have enough to eat, teach caring practices for vulnerable groups, and improve sanitation and hygiene practices; ultimately improving the health of entire communities. We will specifically target children under five, pregnant women and new mothers, people with disabilities and people living with HIV, aiming to directly reach **280,000** people (159,000 women, 121,000 men) over the course of three years. A further **700,000** people will benefit indirectly from additional food production and rising levels of overall health in the local area.



We will increase the resilience of communities facing climatic shocks by increasing the amount of food they produce, providing seed and teaching people how to cultivate new crops, such as aubergine or orange maize, meaning a wider choice of foods is available and can be grown sustainably throughout the year.

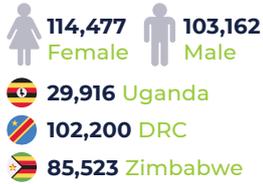


Vulnerable groups will learn how to care for babies and children to ensure they get a healthy start in life. For example, we will teach people about the importance of breastfeeding, weaning, and ensuring a balanced diet during the first 1,000 days after birth. People living with HIV and other groups vulnerable to poor nutrition will be supported to access more and better-quality food to help maintain their health.



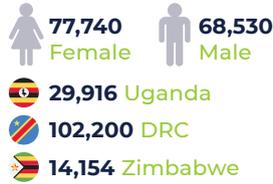
We will construct water points and toilets and train people in good sanitation and hygiene behaviours. This will limit the spread of waterborne diseases, provide more consistent water supplies for crop production and improve the overall health of communities.

DFID also matched your contributions during Lent 2016, when we raised £4.7 million in donations and another £3.5 million in matched funding. The money was used to fund three-year programmes with local partners that will increase sustainable access to improved water, sanitation and hygiene facilities for **334,000** people in rural communities in the Democratic Republic of Congo, Uganda and Zimbabwe. The programmes will run until June 2019, and at the end of the second year we reflected on some of the main achievements that your support has enabled us to deliver so far:



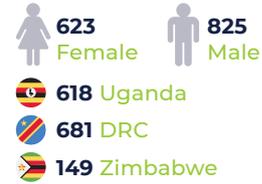
**217,639**

People with access to a reliable water supply



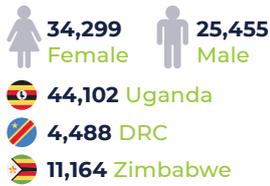
**146,270**

People with access to at least 15 litres of safe water per day, from infrastructure built or rehabilitated by the programmes



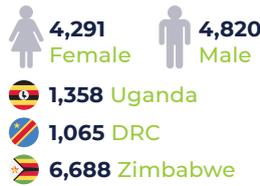
**1,448**

Water management committee members trained in the operation and maintenance of water and sanitation facilities



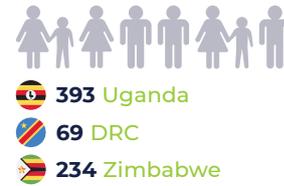
**59,754**

Men and women trained in good hygiene practices



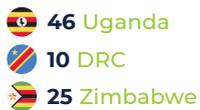
**9,111**

Number of people trained in water conservation techniques



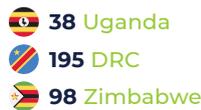
**696**

Number of local authorities trained to engage with communities about management of water, sanitation and health services



**81**

Number of mass awareness campaigns on sanitation and hygiene



**331**

Number of environmental protection measures in place



A solar-powered water pump fills a storage tank in Moroto, Uganda. Because the new pumps are motorised, they require much less time and physical effort to operate, so children are now staying in school rather than spending their days collecting water as they used to. It also means the supply is far more consistent. This tank provides water for a maternity clinic, and the staff can now care for the babies, new mothers and pregnant women without having to worry about their supply being interrupted.

## Our plans for the future

Over the coming year we will transition to our new strategic framework: **Our Common Home**, which maps out how we will deliver our mission in ways that respond to the challenges laid out by Pope Francis in *Laudato Si'*:

*“We are faced not with two separate crises, one environmental and the other social, but rather with one complex crisis which is both social and environmental. Strategies for a solution demand an integrated approach to combating poverty, restoring dignity to the excluded, and at the same time protecting nature.”*  
(*Laudato Si'* #139)

The changing climate and increasing environmental degradation affect us all, but hit the poorest the hardest. In *Laudato Si'*, Pope Francis invites us to a change of heart – an ‘ecological conversion’ – individually, as a community, and at an international level, so we may truly respond to “both the cry of the earth and the cry of the poor”. This concept is a cornerstone of Our Common Home. Central to this are four interconnected commitments which will steadily transform what we do and how we do it:

1. Adopting an integral ecology approach to achieving positive impacts for people, communities and the environment: to more clearly reflect the interconnectedness between the poor, the environment, economics and politics, between our daily lives and our cultures, between the dignity of each human being and the common good; now and for future generations.
2. Supporting the voice and agency of those we work with: amplifying the voices and initiatives of local partners and communities; strengthening their capacity to organise, act and influence

things in their own right and in ways that are safe and inclusive for all participants; working to redress some of the power imbalances that adversely affect their dignity and development.

3. Nurturing a culture of encounter for transformative change: working in new and existing partnerships and collaborations to build relationships of mutual learning and shared development, exposing the fault lines that drive poverty, vulnerability, inequality, injustice, exclusion and environmental destruction – and opening them to change through collective action.
4. Undergoing our own ecological conversion: working with staff, volunteers, supporters, partners, the Church and others to inspire our personal and collective transformation to reflect the principles that drive our work in ways that exemplify environmental stewardship and solidarity with the poorest.

We will respond to the cry of the poor and cry of the earth, working alongside the people who suffer the worst consequences of injustice, inequality, extreme levels of poverty, violence and oppression. Working collaboratively and in partnership we will:

- Deliver people-centred programmes that advocate to address the root causes of injustice.
- Help individuals to build resilient livelihoods and environments for now and for future generations.

- Coordinate with Caritas Internationalis and Church partners to deliver timely, appropriate and effective emergency response, with an emphasis on localisation.
- Support our partners globally in areas of social justice, supporting human rights defenders in the face of rising threats as they stand up for our common home and peace.
- Build on and develop our peacebuilding and good governance programmes globally, strengthening linkages between development, humanitarian and policy work.
- Work with partners to ensure all our programmes are safe, accessible, dignified and inclusive and meet internationally recognised standards.
- Begin the roll out of a Caritas environmental stewardship and risk management tool with staff and partners.
- Continue to strengthen local Church institutions both at national and diocesan levels, in coordination with our sister agencies and networks, consolidating good practice, promoting learning and sharing resources where appropriate.
- Support those working on the Synod of the Amazon and other political summits.
- Lobby the UK government to focus aid and foreign policy towards responding to the triple challenges of tackling poverty, protecting the environment and tackling climate change.
- Focus some of our fundraising on supporting work on migration. The displacement of people continues to be a significant global challenge, the impact of which has resulted in long-term intractable crises that are difficult to fund on an ongoing basis.
- Mobilise communities and individuals to lobby our politicians and other decision makers for a commitment to net zero greenhouse gas emissions by 2045, including action to stop investment in fossil fuels and lobbying for policies, practices and behaviours that contribute to long-term climate resilience.
- Focus on what inspires our volunteer network and improve support to volunteers so that they are better able to engage with existing and potential supporters. We will hold two national volunteer events where we will celebrate a vision of caring for our common home where no one is beyond the support they need to thrive.

