

CARE International UK Annual Report

For the year ended 30 June 2021

75 years of CARE



CARE Bangladesh/2020, Anne Larrass/CARE/2010, Josh Estey/CARE/2005, Sabine Wilke/CARE/1996, CARE/Maik Rositzki/2015, Laura Gilmour/ CARE/2015, CARE/2015

CARE International UK Annual Report 2020/21

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STRATEGIC REPORT

2020/21: CARE IN NUMBERS

CARE International and the United Nations Global Goals: Impact 2015 – 2020

CARE International UK (CIUK) is a member of the global CARE International confederation, an international organisation working in 104 countries around the world. CARE supports poor and marginalised people and communities to overcome injustice and tackle poverty.

CARE International UK plays a major role in achieving CARE's goals by raising funds for the confederation's work around the world and providing programme support and expertise. In 2021 CARE International UK continued to host CARE's global Women's Economic Justice, Inclusive Governance and Emergency Shelter teams to provide strategic leadership, technical advice and support to the global CARE confederation.

The work highlighted in this report was directly supported by CARE International UK.

CARE International's 2015-2020 strategy was completed in 2020 and the new Vision 2030 was approved. CARE's worldwide impact over 2015-2021:

- **83** countries have contributed towards changing the lives of 161 million people.
- CARE International and its partners have contributed to significant change in **11 of the 17 Global Goals**, the largest contributions being to Global Goals 1 (poverty), 17 (partnerships), 3 (health), 8 (inclusive growth) and 5 gender equality).
- **GLOBAL GOAL 1:** 73.9 million people supported with quality humanitarian assistance, access to basic services or to reduce poverty in 51 countries.
- **GLOBAL GOAL 2:** 22.6 million people helped to increase food security, or improve nutrition or sustainable agriculture in 54 countries.
- **GLOBAL GOAL 3:** 43.3 million women supported to exercise their right to sexual and reproductive health in 44 countries.
- **GLOBAL GOAL 4:** 4.4 million children helped to access better quality or more inclusive education services in 30 countries.
- **GLOBAL GOAL 5:** 13.8 million women and girls supported to increase their levels of empowerment and gender equality in 70 countries.
- **GLOBAL GOAL 6:** 10.2 million people helped to access clean water or improved sanitation services in 31 countries.
- **GLOBAL GOAL 8:** 17.6 million people supported to increase their economic empowerment and dignified work in 65 countries.
- **GLOBAL GOAL 10:** 12.5 million people supported from most excluded groups experiencing reduced inequality in 58 countries.
- **GLOBAL GOAL 13:** 5.9 million people supported to strengthen their ability to build climate resilience or reduced their vulnerabilities in 40 countries.
- **GLOBAL GOAL 16:** 4.5 million people increased their meaningful participation in decision making in 47 countries.
- **GLOBAL GOAL 17:** 57.9 million people have seen improvements in their lives derived from 255 advocacy and influencing successes in 54 countries.

MESSAGE FROM CARE INTERNATIONAL UK CHAIR

This annual report covers the 12 months from July 2020 to June 2021. It was a period of great hardship and upheaval. The UK went through two economic lockdowns. This was the period of most Covid deaths globally. And, sadly, the UK government responded by reducing its international assistance budget by 30%. There were also some things to celebrate.

CARE celebrated its 75th Anniversary in 2020. CARE was founded on 27 November 1945 to provide relief for those starving in Europe and elsewhere due to the Second World War, which had just ended. The first CARE Packages arrived in Le Havre, France, on 11 May 1946, containing canned meats, powdered milk, dried fruits, cooking fat, coffee and chocolate. CARE Packages were sent to Europe, Japan and beyond. Over one million CARE Packages were sent from the USA to widows and families in Britain, to be distributed by the Women's Institute and other charities.

More than 75 years later, in 2022, CARE is providing food and other essential items once again, to people suffering the effects of war in Europe. We have learned a lot in between. Today, we also provide psychological support and protection from sexual violence. And we also provide cash where possible, to refugees who have left Ukraine. But in Ukraine, people need actual food and essential items, just like the CARE Packages 75 years ago.

We also celebrated on 25 June 2021, when a new global law to came into force to outlaw all forms of violence and harassment at work, including sexual violence and harassment. Convention 190 of the International Labour Organization (ILO) was signed by 186 countries in 2019 and has now been ratified by 11 countries, including the UK on 7 March 2022. CARE worked with others in civil society, business and governments across the world for three years to campaign for this Convention. Now that it has come into force, it will particularly protect 500 million women in over 50 countries that had no other domestic legal protections for women at work.

The Covid pandemic which started in early 2020 was growing rapidly during the period covered by this report. By 1 July 2020 there had been 11 million cases and over 500,000 deaths worldwide. By 30 June 2021, there had been 184 million cases and four million deaths.

In this report, we explain what CARE International UK has done to respond to the Covid pandemic around the world. We have seen in the UK as well as around the world that the impact of Covid has discriminated, even though the virus can't. In everything we have done, we have worked to reduce inequalities in the way Covid support was provided to people from different groups, including women.

Most of the G7 richest advanced economies in the world increased their national aid budgets in response to the global Covid pandemic. Disappointingly, the UK Government was the only G7 country to cut its budget during the pandemic. It announced in November 2020 that it would breach the UK's legal obligation and the Government's manifesto commitment to provide 0.7% of national income in official development assistance to improve the welfare of people in countries with less wealth than the UK. In July 2021, the Chancellor announced this would continue to at least 2024/25.