## Our organisational health

Our **supporter programme** follows the Church's liturgical calendar and the practice of faith. We will focus on increasing our reach and engagement with a younger, more diverse audience through stronger digital promotion and continue to raise awareness and influence decision makers through media work and other communications channels. We will:

- Engage the Catholic community through the launch of our next Hands On project supporting communities in Colombia who work tirelessly with young people to build a peaceful future, free from violence and conflict.
- We will support a culture of wellbeing for our people: introducing mental health first aiders, soliciting staff views through engagement surveys, ensuring ongoing staff security and further developing resources and interagency links focused on partner security.
- To ensure we remain compliant with standards and regulations, we will maintain a regular programme of reviews and audits. We will also work with our Trustees to ensure that our governance arrangements meet emerging needs.
- To ensure our financial health, we will drive efficiencies and cost reductions in our core overheads, so that we can direct more of our spending towards partner grants, outward-facing programme/partner accompaniment, capacity strengthening, education, advocacy and campaigning activities.
- We will strive to reduce our carbon footprint and uphold strong environmental principles in our travel policies and practices and in all our offices.

## Risks and uncertainties

Risks 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 control the risk occurring, we can ensure that we have sound mitigating actions and controls in place. Risk management is incorporated into our planning, organisational decision-making and management procedures. Our 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

The vulnerability of many participants in our international programmes heightens the need to ensure our programmes are safe and that participants, partners and staff know how to reduce risk and respond if problems arise. Incidents, where they occur, can have far-reaching impact on people's lives and on the organisations they represent. We are committed to ensuring that all aspects of our work internationally and in England and Wales embody good safeguarding practice and have taken a number of actions and strategies that are regularly overseen by the CAFOD Leadership Group and by the Board of Trustees over the last year in response to the safeguarding crisis experienced in the wider international development sector. You can read more about this on pages 35:36.

### Fraud and Loss

Fraud and loss reduce our effectiveness and, if not acted upon, could damage our reputation with donors and supporters, leading to reduced income. In working in the most challenging environments, and with institutional donors, there are risks around not complying with a range of legislation or specific donor requirements: for example, counter-terrorism measures to avoid diversion of funds; anti-bribery, corruption and money laundering; and appropriate procurement procedures. To minimise the likelihood of non-compliance with our internal and external standards, we have policies and systems in place and ensure that all relevant staff have the knowledge, skills and capacity to implement these. We monitor compliance in real time and act appropriately in cases

of suspicion of fraud or other financial irregularities. All of our compliance activities are reported to our Trustees. Our measures include a suite of integrity policies, operating manuals, financial health checks for our partners and clear reporting procedures. We and most of our partners are subject to internal and external audits.

### Volatile economy, changing fundraising environment

We will carefully monitor the impact of Brexit on funding, collaboration with other European Caritas agencies and the economic impact on our supporters, particularly in light of an anticipated uplift in supporter income, as a result of No One Beyond Reach and the Supporter Fundraising Strategy. We continue to seek adequate cost recovery in institutional funding contracts. You can read more in the section on Factors affecting the financial performance and position going forward on page 38.

### Organisational stretch of resources

With finite resources and increasing demands, we need to carefully manage the scope of our work and ensure that staff and partner welfare and capacity are sufficiently supported. If not managed, our people are at risk of burnout and harm and our organisation is at risk of reputational damage. Last year we put a range of measures in place to ensure that our people are able to access the support they need. These are regularly reviewed by the CAFOD Leadership Group, the CAFOD staff union and the Board of Trustees. In addition, there are further surveys planned this year to ensure that staff voices are heard. Inevitably, there are still a variety of internal and external pressures which are difficult to avoid. The volatility of working environments and the nature of our work internationally, means that many of our people face challenging experiences each day. Our organisational ambitions are only achievable if we ensure our people and partners are supported and equipped to do their very best work, recognising that our ambitions place demands on our time and energy as well as offering us opportunities. We therefore continue to offer a range of ways to navigate and manage external pressures and, at the same time, take positive action to make changes in areas where we have direct control.

# 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 we work with, with stringent systems in place to ensure that these are followed.

We take appropriate, proportionate actions when gaps or concerns are identified. We also understand that this element of our work requires constant and detailed scrutiny. Last year an audit of the nine commitments that make up the internationally recognised Core Humanitarian Standards highlighted a significant gap under one commitment which led to a temporary suspension of our certificate while remedial actions were taken.

CAFOD was one of the original advocates for adopting the Core Humanitarian Standards (CHS) across the development sector, and a founding member of the CHS Alliance. The CHS commitments were formulated by the international aid sector in recognition of the need for a stronger and more coherent approach to ensuring programme quality, increasing accountability to stakeholders and greater transparency about international work. Six British NGOs are currently CHS certified, including CAFOD.

In early 2018, as part of our certification, CAFOD contracted the independent Humanitarian Quality Assurance Initiative (HQAI) to conduct a midterm audit of our work against the CHS framework. In July 2018 HQAI found that CAFOD conformed to 8 of the 9 CHS commitments, but also found weaknesses related to the way we systematically welcome and deal with complaints. As certification requires all 65 measures under the nine commitments to be met, HQAI informed CAFOD in October that our certificate was to be temporarily suspended, while we corrected issues related to systematically monitoring that these mechanisms were in place in all parts of our own and

partners' work, and that people and communities were sufficiently informed about what they could and should rightly complain about. They did not find that any specific complaint(s) had not been handled appropriately, nor that CAFOD had any issues with the robustness of our safeguarding policies and practices.

We welcomed this feedback, accepted HQAI's decision, and immediately started working to rectify these issues. This, along with a separate independent Safeguarding Health Check that we commissioned, led to the launch of our 'Safe, Accessible, Dignified and Inclusive' (SADI) programming strategy. SADI has drawn together various pieces of work to produce one systematic and centrally coordinated organisational response to the gaps that had been identified. Over the past year we have:

- Reviewed the level of safeguarding risk across all of our partner projects, and used this information to prioritise the partners we need to work with first to strengthen safeguarding practice.
- Re-contracted CAFOD's Partner Funding Agreement with partners overseas, clarifying the need for assurance of adequate complaints handling mechanisms and safeguarding policies.
- Implemented the SADI Programming Framework to identify gaps, and then prioritise and resource improvements in the safety, access, dignity, and inclusion across all areas of programming.

- Developed a training and resource package to enable staff to work with local partners to implement this framework.
- Introduced CAFOD staff ‘focal points’ for each country and region where we work to ensure a consistent approach to implementing safe and dignified programming across our international programmes and provide advice and support to staff and partners.
- Updated our Code of Behaviour, Safeguarding and Complaints Policies to ensure the safety and security of staff, partners, and the communities we support. All CAFOD staff received refresher training and have re-committed to adhere to these policies.
- Developed a new complaints and incident management system to go live in 2019 that will enable anyone connected with CAFOD’s work to easily raise concerns, allegations, complaints or feedback online or by phone.

As a result of this work we now have greater partner engagement and capacity strengthening alongside up-to-date policies, systems, training, guidance, tools and resources that will enable us to demonstrate safety, accessibility, dignity and inclusion across our programme work. This is an ongoing process and colleagues are ensuring that we have a clear picture of partner capacity, practice and needs and that we support partners in ways that are proportionate and reflect and preserve the diversity of our partners. In February 2019 CAFOD’s Core Humanitarian Standard certification was fully reinstated. The independent auditors stated that they “considered our methodology to be the most sustainable approach for delivering the changes we have identified”.

At the start of 2019 the Charity Commission met with members of our Board of Trustees and CAFOD Leadership Group to discuss the steps that had been taken as part of the SADI project and our wider approach to safeguarding, incident reporting and record keeping. They reported that they “received the necessary assurances that the charity has appropriate systems in place to protect the people who benefit from the charity’s work including staff, volunteers and other people who

come into contact with your charity through its work.”

Our hope is that this work will reassure our supporters, the people and communities we work with and all our stakeholders, that we are passionate about and able to protect as well as serve the poorest communities overseas. By shining a light into all areas of our work and dealing with any weaknesses head on, we are a stronger and more accountable organisation, upholding our commitment to improve the lives of the poorest and most vulnerable people. 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.



As an example of SADI in action (pictured above), in Nigeria we have supported one of our partners JDPC Jos to improve their complaints and feedback mechanisms. The communities that we are working with are now able to leave anonymous comments and suggestions in boxes (pictured), report specific issues over the phone or speak directly to members of a feedback team who make regular visits to households. Since initiating this we have received very positive reviews about the system from both our partner and the people in the communities we are working with and will continue to roll out improvements like these in all of our overseas programmes.

For more details of our organisational approach to safeguarding, along with information on the two cases that CAFOD responded to this year, please turn to page 45.

## Financial review

Our total income in 2018-19 was £41.2m, which is £11.4m lower than last year. This does not reflect any significant downturn in our underlying level of general income from supporters, but rather a unique set of factors relating to institutional funding, appeal timings and legacy income.



CAFOD volunteers from Mary Immaculate & St Gregory the Great Church, Barnet, host a Family Fast Day soup supper fundraiser during Harvest 2018. Every year, the vast majority of our income comes from the generous actions of members of the Catholic community in England and Wales.

As is the case every year, the majority of our income comes from the hugely generous support that we receive from the Catholic community of England and Wales. We received £27.6 million in general donations and legacies from supporters. This year, our legacy income was again very strong, at £8.5 million, but £0.8 million lower than last year, which was an exceptional and record year for our legacy income. Our general donations from supporters at £19.1 million, was £1.4 million below last year, which is explained by the timing of our main Lent appeals in both years (Lent starting relatively early in 2018 and very late in 2019) and there being no UK Aid Match funding opportunity in the 2019 Lent campaign.

We received a further £1.9 million from supporters in 2018-19 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 was £2.9 million less than last year. The reduction in income is a result of CAFOD not being required to respond to as many major emergency situations as we have in previous years, not an indication of our supporters failing to support our emergency relief work. Our most recent major appeal (for the

Southern Africa Cyclone Idai emergency) was launched just before the end of the financial year and we will receive most of that income in 2019-20.

The balance of our income (£10.0 million in 2018-19) was raised largely from Caritas and other Catholic agencies, the UK government, and other government and institutional donors. In 2017-18 this type of funding amounted to £16.6 million. 2018-19 figures were lower across all these areas, though it is worth noting that we received £2.4 million less than last year from European Union sources, impacted by reactions to Brexit. Finally, our total income in 2018-19 includes £0.4 million profit on sale of a property, plus £0.1 million of other investment income.

We spent £5.2 million on raising these funds, which allowed us to spend £42.7 million on helping us to achieve our charitable aims, a total of £47.9 million. Almost half our total spending was on international development and a third on emergency disaster relief work. Our total expenditure exceeded our income in 2018-19, as we were spending down on both designated funds (investment funds set aside in previous years by the Trustees, when income exceeded normal operating

expenditure) and on international programme reserves, for a number of major programmes and emergency appeals that were coming to a close (income received in earlier years but spent down this year).

Supporter donations to emergency appeals this year included £1.1 million for the Indonesia Earthquake response, £0.7 million for the Southern Africa Cyclone Idai emergency and £0.5 million for continuing the Rohingya Refugee appeal programme. Grants from Caritas, CIDSE and other Catholic agencies support specific international programmes including several emergency responses that CAFOD is leading on behalf of Caritas Internationalis. Funds raised during the year include £0.4 million for the Eritrea programme and £2.1 million for the South Sudan programme. Grants from governments and institutional donors include £1.7 million from the UK Government’s UK Aid Match Fund programme grants, £1.8 million from the European Union and £0.6 million from United Nations agencies.

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 579 direct grants to our partners (totalling £25 million), including £1.3 million in direct payments in support of their activities. This approach enables us to have a truly global impact. We were able to contribute £16.3 million to support work in 16 countries within Africa; £4.9 million for work in 16 countries across Asia, the

Middle East and Europe, and £3.2 million for 8 countries in Latin America and the Caribbean. £0.9 million was spent to support global work including advocacy and education.

The 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 to maximise the impact of our programmes.

### 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 will be capped at £2 million rather than £5 million going forwards. We will now receive £4.3 million in matched funding (over three years – starting in 2018-19) following our Lent 2018 Appeal. The Lent 2019 appeal did not have any matched funding. We are actively pursuing other possible funding opportunities with DFID, including smaller commercial contract awards (as a sub partner to others).

We have been carefully monitoring the impact on supporter fundraising of the difficult economic environment, and the introduction of best practices for fundraising in the UK by the Fundraising Regulator and GDPR. We have continued to see little negative impact on income



Eshita, who has been supported by CAFOD partner Caritas Bangladesh, uses a blackboard to provide information to farming communities. By knowing weather forecasts, and the market value of crops and livestock, the people in Eshita’s community are better able to plan ahead, and in doing so improve their incomes and resilience.

this financial year and we have a fully funded contingency reserve to cover the eventuality of any significant income shortfall due to these or other factors. We are attracting new donors via online donations, particularly when launching major appeals and this has offset fewer numbers acquired through methods no longer used. We adhere to the best practice standards in the sector, based on the guidelines from the fundraising regulator and the legislation in effect since May 2018. We continue to develop and improve our systems and processes so that we can better evidence our compliance with GDPR and minimise any financial impact in terms of loss of income or increased costs of compliance. Our new Supporter and Volunteer database was launched in July 2018 and this gives us the flexibility to protect the integrity of, and access to, personal data and to record and monitor supporter permissions and preferences, as required by best practice.

The first date of the UK leaving the EU has passed and the next is fast approaching. Uncertainty remains stronger than ever, over a range of issues affecting us and other UK-based INGOs. Although there has been some relative stability in currency rates in 2018-19, the depreciation of the pound against the US dollar has reduced the effective value of our pound Sterling grants to our partners, as they spend in local currencies mostly aligned to the US dollar. This has also added 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 not repeated the exceptional year of funding from EU institutions, which saw us receiving £4.3 million in 2017-18. Instead we received £1.8 million (2016/7: £2.1 million). Although official communication from DFID recognises that “UK-based organisations and individuals should be able to bid for funding, participate in and lead consortia, until programme closure, and otherwise implement as normal for all EU development programmes which are approved before December 2020, without fear of exclusion or discrimination”, it has been acknowledged that “these commitments do not reflect your experiences of bidding for and

implementing programmes with the EU”. It is unclear if UK INGOs will remain eligible for some or all EU funding instruments after the December 2020 cut off, or if additional funds will be available from the UK government, as it will no longer be contributing to the EU. We are involved with various groups lobbying and researching this situation. However, we expect to receive minimal new programme funding from EU sources in 2019-20. The longer-term impact on our total institutional income will continue to be closely watched.

## Reserves Policy

The Trustees review CAFOD's reserves policy each year, ensuring a balance between spending on the immediate needs of charitable programmes and setting aside a reserve to protect our work, by providing time to adjust to any sudden large scale operational challenges in our overseas work or to changing financial circumstances in the amount of funds available.

At 31st March 2019, we held total funds and reserves of £19.3 million: £10.2 million general funds (£9m held as a stabilisation fund and a further £1.2m unallocated reserve); £6.2 million designated by the Trustees for specific purposes; £2.3 million restricted funds in hand; and a permanent endowment fund of £0.6 million.

The Trustees have established a desired level of general funds to be held as a stabilisation fund to limit the risk of disruption to our charitable programmes associated with the financial risks the organisation faces.