As set out in this report, CARE International UK worked with politicians of all parties and with other charities to campaign against these cuts. As the National Audit Office has recently said: “There was limited consideration of the impact on development outcomes.” It also said that the cuts disproportionately hurt bilateral programmes — which were cut by 53%, despite the total aid cuts amounting to 30%. This has had a direct impact on CARE International UK. Like many other charities, we have seen our partnership to implement UK Government funded development and humanitarian programmes shrink by 75% since the cuts. This report sets out the very significant impact this has had on our programmes around the world, as well as on our staff, and organisation, in the UK.

We have been working to improve diversity and inclusion, and experiences for all staff, since a Gender, Equality and Diversity audit in 2018. We recognise that we have not yet made as much progress as we need to. The Covid-19 pandemic and aid cuts have not helped but are not excuses. We are continuously reviewing and improving policies and procedures, and training staff and Trustees in various ways. We have invested in dedicated staff and training and we will continue to do so.

Looking ahead to 2021/22, we saw massive new humanitarian emergencies in Afghanistan and Ukraine. Responding to these emergencies is a key priority for us in 2021/22 and we will report on our response to these emergencies in more detail in our 2022 Annual Report.

We would like to thank all of our supporters, without whom none of the impact described in this report would be possible. We are particularly grateful to individual people who have continued giving to support CARE International UK’s work, despite all of the financial pressures created by the Covid pandemic and lockdowns. In addition, we are very grateful to our many corporate partners who decided that the global Covid pandemic was a reason to increase their support for charities, including CARE International UK. We have used these funds to support people around the world suffering from the health, economic and social consequences of the pandemic.

I would also like to thank all staff, volunteers and Trustees of CARE International UK. The combination of the pandemic and working remotely, with the huge cuts to international development made by the UK Government, have made for an exceptionally challenging year for CARE International UK as well as many other UK international charities. I am grateful for and impressed by the resilience and commitment which staff, volunteers and Trustees have all shown in achieving our mission despite these challenges.



Lyndall Stein
Chair of the Board of Trustees

CARE INTERNATIONAL UK IMPACT AND HIGHLIGHTS

75 years of CARE

CARE's 75th year was celebrated in 2020.

CARE was set up in the USA in 1945 under the name Cooperative for American Remittances to Europe to respond to the devastation and scarcity World War 2 had wrought. Originally, Americans paid \$10 to send a 'CARE Package', containing food and supplies, to someone in Europe.

To mark the anniversary CARE International UK shared stories that celebrate the power of the kindness of strangers and inspire people to take action today. We asked the public to share stories of 'Acts of Kindness' by strangers that had impacted their lives.

We shared stories such as memories from Berlin and Britain in World War I in 1947, and more recently Mozambique 2020.

Bernd's story

Bernd Kadritzke shared his memories of receiving CARE packages in Germany after the war ended:

"We received a package every few months, beautifully wrapped with coloured paper we had never seen before. I still remember the excitement, as we had to wait until our father came home from work before we were allowed to open them.

The most excited person was my grandmother, who was hoping for 'real' coffee because you could only buy 'Kaffee-Ersatz' in the shops. I remember her grabbing the coffee tin, pressing it against her and jumping up and down like a child!

There were also sweets for us children. To this day I remember the taste of the chocolate. Every time a CARE packet came, it was like Christmas – after 70 years a very big thank you to CARE."

10 Years of Lendwithcare

In November 2020, Lendwithcare celebrated ten years of providing life-changing microloans to small business owners across a range of low-income countries. The project was launched by CARE International UK to provide the UK public with a means of directly supporting low-income entrepreneurs with a loan. This approach provides the entrepreneurs supported through Lendwithcare with the means to make positive changes to their businesses themselves, and when the loans are repaid the lenders can recycle their funds to support more entrepreneurs in need of funding.

To celebrate the 10-year anniversary we created an annual Future Fund Appeal to raise funds to cover the operational and growth costs of the initiative. This will ensure we can continue sending 100% of the funds loaned by supporters to entrepreneurs via our local development partners.

- In the last 10 years Lendwithcare has raised £33 million to support 151,000 small businesses.
- This has benefited 468,000 family members and supported 53,000 jobs.

Lendwithcare: Nancy's story



Nancy Chaima is an experienced and committed solar entrepreneur who first received funding through Lendwithcare in 2019. She is a dedicated member of the Financing Energy Business Cooperative in Malawi and received funding through Lendwithcare's partnership with SolarAid to purchase a stock of phone-charging solar lights.

Families living without access to electricity are forced to rely on poor quality torches or, worse, candles and kerosene lamps to escape the dark. These alternatives are dangerous, expensive, polluting, impact children's education and lead to preventable deaths.

The solar lights that Nancy sells offer a simple solution. When a family has access to solar energy, everything changes. Up to 15% of household income is saved from no longer having to buy batteries, kerosene or candles, children can study safely, and CO2 emissions are reduced by an estimated one tonne per household.

In 2021, Nancy received further support from Lendwithcare lenders to support her business through the challenges presented by Covid-19:

"With Covid-19 in our midst it hasn't been easy for every business to cope and mine became bankrupted and did not have stock to sell, but with the loan that was given, my business was able to revive."

"My goal [is] to see every house in my community with solar lamps... and ten years from now I would like my business to grow and be able to reach out to as many people as it can and I have all the stock necessary at all times. Personally I would like my life to change that I should be able to live in a good house, own a car and improve the livelihood of my family."