Alongside the potential risks associated with the assets that CAFOD holds and with potential unforeseen costs, the Trustees consider the main financial risk to be a downturn in general income. To cope with any such unexpected downturn in general income, without damaging the long-term programme commitments that we make to our partners, we would need at least two years to adjust these programmes. Based upon a possible shortfall of 10-15 percent in the level of general income and the need for two years to adjust programmes, the Trustees have established the target level of general funds to be held as a stabilisation fund at 20-30 percent of the planned annual general income for the coming years, which is a range of £6 million

to £9 million. (Full details of the Trustees' Reserves Policy can be found in note 19 of the Financial Statements on page 69).

At 31 March 2019, general funds of £9 million are available, together with £1.2 million in unallocated reserves, so that our target level of £6 million to £9 million for general funds is met. The Trustees will not allocate further reserves to specific programmes in 2019-20 unless the total of general funds can be anticipated to exceed £9 million throughout 2019-20. As we have planned to spend more on our grants to partners and operating costs in 2019-20 than we expect to receive in unrestricted income, we will utilise the £1.2m unallocated reserve to cover this planned deficit.

We also held £6.2 million designated funds at the balance sheet date: £5.2 million set aside to fund the fixed assets that are required for our operations (reduced from 2017-18 level due to the sale of a property) and £1 million already assigned by the Trustees to be spent in the next year on specific activities.

At the end of the year we also held £2.3 million of restricted programme funds, including £0.9m for the ongoing Syria humanitarian response and £0.6m for the Southern Africa Cyclone Idai emergency.

## 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.

To meet this objective, we make investments in Sterling deposits with financial institutions that hold a high credit rating, spreading the total invested across fixed terms up to 24 months and limiting the amount invested with any one financial institution. Our current policy is to restrict deposits to UK incorporated banks that are regulated by UK banking authorities. As well as Sterling deposits, we maintain balances in Sterling, US dollars and Euros for transactional purposes to cover ongoing expenditure. These 'transactional' balances are held on instant access with the Royal Bank of Scotland.

In addition, 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.



Community member in Mudhe, Marsabit County, Kenya. CAFOD has worked with the community on a range of projects, including helping them to set up a women's saving and investment group. The group enables women to put money aside for the future, and the members also manage a collective pot of funds which they can use to invest in business ideas.

## 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.

### Board of Trustees

CAFOD is governed by four Member Trustees and a wider group of Trustees, who together form the Board of Trustees. Member Trustees are appointed by the existing Member Trustees with their appointment 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 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.

### Charity Governance Code

Effective governance and leadership are essential if CAFOD is to achieve its ambitions and aims. The Charity Governance Code is a non legally-binding set of best-practice guidelines, developed with contributions from more than 200 organisations, which is observed by the Charities Commission. 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:

## 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. 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, and some chair specialist committees and involve themselves with the work of different sections, international regional teams and volunteer centres, to ensure that collectively they have the overview necessary for the proper governance of CAFOD. Regular communications and briefings are delivered to the Board to ensure they can continue to articulate our charitable purpose, our effectiveness and outcomes. This year two Trustees travelled to Liberia and Sierra Leone. Some Trustees attended the canonisation of Oscar Romero in Rome, where they also received an induction to the work of Caritas Internationalis and met with Cardinal Turkson at the Dicastery of Integral Human Development.

Specific large pieces of work (all still ongoing) that the Trustees have been involved in this year including:

- Providing ongoing oversight and guidance of the No One Beyond Reach strategy development and launch
- Supporting the development of the Our Common Home strategic framework which will replace Just One World
- Overseeing the development and implementation of the SADI programme.

## Leadership

Through meeting quarterly, 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 their own lives 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.

A one-off sub-group of the Board oversaw the recruitment of the new Director, working with key personnel within CAFOD and a specialized external agency to review the job description, produce an application pack then coordinate the long and short-listing process. The final candidates undertook a further range of assessment activities as well as an interview conducted by a panel of Trustees, who were then solely responsible for the final selection.

## Integrity

The Board will always act in the best interests of CAFOD and makes decision 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 remuneration recommendations to the Remuneration Committee. Board meeting agendas are managed so that only the most pressing matters relating to strategy, performance and assurance are brought forward for discussion and decision-making. 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. A report from FLAR is presented to the Board at each meeting for members to comment on and review. The actions and progress of the other advisory committees, as well as any key personnel and teams, and any major partners or contractors that CAFOD might be working with, are all 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. Several members of staff within CAFOD have specific responsibilities around ensuring communication, coordination, information sharing, and decision-making are effectively facilitated across the Board and the CAFOD Leadership Group. 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.

### 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 a 50/50 gender split with two vacancies. The members come from a range of backgrounds and sectors, including the Catholic Church, local government, international diplomacy, law, other NGOs and higher education.

### 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 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.

CAFOD will continue to assess our leadership and governance practices and will undertake a governance review in 2019. We will always strive towards reaching and maintaining the highest standards possible in all of the principles mentioned above and will continue to transparently report on our performance.

## Remuneration Policies

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 coordination 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 senior staff and that of CAFOD's whole workforce, currently set at a ratio of 5:1. Therefore the remuneration review process is designed to accommodate this. Salary scales are reviewed annually and published to all staff.

## Dignity, Diversity and Equality Policy

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.

CAFOD gives full and fair consideration of applications for employment made by disabled persons, having regard to their particular aptitudes and abilities, is committed to the continuing employment of, and provision of training for, employees who have become disabled while employed, and for training, career development and promotion of disabled persons.

## 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 are committed to high standards.** We do all we can to ensure that fundraisers, volunteers and 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 are honest and open.** 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.** 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 are respectful.** 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 will immediately respect her/his decision. We offer supporters choices about how they wish to be contacted and 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 of 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.

Within our organisational safeguarding policy is a section which govern our approach to protecting vulnerable people. With regards to fundraising 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 are fair and reasonable.** 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 are accountable.** We encourage any feedback from the public, and our Trustees regularly review trends in the messages 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 the calendar year of 2018.

The main fundraising activities undertaken by CAFOD last year and the number of complaints about each we received (2018/19 number) [2017/18 number] were:

Online advertising (169) [15]. The majority of these were related to order fulfilment queries (mostly World Gifts) with additional queries seeking more clarity with our virtual gift scheme and raising some website technical issues.

Postal direct mailing (204) [194]. 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 and more generally, some questions around the salaries and costs associated with fundraising, or concerns over the wider developmental sector and foreign aid spending.

The other main fundraising activities were press advertising (0) [0], magazine and newspaper inserts (1) [1], and email fundraising (4) [10]. We received a further 59 [26] complaints across the other 10 [11] fundraising channels we use.

In total, 437 [245] complaints, comments and opinions were received from the public, which represents less than 0.0045% [0.005%] of the total number of individual fundraising activities undertaken.

The increase in complaints was also partially driven by anticipated minor problems relating to the transition from our former supporter database and the new system we have developed. Most of the remaining complaints across the other channels were expressing an opinion on aspects of foreign aid spending, government involvement and the DFID UK Aid Match scheme, rather than specifically concerning CAFOD.

We consider every piece of feedback we receive and we also value the many positive comments we receive about our work. We are always looking for options to improve the ways in which we interact with our supporters, and we consider their feedback an important measure against which we judge our performance.

## 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.

**We are committed to a zero-tolerance approach to misconduct breaching our Code of Behaviour, including fraud, abuse, sexual misconduct, intimidation and other acts.** Resulting from the work undertaken as part of the Safe, Accessible, Dignified and Inclusive (SADI) programme (discussed on page 35), and following the subsequent comments of the Humanitarian Quality Assurance Initiative, the Core Humanitarian Standards body and the Charity Commission, we are confident that our safeguarding and whistle-blowing policies and practices in place are robust and effective. To ensure that we prevent and address abuses of power that negatively impact our staff or communities we support, CAFOD will continue to evaluate our approach to safeguarding using both internal and external resources, and will ensure that staff continue to be briefed and suitably trained on all key policies. We will also ensure that we fully communicate the confidential channels we have developed through which staff can raise any concerns they might have, both as part of the induction process and during refresher training.