Lendwithcare: Carbon positive grants

Lendwithcare's model has lending at its core for more than ten years. A key part of our diversification strategy is to encourage financial support that addresses climate change, whilst improving the lives of those we seek to help through grants as well as loans.

The carbon positive grants option was launched using a CARE India project to provide clean cooking stoves to low-income women in one of the poorest regions of India through a partnership with the Fair Climate Fund. They will verify the amount of CO2 reduced and this will be certified by Gold Standard and Fairtrade International.

In January 2022, also with the Fair Climate Fund, there was an additional project to provide clean cookstoves in Rwanda using sawdust pellets that provide an even greater level of carbon reduction.

Subsequently, we hope to include other projects, such as agroforestry through coffee/cacao planting, generating an income for small-holder farmers as well as preserving forest cover that encourages reforestation; construction of household bio-digesters; and solar cookstoves.

We decided to build in the opportunity to promote other grants through the Lendwithcare website. This led to the launch of typhoon Rai Emergency Appeal supporting the work of local partner, a Co-operative in the Philippines whose members were badly affected by the typhoon.

Responding to the Covid-19 pandemic



Asafuzzaman Captain/CARE Bangladesh



*above figures relate to CARE Global

Responding to complex emergencies - Yemen



Hamza Al-Qadimi/CARE/2020

CARE is one of the few international aid agencies with an established presence in Yemen, where we have worked since 1993. We are focusing on making sure that people in the hardest-hit and most hard-to-reach areas have access to emergency supplies and assistance with meeting their basic needs, including food and water.

The near-collapse of public services – only 45% of health facilities in Yemen remain, with limited functionality – means that we are also providing sanitation, hygiene, and livelihoods support.

Our response to COVID-19 included providing PPE to ensure medical professionals can remain safe, using local radio and TV to reach most of the population with health and safety messaging, providing hygiene kits and training on handwashing and protection to communities, and supporting local authorities in reconnecting and upgrading water and sewage networks.

Responding to complex emergencies - Syria



Violet/CARE 2020

CARE has been working in Syria since 2013 and has reached more than 7.2 million people since the beginning of the crisis. We also support refugee families in neighbouring countries including Jordan, Lebanon and Turkey, and those crossing into Europe.

Working with local Syrian partners, we are delivering emergency assistance as well as longer-term support, including:

- Humanitarian assistance. We are providing shelter, clean water, nutritious food, cash support, sanitation facilities and protection services.
- Building resilience and providing livelihood opportunities. Our projects support people to restart their livelihoods and protect their existing assets to increase their resilience to absorb new shocks.
- Water, sanitation and hygiene. Projects include supporting communities with access to safe water and sanitation services. CARE hygiene promoters, based within the community, help raise awareness for public health risks and show good hygiene practices.
- Skills Development and Women's Economic Empowerment. We support Syrian women and vulnerable families to become economically empowered and self-reliant.
- Protection. CARE integrates critical protection services, including psychosocial support to help people cope with the high and continuous levels of stress caused by poverty and war.

Wednesday for Women - Crack the Crisis



Julie Edwards/ CARE/ 2021

CARE International UK, Action Aid, Plan International and other organisations focussing on women's rights and gender justice in the UK called on G7 leaders to shift the dial for gender justice once and for all. We urged Boris Johnson and the G7 to not let Covid-19 roll back gender equality by a generation.

CARE International UK asked the public to sign a petition to stop the roll back. We highlighted that G7 needed to:

- Tackle violence against women and girls.
- Tackle inequality in unpaid care.
- Support women and girls' leadership.
- Stop harmful aid cuts.



On 22nd September, #Wednesday4Women brought together organisations, activists, allies and leaders across the women and girls sector in the UK and globally as part of [The Great Big Green Week](#) – the biggest week of action on climate change ever in the UK. We called for public and parliamentary support for strong UK Government action on gender justice and climate change.

Climate change is the fight that unites us all. That's why as supporters of gender justice and women's rights we called on the UK Government to make sure they deliver:

- The unprecedented ambition needed to limit global warming to 1.5 degrees - As the world's scientists have pointed out, every fraction of a degree counts as the world's most marginalised women and girls feel the impacts first and hardest.
- Increased international financial support to communities - including women's rights organisations - on the frontline of the climate crisis to adapt to climate change and address loss and damage.
- Specific targets of how the UK's climate finance will deliver on gender equality and reach women's organisations.
- Investment for a fossil fuel free future that creates green jobs, and prioritises a feminist and women's rights perspective.
- Climate decision-making which is transparent, inclusive and equitable and ensures diverse women's voices and participation, including in the UK's COP26 team.

FINANCIAL PERFORMANCE

Income

Total income was £62.7m in the year ended 30 June 2021 (2020: £73.9m), of which £51.9m (2020: £62.4m) was restricted to international programmes. This reduction in income is mainly due to a decrease in available funding from our largest institutional donor, the Foreign Commonwealth & Development Office (FCDO) / Department for International Development (DFID), which dropped to £44.6m in the year ended June 2021 (2020: £52.9m). This was largely the result of the UK government scaling back official development assistance while reallocating resources to the ongoing domestic Covid-19 pandemic response. Meanwhile, total restricted and unrestricted income from individuals and corporations increased slightly to £10.0m in the year ended June 2021 (2020: £9.9m). We continued to support the Disasters Emergency Committee (DEC) through campaigns and deploying communications staff, receiving funding of £1.4m (2020: £0.4m) from DEC appeals.