**We are committed to being openly accountable for our work and to reporting serious breaches of our code of conduct to donors and the Charity Commission, especially breaches related to abuse or exploitation of children and vulnerable adults.** In the year to April 2019, CAFOD investigated one allegation of sexual exploitation against an employee, which was not substantiated, although the individual was dismissed for other breaches of our Code of Behaviour that came to light. CAFOD was also made aware of one historical allegation of sexual exploitation against a former employee of a partner organisation. The investigation found evidence of inappropriate sexual behaviour and abuse of power and any reference requests for the individual will clearly state the outcome of the investigation. Both incidences were reported to the Charity Commission.

We work through trusted local partners overseas and have long-standing relationships with many of them. We are committed to improving safeguarding practices that contribute to preventing exploitation or abuse of the people and communities we work with and are part of several initiatives with other overseas development agencies to strengthen cross-sector information sharing.

### 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 the 9th July 2019 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 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 2019 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 47, 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**

16 July 2019

## 5. Statement of Financial Activities

(incorporating an income and expenditure account)

### for the year ended 31 March 2019

	Note	Unrest- ricted Funds £'000	Rest- ricted Funds £'000	Total Funds 2019 £'000	Unrest- ricted Funds £'000	Rest- ricted Funds £'000	Total Funds 2018 £'000
Income and endowments from:							
Donations and legacies	2	24,572	6,099	30,671	26,874	8,912	35,786
Charitable activities	3	240	9,768	10,008	344	16,292	16,636
Other trading activities		16	-	16	27	-	27
Investments	4	88	19	107	134	19	153
Other income		398	-	398	-	-	-
<b>Total</b>		<b>25,314</b>	<b>15,886</b>	<b>41,200</b>	<b>27,379</b>	<b>25,223</b>	<b>52,602</b>
Expenditure on:							
Raising funds	5	5,031	196	5,227	5,254	109	5,363
Charitable activities:							
International development	5	14,610	7,965	22,575	14,059	11,892	25,951
Disaster relief	5	3,989	11,706	15,695	4,489	12,951	17,440
UK development education	5	1,860	66	1,926	1,761	50	1,811
Advocacy and campaigning	5	2,418	81	2,499	2,367	71	2,438
<b>Total</b>	5	<b>27,908</b>	<b>20,014</b>	<b>47,922</b>	<b>27,930</b>	<b>25,073</b>	<b>53,003</b>
Operating (deficit) / surplus		(2,594)	(4,128)	(6,722)	(551)	150	(401)
Net gains on investments	13	-	43	43	-	5	5
<b>Net (expenditure) / income</b>	7/21	<b>(2,594)</b>	<b>(4,085)</b>	<b>(6,679)</b>	<b>(551)</b>	<b>155</b>	<b>(396)</b>
Reconciliation of funds:							
Total funds brought forward	18/19	19,014	6,942	25,956	19,565	6,787	26,352
<b>Total funds carried forward</b>	18/19	<b>16,420</b>	<b>2,857</b>	<b>19,277</b>	<b>19,014</b>	<b>6,942</b>	<b>25,956</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 £573,176 (see note 13). All of the charity's income and expenditure is derived from continuing operations.

# Balance Sheet

## as at 31 March 2019

	Note	2019 £'000	2018 £'000
<b>Fixed assets</b>			
Tangible assets	10	9,865	10,308
Intangible assets	11	882	911
Investments	13	4,039	3,996
		<b>14,786</b>	<b>15,215</b>
<b>Current assets</b>			
Stock		18	16
Debtors	14	5,262	3,865
Short term cash deposits		3,085	11,628
Cash at bank and in hand		5,347	4,642
		<b>13,712</b>	<b>20,151</b>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	15	(8,542)	(8,711)
<b>Net current assets</b>		<b>5,170</b>	<b>11,440</b>
<b>Total assets less current liabilities</b>		<b>19,956</b>	<b>26,655</b>
Pension scheme liability	17	(679)	(699)
<b>Total net assets</b>	20	<b>19,277</b>	<b>25,956</b>
The funds of the charity:			
Endowment funds	18	573	530
Restricted income funds:			
General donations and legacies	18	375	239
Emergency appeals	18	2,714	4,156
Income from charitable activities	18	(824)	2,017
Interest	18	19	-
Unrestricted funds:			
Designated fixed asset fund	19	5,213	5,685
Designated programme fund	19	975	2,095
General funds	19	10,232	11,234
<b>Total funds</b>	20	<b>19,277</b>	<b>25,956</b>

The financial statements were approved and authorised for issue by the Trustees on 9th July 2019 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 2019

	Note	2019 £'000	2018 £'000
Cash flows from operating activities			
Net cash used in operating activities	21	<b>(8,431)</b>	(307)
Cash flows from investing activities			
Dividends and interest from investments		<b>107</b>	153
Proceeds from sale of fixed assets		<b>753</b>	16
Purchase of tangible fixed assets		<b>(160)</b>	(111)
Purchase of intangible fixed assets		<b>(107)</b>	(224)
Net cash generated / (used) in investing activities		<b>593</b>	(166)
Change in cash and cash equivalents in the reporting period	22	<b>(7,838)</b>	(473)
Cash and cash equivalents at the beginning of the reporting period		<b>16,270</b>	16,743
Cash and cash equivalents at the end of the reporting period		<b>8,432</b>	16,270

# Notes to the Financial Statements for the year ended 31 March 2019

## 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. Accordingly, they 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. 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. 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.

Donations from supporters are accounted for when received.

### (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:*

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.

Depreciation 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 five 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	£'000	£'000	£'000	£'000
General donations from supporters	15,872	3,219	19,091	17,349	3,108	20,457
Legacy income from supporters	8,416	68	8,484	9,160	136	9,296
Emergency donations from supporters	236	1,657	1,893	284	2,919	3,203
Emergency donations via DEC	48	1,155	1,203	81	2,749	2,830
<b>Income from donations and legacies</b>	<b>24,572</b>	<b>6,099</b>	<b>30,671</b>	<b>26,874</b>	<b>8,912</b>	<b>35,786</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	£'000	£'000	£'000	£'000
Caritas and other Catholic agencies (a)	65	3,902	3,967	62	5,441	5,503
Government grants (b)	79	4,634	4,713	217	9,210	9,427
Institutional and other grants (c)	96	1,232	1,328	65	1,641	1,706
<b>Income from charitable activities</b>	<b>240</b>	<b>9,768</b>	<b>10,008</b>	<b>344</b>	<b>16,292</b>	<b>16,636</b>

### (a) Caritas and other Catholic agencies:

Caritas Australia	7	390	397	3	440	443
Caritas Czech	-	-	-	-	79	79
Caritas Denmark	4	90	94	3	111	114
Caritas Finland	-	9	9	-	-	-
Caritas Germany	4	128	132	4	104	108
Caritas Italy	-	26	26	1	35	36
Caritas Japan	-	8	8	1	21	22
Caritas Korea	-	88	88	-	61	61
Caritas Norway	8	196	204	8	295	303
Caritas Spain	-	89	89	3	476	479
Caritas Switzerland	-	-	-	-	99	99
Caritas Taiwan	-	8	8	-	15	15
Catholic Relief Services	3	139	142	-	249	249
Development & Peace	-	4	4	24	872	896
Manos Unidas	1	52	53	-	-	-
Misereor	1	373	374	-	346	346
Scottish Catholic International Aid Fund	17	228	245	11	438	449
Séjours Catholique	10	245	255	(1)	169	168
Trócaire	1	1,712	1,713	2	1,498	1,500
Vastenaktie	9	116	125	3	105	108
Others	-	1	1	-	28	28
<b>Caritas and other Catholic agencies:</b>	<b>65</b>	<b>3,902</b>	<b>3,967</b>	<b>62</b>	<b>5,441</b>	<b>5,503</b>

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

	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	£'000	£'000	£'000	£'000	£'000	£'000
			2019			2018
			£'000	£'000	£'000	£'000
<b>(b) Government grants:</b>						
UK Government, DFID:						
UK Aid Matched Funding	-	1,679	1,679	-	3,039	3,039
Other	14	495	509	8	151	159
European Union	61	1,532	1,593	123	2,368	2,491
European Community Humanitarian Office	-	245	245	48	1,734	1,782
Government of Guernsey	-	25	25	-	20	20
Government of Isle of Man	-	50	50	-	102	102
Government of Jersey	-	37	37	-	140	140
Government of the Netherlands	-	15	15	-	-	-
United Nations agencies	4	556	560	38	1,656	1,694
<b>Government grants</b>	<b>79</b>	<b>4,634</b>	<b>4,713</b>	<b>217</b>	<b>9,210</b>	<b>9,427</b>

	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	£'000	£'000	£'000	£'000	£'000	£'000
			2019			2018
			£'000	£'000	£'000	£'000
<b>(c) Institutional and other grants:</b>						
Big Lottery Fund Grant	-	(19)	(19)	(2)	14	12
Christian Aid	-	22	22	-	29	29
Denise Coates Foundation	23	226	249	-	-	-
HIVOS	-	-	-	-	2	2
Latin America Children's Trust	-	133	133	-	93	93
The Church of Jesus Christ of Latter-day Saints	10	252	262	-	-	-
Norwegian Church Aid	11	53	64	6	147	153
Porticus	-	-	-	-	147	147
START	50	508	558	50	827	877
The Mott Foundation	2	36	38	7	106	113
Viiiv Healthcare – Positive Action for Children	-	-	-	-	21	21
World Vision	-	-	-	4	215	219
Others	-	21	21	-	40	40
<b>Institutional and other grants</b>	<b>96</b>	<b>1,232</b>	<b>1,328</b>	<b>65</b>	<b>1,641</b>	<b>1,706</b>

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

### 4. Income from investments

	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	£'000	£'000	£'000	£'000	£'000	£'000
			2019			2018
			£'000	£'000	£'000	£'000
Interest receivable	88	-	88	134	-	134
Dividends receivable	-	19	19	-	19	19
<b>Income from investments</b>	<b>88</b>	<b>19</b>	<b>107</b>	<b>134</b>	<b>19</b>	<b>153</b>

## 5. Expenditure

	Grants & programme payments	Activity costs		Support costs		Total 2019
	£'000	staff costs £'000	non-staff costs £'000	staff costs £'000	non-staff costs £'000	
<b>Raising funds:</b>	-	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>	<b>24,965</b>	<b>9,763</b>	<b>3,005</b>	<b>2,665</b>	<b>2,297</b>	<b>42,695</b>
<b>Total expenditure 2019</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>

	Grants & programme payments	Activity costs		Support costs		Total 2018
	£'000	staff costs £'000	non-staff costs £'000	Staff Costs £'000	non-staff costs £'000	
Raising funds:	-	3,061	1,676	378	248	5,363
International development	16,777	4,506	1,656	1,819	1,193	25,951
Disaster relief	13,067	2,370	838	703	462	17,440
UK development education	37	1,314	212	150	98	1,811
Advocacy and campaigning	80	1,655	375	198	130	2,438
Charitable activities:	29,961	9,845	3,081	2,870	1,883	47,640
<b>Total expenditure 2018</b>	<b>29,961</b>	<b>12,906</b>	<b>4,757</b>	<b>3,248</b>	<b>2,131</b>	<b>53,003</b>

	2019 £'000	2018 £'000
Information technology	1,979	1,554
HR and organisational development	1,227	1,397
Financial management	914	878
Premises and facilities	745	752
Strategic leadership	341	372
Governance (analysed below)	468	426
<b>Support costs:</b>	<b>5,674</b>	<b>5,379</b>
Senior management	250	207
Legal and professional services	35	38
Internal audit	108	110
External audit	72	62
Board training and meeting costs	3	9
<b>Governance costs:</b>	<b>468</b>	<b>426</b>

## 6. Grants and programme payments

Grants and programme payments are made up of: 579 grants (2018: 612) to third parties totalling £24.075m (2018: £28.30m), plus programme payments made in support of partners for programme activities totalling £1.266m (2018: £1.45m), less realised and unrealised exchange gains of £0.375m (2018: plus exchange losses of £0.216m).

Details of grants to third parties and partner payments are provided in a Report of Grants for 2018/19 published on CAFOD's website [cafod.org.uk](http://cafod.org.uk).

	2019 Number	2019 £'000	2018 Number	2018 £'000
<b>Analysed by activity:</b>				
Capacity strengthening	143	2,024	123	1,783
Emergency preparedness, response and recovery	98	11,285	107	13,117
Governance, accountability and transparency	125	3,117	143	3,699
HIV/AIDS	14	486	26	1,354
Livelihoods resilience and environment	137	6,493	146	7,748
Peace and reconciliation	62	1,935	67	2,044
	<b>579</b>	<b>25,340</b>	612	29,745
Realised (gains) / losses on Foreign Currency	-	(301)	-	121
Unrealised (gains) / losses on Foreign Currency contracts	-	(74)	-	95
<b>Total grants and programme payments</b>	<b>579</b>	<b>24,965</b>	612	29,961

	2019 Number	2019 £'000	2018 Number	2018 £'000
<b>Analysed by region</b>				
Africa (a)	297	16,321	321	18,755
Latin America and Caribbean (b)	126	3,227	119	3,536
Asia, Middle East and Europe (c)	111	4,909	126	6,662
Global, policy and education	45	883	46	792
	<b>579</b>	<b>25,340</b>	612	29,745
Realised (gains) / losses on Foreign Currency	-	(301)	-	121
Unrealised (gains) / losses on Foreign Currency contracts	-	(74)	-	95
<b>Total grants and programme payments</b>	<b>579</b>	<b>24,965</b>	612	29,961

See note 16 on Forward foreign currency contracts.

## 6. Grants and programme payments (continued)

(a) Africa	2019	2019	2018	2018
	no. of grants	£'000	no. of grants	£'000
Burundi	-	-	1	10
Democratic Republic of Congo	54	1,428	65	2,042
Eritrea	9	1,083	6	1,124
Ethiopia	7	1,100	7	1,076
Ivory Coast	-	-	1	3
Kenya	32	917	41	2,234
Liberia	14	431	14	787
Malawi	1	5	2	20
Mozambique	13	413	9	445
Niger	11	270	11	255
Nigeria	21	2,187	13	1,047
Rwanda	-	-	2	20
Sierra Leone	13	138	14	239
Somalia	-	(9)	2	414
South Sudan	30	2,864	34	3,743
Sudan	13	1,879	12	1,559
Swaziland	6	186	7	189
Uganda	11	573	12	797
Zambia	18	746	18	726
Zimbabwe	35	1,821	47	1,946
Multi-Country	9	289	3	79
<b>Africa</b>	<b>297</b>	<b>16,321</b>	<b>321</b>	<b>18,755</b>

(b) Latin America & Caribbean	2019	2019	2018	2018
	no. of grants	£'000	no. of grants	£'000
Bolivia	9	382	10	458
Brazil	22	949	27	1,135
Colombia	22	445	20	500
El Salvador	3	113	4	139
Guatemala	7	273	7	251
Haiti	-	-	1	27
Honduras	5	98	5	101
Nicaragua	8	303	9	310
Peru	18	343	13	272
Venezuela	-	-	1	10
Multi-country	32	321	22	333
<b>Latin America and Caribbean</b>	<b>126</b>	<b>3,227</b>	<b>119</b>	<b>3,536</b>