Given the change in the UK's commitment to the 0.7% set-aside of GDP for official development assistance and continued delays in DFID & FCDO procurement processes, new grants signed were significantly lower than in prior years and we anticipate a much more significant decline in restricted income from these sources in future years.

Unrestricted income was £10.8m in the year ended June 2021 (2020: £11.5m), this decline of £0.7m is largely due to a diversification of income streams in response to the pandemic.

Expenditure

Total expenditure was £67.7m in the year ended June 2021 (2020: £71.1m), of which restricted spend on international programmes was £57.9m (2020: £59.7m). Humanitarian programme expenditure represented 65% of our charitable expenditure (2020: 73%), reflecting our continued focus in this area.

We spent £4.0m in the year ended June 2021 to generate £11.4m from donations and legacies from individuals and corporate partners (2020: spent £3.8m to generate £10.4m).

Given the challenging environment and uncertainty about future funding levels for international humanitarian action and development, cost reduction plans were implemented, and overall unrestricted expenditure was reduced to £9.9m in the year ended June 2021 (2020: £11.4m).

In the latter part of the financial year ended 30 June 2021 we set our operating budget for the 2021/22 financial year, to ensure that we maintain capacity to position ourselves for new partnerships and donors and to provide high quality technical support to CARE programmes. We continue to monitor fundraising performance against a challenging external environment and have committed to increase investment in income growth (especially from new individual donors) when the fundraising climate improves.

Restricted Deficit, Unrestricted Surplus and Reserves

As at 30 June 2021 we carried forward £9.1m of restricted funds associated with multi-year grants for use in future years (2020: £15.2m). This reduction stems from spending down grant funding secured and recognised as income in prior years at a higher rate than new income was secured and recognised.

As the reduction in unrestricted expenditure was significantly greater than the decline in unrestricted income during the year ended 30 June 2021, we generated net unrestricted income of £1.1m. Combined with other changes to net assets this resulted in an increase in unrestricted reserves from £1.8m to £2.9m.

Free unrestricted reserves, which do not include amounts related to fixed assets, increased from £1.4m to £2.8m.

Free reserves are held to ensure continuity of the Charity's ongoing and future activities, including:

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

All charities are required to consider how much they need to hold in reserves. The extent varies depending on the scale and nature of the charities activities.

The Board has set its policy to maintain a minimum level of £1.5m to £2m reserves. Given the current operating environment, it recognises that maintaining a higher level of free reserves may be prudent.

Cash and Short-Term Deposits

Cash and short-term deposits remained stable during the year ended 30 June 2021, increasing slightly from £19.7m to £20.0m. Most of these funds represents cash received for donor-funded projects and are obligated against specific activities. Of the total cash balance, £17.2m is restricted while the unrestricted cash balance held by the CARE International UK group was £2.7m.

Going concern

The economic impact of the Covid-19 pandemic led the UK government to reduce official development assistance, which had a significant impact on the income of CARE International UK in the financial year ending 2021 and going forward. This reduction in income presented a challenging financial environment for the Charity, and we amended our strategy and operations, resulting in a corporate restructure.

Prompt action and prudent financial management during the financial year ended 30 June 2021 increased the organisation's free unrestricted reserves to £2.8m (2020: £1.4m).

Since 30 June 2021, the Charity has continued its process to adjust to lower UK government official development assistance, including restructuring Programme Teams, strengthening our cost recovery and cash management processes. Unaudited unrestricted cash was £3.4m on 30 June 2022 (2021: £2.8m). Operating budgets for FY22 onwards are set conservatively and subject to oversight by the Trustees.

In preparing the going concern assessment, income and expenditure projections have been extended to 30 June 2024. A baseline projection has been prepared based upon the FY23 Reforecast, and first draft of the FY24 budget as presented to the Board in March 2023 – which shows continuing cost control and reflects recent contract wins.

In addition to the baseline projection, alternative scenarios have been modelled which consider the impact of potential declines in income of up to 20% in both programme and fundraising, as well as a further increase in inflation. A further scenario has been also prepared – a cumulative crystallization of all anticipated scenarios at the same time – to assess the impact such a scenario would have on the financial sustainability of the Charity. In this scenario the charity would have sufficient unrestricted cash resources to continue its operations.

In addition to the scenarios set out above, the Trustees acknowledge that historic and current issues in filing statutory information risk undermining funders' confidence in the Charity. In the event that the income scenarios noted above were to double in their magnitude as a result of funders withdrawing or pausing funding, CIUK would have insufficient unrestricted cash resources to meet its obligations as they fall due and would therefore be unable to continue operations at least 12 months from the expected date of approval of the financial statements. While mitigations could be put in place, for example a reduction in staff and non-staff costs, the challenges in doing so within a reasonable timeframe and the resultant knock on impact on programme delivery and fundraising are uncertain. For this reason, the Trustees have concluded that there is material uncertainty relating to going concern. Trustees remain committed to taking all available actions required in terms of cash management and control of expenditure to ensure a worst-case scenario is avoided.

Trading subsidiary

The Charity's wholly owned subsidiary carries out trading activities for the Charity. These activities provided a loss before tax of £9k in the year ended 30 June 2021 (2020: £74k). As such, no qualifying distribution in the form of gift aid was payable to CARE International UK.

PLANS FOR THE FUTURE

CARE International UK Objectives for FY22

- **COP26** (delayed from 2021)

One of our objectives in 2021 was to ensure a successful COP26 Climate Summit in Glasgow, to reduce emissions to achieve no more than 1.5 degrees of global warming and to provide developing countries with the finance to address loss and damage already suffered and to adapt to the impacts still to come. While this report sets out much of the preparatory work that we did, the COP26 Summit was delayed from November 2020 to November 2021 and so remained an objective for our financial year 2021.

- **Work with NGOs to restore FCDO leadership on gender equality**

As set out in this report, there was a substantial impact on women and girls and gender equality from the UK Government's aid cuts in 2021. One of our objectives in FY22 is to work with new leadership at the Foreign, Commonwealth and Development Office to reverse cuts to programmes which prioritise gender equality and to restore gender equality as a top priority for the FCDO International Development Strategy.

- **Respond to emergencies in Afghanistan, Ukraine**

The humanitarian situation in Afghanistan deteriorated significantly in 2021. Already under pressure from drought, Covid and conflict, this was compounded by an economic and banking crisis in late 2021 leading to many people losing their livelihoods and millions of people going hungry. One of our objectives in 2022 is to deliver programmes, fundraise and advocate to ensure that people in Afghanistan receive the humanitarian assistance they need.

The Ukraine conflict began in March 2022, towards the end of our financial year 2022. Our immediate objective is to fundraise and plan an effective response, with a particular focus on the risks to women and children. In our 2022 Annual Report we will say more about the longer-term response plan and achievements.

- **Implement a Fundraising strategy to diversify income following FCDO aid cuts**

Diversifying our sources of income is a long-term objective but is even more urgent in 2021 and beyond following the 75% drop in funding from the UK Government for our work. We will be particularly focused on funding from the private sector, individuals and Trusts and Foundations.

- **Updated Strategy**

In 2021, CARE International launched Vision 2030 which sets out an ambitious approach to tackling poverty and injustice agreed by CARE International UK and all members of the CARE Confederation.

Vision 2030 recognises that CARE's expertise lies in our holistic and inclusive approach to tackling poverty and injustice. It also recognises that women and girls experience poverty, hardship, climate, conflict and health emergencies very differently to men, and require specialized approaches that do not universally exist. For this reason, CARE will continue to place the specific needs and rights of women and girls at the heart of all we do.

Vision 2030 also reflects the lessons we have learned about the need to influence change beyond the communities where we work directly. We will do this by scaling up proven models, advocating for pro-poor policies, strengthening social accountability and giving voice to social movements and excluded groups.

Vision 2030 recognises that civil society has evolved significantly over recent decades. We have learned that to tackle poverty and injustice sustainably, we need to invest in civil society strengthening in ways that accelerate change and promote accountability. We will adapt our internal systems and ways of working to achieve this.

The CARE International UK Strategy was due to be updated in this reporting period following on from the new CARE International Confederation Vision 2030. Work started on this in the second quarter of 2020/21 but was paused as a result of the impact of the cuts to UK Government official development assistance announced in November 2020. It was agreed that the priority should be to focus on the immediate impact of those cuts rather than a longer-term vision. We will take forward work to develop the CARE International Strategic Plan for CARE International UK that will set out our specific contribution to Vision 2030 and how CARE International UK will change and evolve to deliver this effectively, and this will be reported on in the relevant annual report.

- **Updated Equity, Diversity and Inclusion Action Plan**

Continuous learning and improvement on diversity and inclusion remains an objective for us. The Gender, Equality and Diversity plan that we have followed since our audit in 2018 is being updated in 2023 as part of the overall Strategy. It will reflect the progress, lessons and shortfalls we have seen over the last three years. We will report against our first wave of Diversity Targets in 2023.

- **Finance Improvement Plan**

The completion and publication of our 2020 Annual Report was delayed. One of the reasons for this was that we had to review and clear a backlog within programme administration. We are taking remedial action to prevent such incidents recurring. The implementation of a Financial Improvement Plan began in 2022 and remains ongoing. Many of the actions have been addressed and we are targeting final completion of all actions by June 2024.

DIRECTORS' REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal structure

CARE International UK is a registered charity (Number 292506) and a private company (Number 1911651) limited by guarantee. The objects of the company, as set out in the Memorandum and Articles of Association, are to relieve poverty and sickness, to promote the preservation and protection of health and to advance education among the world's poor.

Related organisations

CARE International has a wholly owned subsidiary CI Enterprises Ltd, a company registered in England and Wales (Company No. 02306212). CI Enterprises is used for trading activities to provide income for the Charity.

Board of Trustees and Governing Committees

The governing body of the Charity is the Board of Trustees (as listed on page 60). The Board meets formally four times a year. Trustees delegate responsibilities to the Committees, CEO and Management Team in line with the approved Delegated Authorities Policy. There are three standing committees:

- Programme and Policy Committee
- Finance and Audit Committee
- Ethics and People Committee (replacing the Ethics and Risk Committee and the Nominations and Remuneration Committee)

These committees are made up of members of the Board and other independent individuals with relevant experience under specific terms of reference from the Board. CARE International UK held 4 board meetings and 16 committee meetings during 2020/21. Attendance at board meetings was 86% and attendance by individual Trustees at committee meetings was 51/64 (80%).

Potential candidates for both the Board and committees are recruited through an open and transparent process, including by advertisement in the press, online and through trustee recruitment organisations, as well as on the CARE International UK website. The Ethics and People Committee selects potential new members of the Board who are then approved by the Board before appointment.