## 6. Grants and programme payments (continued)

(c) Asia and Middle East and Europe	2019	2019	2018	2018
	no. of grants	£'000	no. of grants	£'000
Afghanistan	11	386	10	336
Bangladesh	10	729	14	960
Cambodia	9	317	14	283
Greece	1	50	2	150
India	4	300	3	159
Indonesia	4	786	1	23
Iraq	-	-	1	12
Israel	4	103	6	200
Jordan	1	1	2	73
Lebanon	9	245	10	658
Myanmar	19	431	18	482
Nepal	4	448	9	1,605
Pakistan	-	-	1	2
Philippines	1	30	-	-
Sri Lanka	14	240	13	271
Syria	5	259	3	185
Ukraine	-	-	1	6
Yemen	1	130	3	1,028
West Bank and Gaza	9	361	7	150
Multi-country	5	93	8	79
<b>Asia, Middle East and Europe</b>	<b>111</b>	<b>4,909</b>	<b>126</b>	<b>6,662</b>

## 7. Net expenditure

	2019	2018
	£'000	£'000
Net expenditure is stated after charging/(crediting):		
Depreciation of tangible fixed assets	290	321
(Profit) / loss on sale of tangible fixed assets	(440)	5
Operating leases: land and buildings	361	377
Auditors' remuneration	75	65
Auditors' remuneration:		
Audit of CAFOD		
UK (primary auditor, Crowe UK LLP)	33	33
Overseas (secondary auditors)	39	29
	72	62
Other non-audit services (UK, Crowe UK LLP)	3	3
<b>Auditors' remuneration</b>	<b>75</b>	<b>65</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

	2019	2019	2018	2018
	Employees	Employees	Employees	Employees
	average	cost	average	cost
	full-time		full-time	
	equivalent	£'000	equivalent	£'000
Generating funds	75	3,328	78	3,439
International development	171	5,961	207	6,325
Disaster relief	78	3,147	80	3,073
UK Development education	31	1,484	31	1,464
Advocacy and campaigning	40	1,836	41	1,853
<b>Total</b>	<b>395</b>	<b>15,756</b>	<b>437</b>	<b>16,154</b>
Salaries		13,114		13,608
Employer's social security contributions		1,196		1,201
Employer's pension contributions		1,446		1,345
<b>Total</b>		<b>15,756</b>		<b>16,154</b>

The total average number (by headcount) of employees in the year was 417 (2018: 456). Approximately 19 of this reduction relates to a change in the presentation of staff numbers in the Ethiopia Office, which is a joint office with partner agencies Trocaire and SCIAF.

Included in the above are costs relating to redundancy and compensation for loss of office of £33,376 (2018: £206,643).

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:

	2019	2018
	Number	Number
£60,001 - £70,000	10	10
£70,001 - £80,000	3	3
£90,001 - £100,000	1	1

Total remuneration and benefits received during the year by CAFOD's highest paid member of staff (the outgoing CAFOD Director) was £95,142 (2018: £93,260) salary, £11,967 (2018: £11,743) employer's national insurance and £16,650 (2018: £16,320) 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 £149,251 (2018: £146,185) salary, £18,148 (2018: £17,921) employer's national insurance and £20,236 (2018: £14,732) employer's pension contribution. In 2018, this report gave information on the remuneration and benefits received by 4 other key management personnel, 2018: £266,714 salary, 2018: £32,490 employer's national insurance and 2018: £27,973 employer's pension contribution. Due to personnel leaving and subsequent restructuring of responsibilities, that grouping of 4 other key management personnel was no longer in operation during 2018/19.

### Trustees

The Trustees do not receive any remuneration for their services. The total expenses CAFOD paid on behalf of Trustees during the year was £3,855 for the costs for two Trustees to visit CAFOD programmes. (2018: The total expenses paid on behalf of Trustees during the year was £6,140 for travel for one Trustee to attend quarterly board meetings, the accommodation of all Trustees at the annual residential board meeting, the costs for one Trustee to attend meetings on behalf of CAFOD and the costs for two Trustees to visit CAFOD programmes). There were no related party transactions in 2018/19.

### Volunteers

In addition to employed staff and Trustees, CAFOD relied on the services of 3,666 (2018: 3,388) parish-based volunteers, 338 (2018: 245) school volunteers and 3,149 (2018: 3,578) other volunteers engaged in a range of volunteer activity 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 2018	11,533	594	758	12,885
Additions	-	34	126	160
Disposals	(466)	(62)	(141)	(669)
<b>Cost at 31 March 2019</b>	<b>11,067</b>	<b>566</b>	<b>743</b>	<b>12,376</b>
Depreciation at 1 April 2018	1,453	483	641	2,577
Charge for the year	215	57	18	290
On disposals	(152)	(62)	(142)	(356)
<b>Depreciation at 31 March 2019</b>	<b>1,516</b>	<b>478</b>	<b>517</b>	<b>2,511</b>
<b>Net book value at 31 March 2019</b>	<b>9,551</b>	<b>88</b>	<b>226</b>	<b>9,865</b>
Net book value at 31 March 2018	10,080	111	117	10,308

As at 31 March 2019, CAFOD had capital commitments of £nil (2018: £nil). Leasehold land and buildings held at 31 March 2019 is Romero House (net book value at 31 March 2019: £9.6m – being £8.6m for the land and building and £1.0m for the plant and machinery) which is used as CAFOD's head office. During the financial year, The Stableyard was sold, giving rise to a reduction in the closing value of Leasehold Land and Buildings, and a gross book profit on sale of £0.411m, which has been included, after deduction of related costs, in other income within the Statement of Financial Activities.

## 11. Intangible fixed assets

	Software development £'000	Total intangible fixed assets £'000
Cost at 1 April 2018	911	911
Additions	107	107
<b>Cost at 31 March 2019</b>	<b>1,018</b>	<b>1,018</b>
Depreciation at 1 April 2018	-	-
Charge for the year	136	136
<b>Depreciation at 31 March 2019</b>	<b>136</b>	<b>136</b>
<b>Net book value at 31 March 2019</b>	<b>882</b>	<b>882</b>
Net book value at 31 March 2018	911	911

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

## 12. Operating lease commitments

At 31 March 2019, the total future minimum lease payments under non-cancellable operating leases in respect of operating leases for land and buildings were:

	2019 £'000	2018 £'000
Within one year	26	26
In the second to fifth years inclusive	15	27
Later than five years	-	-
<b>Operating lease commitments</b>	<b>41</b>	<b>53</b>

## 13. Investments held as fixed assets

	2019 £'000	2018 £'000
Sterling deposits	3,466	3,466
Permanent endowment fund	573	530
Investments in subsidiary undertakings	-	-
<b>Investments held as fixed assets</b>	<b>4,039</b>	<b>3,996</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 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.

## 14. Debtors

	2019 £'000	2018 £'000
Interest receivable	12	10
Taxation recoverable	1,938	690
Accrued income	2,610	2,542
Prepayments	365	377
Other debtors	263	246
Forward foreign currency contracts (note 16)	74	-
<b>Debtors</b>	<b>5,262</b>	<b>3,865</b>

Included in accrued income above is an amount of £457,000 (2018: £517,000) relating to legacies. As at 31 March 2019, 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 £10,017,000 (2018: £4,909,000), though we do not expect all of this to be received in the next financial year.

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

	2019 £'000	2018 £'000
Programme creditors	6,251	6,720
Taxation and social security	544	739
Other creditors and accruals	1,679	1,089
Interest free loans from supporters	68	68
Forward foreign currency contracts (note 16)	-	95
<b>Creditors</b>	<b>8,542</b>	<b>8,711</b>

Other creditors and accruals include pension contributions of £151,000 (2018: £131,000).