A formal HR induction process is followed for new Board and committee members. We also introduce them to the Charity as a whole and help them to form connections with our staff. We make sure they know about their legal duties and check if they need any professional development to thrive in the role.

Members of the Board and committees serve for a three-year period and may be re-elected for normally one and a maximum of two further three-year terms. None of the members of the Board received any remuneration for their work as trustees. Reasonable expenses are covered, to ensure there are no socio-economic barriers to being a trustee.

Management Team

The key management personnel of the Charity are the Senior Management Team (as listed under Organisational Details on page 60). The remuneration of the Chief Executive is set by the Ethics and People Committee, and the remuneration of the Senior Management Team is set by the same committee in consultation with the Chief Executive.

Remuneration Policy and CEO pay

The Ethics and People Committee approve the salaries for our CEO, Senior Management Team and the organisational pay structures. Our pay framework is structured across 11 distinct salary grades and all jobs are evaluated before being placed in a grade. We benchmark our salaries each year against similar organisations in the NGO sector and pay at the median of salaries for each grade, and are a London living wage employer. We are currently undergoing a pay review focussed on our grading and pay structure and recommendations are expected in May 2023.

The highest paid individual in the organisation is the Chief Executive Officer. In 2021 the Chief Executive's remuneration (pay and pension) placed him in the £130,001-£140,000 band (2020: £130,001-£140,000 band).

Our pay ratio (the ratio between the highest paid member of CARE International UK staff and the median) is 3.2 (2020: 3.2) and this ratio is one of the indicators used to monitor the organisation's approach to pay.

None of the members of the Board received any remuneration for their work as trustees (2020: Nil). Expenses reimbursed to trustees for travel undertaken on the Charity's behalf in 2021 totaled £174 (2020: Nil).

Governance and Trustee duties

CARE International UK's Board of Trustees has adopted the Charity Governance Code for larger charities and regularly monitors performance against the Code. Following the Board's self-assessment (published in July 2018 and refreshed in November 2020) against the recommendations of the Code the Ethics and People Committee agreed that the Board met the recommendations of the Code but needed to focus more on diversity. Recruitment of new Trustees has addressed this. The organisation takes diversity and inclusion issues seriously and is planning on conducting training courses and open discussion sessions to help bring this to the forefront of conscious awareness.

The Charity paid £16.8k in 2021 (2020: £9.3k) for trustees' Indemnity Insurance cover.

Statement of compliance with Section 172

As a registered company CARE International UK is also bound by the reporting requirements of company law and as part of this the Trustees of CARE International UK are required to state how they have complied with their duties under Section 172(1) of the Companies Act 2006. Trustees must act in a way they consider, in good faith, would be most likely to promote the success of CARE to achieve its charitable purposes in compliance with section 172 Companies Act 2006.

The Board of Trustees delegate day to day management and decision making to the Chief Executive and other members of the Senior Management Team whose responsibility it is to ensure that the Charity's activities are carried out in compliance with agreed plans and policies. Details of the structure and activities of the Board and its standing committees are provided above and under the Legal and Administrative section at the end of this report.

The table below sets out the key decision taken by the Board during the year and how the interests of our stakeholders and the wider factors set out in Section 172 of the Companies Act 2006 were taken into account.

Restructure as a result of cuts to aid budget	The organisation embarked on a corporate restructure in FY21 to achieve substantive savings in order to have a balanced budget in FY22. This was the direct consequence of cuts in the aid budget in from 0.7% to 0.5% which has impacted on CARE International UK's income predictions.	Key considerations: <ul style="list-style-type: none"> • Change management process and the impact on employees. • How CARE International UK could continue to achieve its impact and charitable objectives with a reduced budget. • Impact on current and future beneficiaries.
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In carrying out their duties the Trustees have regard, amongst other matters, to:

- **The likely consequences of any decision in the long term**

The scope of our vision and strategic goals are summarised on page 2. Optimising our support to poor and marginalised people and communities to overcome injustice and tackle poverty is the desired outcome of our operations. Consideration of sustainability and the long-term consequences of strategic proposals is part of the Board's decision-making process. External circumstances sometimes change and if necessary, we adapt our plans to respond to changing needs.

- **The interests of the Charity's employees**

Our people and culture are vital to the successful delivery of our strategic goals. CARE International UK embraces diversity and inclusiveness within our organisation. Our diversity team – made up of staff from all levels, including our CEO (Chief Executive Officer) – has actively promoted improvements in the way we operate internally. The membership of the Board of Trustees reflects this emphasis.

- **The need to foster the Charity's business relationships with suppliers, customers and others**

We identify the following as the key stakeholders with whom we foster ongoing relationships:

- Foreign & Commonwealth Development Office (FCDO)
- Private sector potential and existing partners (not whole private sector)
- British public potential and existing supporters (not whole British public)

- **The desirability of the Charity in maintaining a reputation for high standards of business conduct**

We espouse the values we wish to influence, support and sustain in our programmes in our engagement with our own donors, suppliers, partners and other stakeholders. Our reputation and credibility are vital to the successful delivery both of our strategic goals and our day-to-day activities.

- **The need to act fairly as between members of the Charity**

The Trustees are the only members of the Charity and their responsibilities relate to the objects of the Charity. The Charity is run to achieve its charitable purposes and not in the interests of its members. Issues of fairness between the members do not arise.

Change of Auditor

In February 2023 CARE International UK commenced a tender exercise in order to appoint a new external auditor for the year ended 30 June 2022 onwards. The audit for the year ended 30 June 2021 will be the last audit completed by BDO LLP, and Crowe LLP will be appointed to complete the audit for the year ended 30 June 2022 onwards.