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 2019 planned future commitments under formal multi-year funding cycle approvals amounted to £1.5m (2018: £1.1m).

## 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 2019 was £74,000, which has been included in debtors and grant expenditure (2018: unrealised loss £95,000, included in creditors and grant expenditure).

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 1.27 and 1.36. At the balance sheet date, a purchase value of USD 6.5 million remained on these contracts representing approximately 40% 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 2019 was 1.30.

## 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 187 active members of the Growth Plan (31 March 2018: 173). 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:

	2019 £'000	2018 £'000
Provision at start of year	699	770
Payments made during the year	(96)	(93)
Increase during the year	51	-
Discount rate adjustment	25	22
<b>Provision at end of year</b>	<b>679</b>	<b>699</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 2.40% at 31 March 2019 (2.65% 31 March 2018).

For the year ended 31 March 2020, 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 £117,468.

## 18. Restricted funds

	Balance Apr-18 £'000	Income £'000	Expenditure £'000	Gains £'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>

## 18. Restricted funds (continued)

	Balance Apr-17 £'000	Income £'000	Expenditure £'000	Gains £'000	Transfers	Balance Mar-18 £'000
Endowment funds:						
Sr. Laura Tanti Foundation	525	-	-	5	-	530
Restricted income funds:						
General donations and legacies	293	3,244	(3,298)	-	-	239
Emergency appeals donations	5,686	5,668	(7,198)	-	-	4,156
Income from charitable activities	283	16,292	(14,558)	-	-	2,017
Investment income	-	19	(19)	-	-	-
<b>Restricted fund movement 2017/18</b>	<b>6,787</b>	<b>25,223</b>	<b>(25,073)</b>	<b>5</b>	<b>-</b>	<b>6,942</b>

The Permanent Endowment relates to the Sister Laura Tanti Foundation for which CAFOD has received cumulative donations as at 31 March 2019 of £421,155 (2018: £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 (where in surplus) represent those amounts received from donors for specified purposes or regions that had not been expended at the balance sheet date and (where in deficit) those monies granted to partners which not yet been expended by the recipient. As at 31 March 2019 the balances held were for the following purposes:

	2019 £'000	2018 £'000
Africa Programme	94	3,767
Asia, Middle East and Europe Programme	1,927	1,936
Latin America Programme	(205)	(3)
General Programme	468	712
Permanent endowment	573	530
<b>Restricted funds</b>	<b>2,857</b>	<b>6,942</b>

For programme grants, the timing of recognising funds and spending on programmes activities varies, with some programmes in surplus (with grants recognised in advance of being spent) and some in deficit (with funds recognised after being spent). The balance of funds from income from charitable activities at 31 March 2019, shown net above, comprises:

	2019 £'000	2018 £'000
Programme grants in surplus	5,296	9,080
Programme grants in deficit	(2,439)	(2,138)
<b>Restricted funds</b>	<b>2,857</b>	<b>6,942</b>

## 19. Unrestricted funds

	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>
	Balance Apr-17 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance Mar-18 £'000
Designated funds:					
Fixed asset fund	5,692	-	-	(7)	5,685
Programme fund	3,880	-	(1,785)	-	2,095
General funds:					
Stabilisation fund	9,000	-	-	-	9,000
Unallocated reserve	993	27,379	(26,145)	7	2,234
<b>Movement on unrestricted 2017/18</b>	<b>19,565</b>	<b>27,379</b>	<b>(27,930)</b>	<b>-</b>	<b>19,014</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	Investments	Net current assets	Pension provision	Total net assets
	£'000	£'000	£'000	£'000	£'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>

	Fixed assets	Investments	Net current assets	Pension provision	Total net assets
	£'000	£'000	£'000	£'000	£'000
Endowment funds:					
Sr. Laura Tanti Foundation	-	530	-	-	530
Restricted income funds:					
General donations	-	-	239	-	239
Emergency appeals	-	-	4,156	-	4,156
Income from charitable activities	-	-	2,017	-	2,017
Designated funds:					
Fixed asset fund	5,685	-	-	-	5,685
Programme fund	-	-	2,095	-	2,095
General funds:					
Stabilisation fund	5,534	3,466	-	-	9,000
Unallocated reserve	-	-	2,933	(699)	2,234
<b>Total net assets at 31st March 2018</b>	<b>11,219</b>	<b>3,996</b>	<b>11,440</b>	<b>(699)</b>	<b>25,956</b>

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

	2019	2018
	£'000	£'000
Net expenditure	(6,679)	(396)
Depreciation	426	321
(Profit)/loss on disposal of fixed assets	(440)	5
Income from investments	(107)	(153)
Gains on investments	(43)	(5)
(Increase)/decrease in stock	(2)	1
(Increase) in debtors	(1,397)	(515)
(Decrease) in pension scheme liability	(20)	(71)
(Decrease)/increase in creditors	(169)	506
<b>Net cash (used in) operating activities</b>	<b>(8,431)</b>	<b>(307)</b>

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

	Opening balance £'000	Movement £'000	Closing balance £'000
Short term cash deposits	11,628	(8,543)	3,085
Cash at bank and in hand	4,642	705	5,347
<b>Cash and cash equivalents</b>	<b>16,270</b>	<b>(7,838)</b>	<b>8,432</b>

# CAFOD

## Reference and Administrative Details

### Principal and registered address

Romero House,  
55 Westminster Bridge Road,  
London SE1 7JB

[www.cafod.org.uk](http://www.cafod.org.uk)

### Member Trustees

Right Reverend John Arnold (Chair)  
Right Reverend Patrick McKinney  
Catherine Newman QC  
Dame Mary Ney

### Trustees

John Darley (Vice-Chair)  
Dr John Guy OBE  
Dominic Jermy OBE CVO  
Professor Karen Kilby  
Margaret Mwaniki  
Fr James O'Keefe (until 18 October 2018)  
Christopher Perry (Honorary Treasurer)  
Megan Knowles (until 18 October 2018)  
Charlotte Bray (from 29 August 2018)  
Mary Ward

### Principal professional advisers

Auditor: Crowe UK LLP, St. Bride's House,  
10 Salisbury Square,  
London EC4Y 8EH

Solicitors: Bates Wells Braithwaite,  
10 Queen Street Place,  
London EC4R 1BE

Bankers: Royal Bank of Scotland,  
28 Cavendish Square,  
London W1G 0DB

### CAFOD Leadership

Christine Allen*	Director
Chris Bain CMG*	Director (to 24th March)
Matthew Carter	Emergency Response
Jen Corlew	Communications
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

## Loving God,

Open our ears to the cries of our sisters and brothers and of the earth, **our common home**.

Open our eyes to the scandal of **poverty and injustice** in the world.

Open our hearts to feel the **pain**, the **hurt**, the **hunger** of one another.

Open our mouths to speak of the **dignity** of each person, precious in your sight.

Open our arms wide to reach out with **compassion**, so that all distance vanishes.

Open our hearts to share your **love** and our **hope** of a world, where **no one is beyond reach**.

We ask this through Christ Our Lord,  
Amen.

Shake Sharamo, 47, from the nomadic community in Marsabit County, Kenya, is a member of Mudhe Women's Group. Shake lost her animals during the East Africa drought, and without any support, her and her family would have really struggled. Thanks to your contributions CAFOD was able to provide the community with a water tank and helped them to set up a women's group. The water tank means they can store water for themselves and their livestock to use during dry periods, while the women's group enables the women to save money for the future and invest in business ideas. Despite their remoteness and scale of the burdens faced, your support means that communities like Shake's remain within the reach of CAFOD and its partners, and that **no one gets left behind**.