FUNDRAISING STATEMENT

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

Care International UK strives to raise funds from organisations that share the same values and ethics and that exist in the same moral space. CARE International UK also continues to be registered with the Fundraising Regulator and is an Organisational Member of the Institute of Fundraising. We adhere to the Code of Fundraising Practice across all public engagement and fundraising activities and continue to engage with both regulatory bodies to ensure all our fundraising activities are compliant and following best practice.

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

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

We continue to be immensely proud of the stewardship service provided by our dedicated Supporter Care team, who are often the first point of contact that the British public will have with CARE International UK. During 2020/21 our fundraising and engagement activities reached TV, online and print audiences. In this year, just four complaints were received (2020: five complaints). We continue to treat all complaints seriously and ensure they are thoroughly investigated and responded to.

At CARE International UK we are committed to protecting vulnerable people. In 2022 we produced a new vulnerable circumstances policy focussed on vulnerable circumstances rather than labelling a person as vulnerable, which is a more inclusive approach and allows us to offer a more tailored approach. This policy is now on our website and an internal version is circulated to all staff quarterly. Our Senior Supporter Care Officer has undertaken further training on Vulnerable Circumstances and has shared this training with staff across the organisation.

PUBLIC BENEFIT STATEMENT

The trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'. That guidance addresses the need for all charities' aims to be, demonstrably, for the public benefit. The objects of the Company, as set out in the Articles of Association, are to relieve poverty and sickness, to promote the preservation and protection of health and to advance education among the world's poor. CARE International UK's approach to fighting poverty in our outcome areas (humanitarian response; women's economic empowerment; maternal and child health; food and nutrition) through a focus on gender equality, inclusive governance and resilience and by advocating on behalf of the poorest and most vulnerable people, allows us to meet directly the following criteria for public benefit as defined by the Charity Commission guidance:

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

We are clear in our aims and objectives and adhere to codes of governance which reach across the wider humanitarian sector, including the Sphere Handbook (a set of principles and standards agreed by the major humanitarian organisations, including CARE), the Red Cross code of conduct, and the Core Humanitarian Standards on Quality and Accountability (CHS). CARE federation is now externally verified against the Core Humanitarian Standard, following an external audit by the Humanitarian Quality Assurance Initiative in early 2020.

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

INTERNAL CONTROL ENVIRONMENT

Internal control

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

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

- Strategic plan and budgets approved by the Board.
- Regular monitoring of Key Performance Indicators (KPIs) and progress against the strategic plan.
- Quarterly consideration by the Board of financial performance and variance from budgets; scenario planning in response to external drivers of uncertainty.
- The use of committees in meeting their duties and delegating certain functions of the Board.

- Appropriate identification, management and reporting of risks.
- Implementation of key policies and procedures.
- Structured delegated and financial authorities which are signed off by the Board.
- Internal auditing, carried out in accordance with the Audit Charter, encompassing overseas projects and UK processes and procedures.

Trustees continue to review the adequacy of the Charity's internal control systems with the Senior Management Team. This is undertaken quarterly as part of the Risk Assurance Framework which distinguishes between 11 main risk areas. Each risk area has a dedicated risk owner and a Board committee responsible for its oversight. As part of the risk review, the trustees consider whether the controls in place are sufficient for the organisational purposes.

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

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

During the year, less internal work was carried out due to the impact that Covid restrictions had on our staff's ability to perform overseas visits, necessitating remote auditing. Furlough also impacted the internal audit plan. Following the work to reconcile a backlog of historical balances on previously completed projects, the Board increased investment in the finance team to improve financial controls to ensure that accounting for all active projects is fully up-to-date and that the accounting for finished projects is completed promptly. An external assurance firm was engaged subsequent to year end to supplement the internal audit work already performed and to support with additional reviews of fund accounting, LendwithCare and financial controls in order to provide additional assurance to the Board. As a result of this, a finance improvement plan was prepared to address all of the recommended improvements. We have already started work and a number of key improvements have been introduced; we aim to complete all actions by June 2024.

The Board believes that the Charity's other internal controls are adequate and meet with guidelines issued by the Charity Commission. The Board recognises that continuing to develop and strengthen CARE International UK's internal controls is a key priority moving forward and has ensured that the resources and expertise are in place to do so by expanding the core finance team and committing further investment to internal audit.

RISK MANAGEMENT AND PRINCIPAL RISKS

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

Strategic risks are reviewed and discussed quarterly by the Senior Management Team's Risk Management Committee. The Senior Management Team is responsible for the management of the key risks and ensuring effective mitigation is in place. CARE International UK uses recognised risk management protocols and standards assessing financial, operational, regulatory, external, and strategic risks.

CARE regularly updates its Risk Assurance Framework that differentiates between 11 distinct risk areas. Each risk area is managed by a risk owner and overseen by a Board committee. These risk areas are reviewed quarterly at the Risk Management Committee meetings, and reports prepared for the relevant Board committees. The Board sets the Charity's Risk Appetite in these key risk areas.

The significant risks for CARE International UK, as well as for the broader Charity and development sector, stem directly or indirectly from the outbreak of a global pandemic, and the associated economic downturn. These risks and the Board's plans to manage those risks are summarised below:

Identified risk	Measures in place to manage the risks:
Financial Stability & fundraising: The organisation continues to be overly reliant on FCDO and changes there and to the global economy may impact our ability to fundraise as well as affect our organisational costs.	<ul style="list-style-type: none"> • Programmes have been adapted to mitigate impact on income. • Careful monitoring of fundraising market and CARE International UK financial performance. • Ongoing actions taken to rebuild reserves. • Relationship building, advocacy and influencing FCDO priorities. • Ongoing strategic review of organisational priorities to ensure financial sustainability.
Systems and controls: Failure to have appropriate systems and controls in place would leave us vulnerable to fraud, cyber-attacks, data breaches or unable to meet the compliance requirements of our regulators and donors. In prior year, work began to reconcile a backlog of historical balances on previously completed projects. We have recognised that further investment in our teams and infrastructure is necessary to ensure that our systems and controls are maintained at an appropriate standard.	<ul style="list-style-type: none"> • Internal audit reviews carried out regularly and we are in process of expanding resources in this area through collaboration with CARE USA. • External assurance assessment performed and actions underway to address any issues identified. • Cyber audit performed and recommendations in process of being implemented. • Finance improvement plan in place and in process of being implemented. • Additional resources have been recruited to enhance our control environment.
Environments where we operate	<ul style="list-style-type: none"> • Due diligence on implementing partners.

<p>Increases our financial and operational risks including: disruptions in programming; loss of access; delays in activities; loss of project documentation, physical threat and safeguarding risks.</p> <p>In some countries financial sanctions apply.</p>	<ul style="list-style-type: none"> • Systematic anti-terrorist checks on all suppliers and partners. • Situation monitoring in conflict areas and for incidents. • Appropriate training for staff for high risk deployments. • Co-operation with country offices to support donor advocacy and mitigate impact on programme delivery. • Adjustments to financial budgets and forecasts following specific incidents. • Appropriate safeguarding training and policies in place.
<p>Impact of operating environment on staff:</p> <p>Changes in the operating environment as a result of Covid-19 and recent aid budget cuts have resulted in reduced opportunities for travel and less connection to the purpose for staff. This poses a risk to the organisation as low morale may lead to higher staff turnover.</p>	<ul style="list-style-type: none"> • Active engagement with staff on CARE's 2030 Vision. • Annual salary review process (subject to budget constraints). • Plans in place to return to an office with a flexible hybrid approach envisaged in response to staff feedback. • Consultation with staff led to the formation of new values for the organisation. • Regular one-to-one wellbeing checks with staff. • Investment in suitable working-from-home equipment for staff. • Continue exit interviews to identify and monitor causes of staff leaving the organisation and corrective action taken.

ANTI FRAUD, BRIBERY, CORRUPTION AND EXPLOITATION POLICIES AND SERIOUS INCIDENT REPORTING

Policies and reporting

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

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

Serious incidents

Despite our enhanced approach to fraud prevention, the reality is that from time to time we will be victims of fraud. During the year 31 suspicions of fraud were reported to CARE International UK (2020: 42 fraud reports), all of which were in relation to our overseas programmes. These were fully investigated and it was identified that 3 reports were unsubstantiated and 28 were substantiated. The downward trend in the amount of fraud reports can mainly be attributed to aid cuts, which affected our large programmes in Syria, Yemen, and Mozambique. Two incidents were reported to the Charity Commission, one case related to forged bank deposit slips in Mozambique, and the other related to alleged discrimination of staff in Syria. The former issue was also reported to local police in Mozambique. The latter issue was also reported to FCDO and DEC, who closed this case in May and November 2021, respectively, as the investigation by CARE USA found the allegations to be unfounded. Overall, the reported incidents related to corruption at community committees, theft, falsification of expenses by staff, inflated procurement and collusion by staff with vendors, and false beneficiary information.

In addition, in 2021, we have submitted reports of serious incidents to the Charity Commission regarding our drop in income from UK official development assistance and the delay to the 2020 accounts. The Charity Commission have responded that they are assured that the trustees are dealing with the matters appropriately and responsibly.

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

OTHER POLICIES AND STATEMENTS

Safeguarding

CARE International UK's commitment to safeguarding is guided by the principle that the welfare of the people and communities we work with is paramount.

CARE International UK continues to provide training on safeguarding to staff across the confederation, emphasising the importance of reporting and whistleblowing. CARE International UK has a zero-tolerance approach to safeguarding and protection, and consequently investigates all concerns raised.

Our safer programming approach ensures that everyone who comes into contact with our work is protected. We have strict systems in place to assess, mitigate, and manage the risks of harm our work presents. Designing safeguarding into the work we do helps us to put enough resources in the right places to prevent harm happening - and ensures we have the processes in place to respond swiftly when it does.

In 2021 CARE International UK achieved the following milestones to increase our safeguarding capacity:

- Completed a review of our current safeguarding systems.
- Provided training to all current UK based staff.
- Appointed a senior safeguarding advisor.
- Developed a safeguarding risk management planning tool for existing and new programmes.

Our commitment to safeguarding means we continually improve our service by learning from the concerns that are raised and the action that is taken. Our safeguarding standards continue to evolve and continue to be community focused and designed around the work we deliver in proximity to needs of the people and communities we support.

Equality, Diversity and Inclusion

At CARE International UK, the starting point for all our work is our belief that poverty is caused by unequal power relations that result in the inequitable distribution of resources and opportunities between women and men, between power-holders and marginalised communities, and between countries. We believe that poverty cannot be overcome without addressing those underlying power imbalances. It is CARE International UK's mission to work alongside people and communities around the world to remove those power imbalances, in order to achieve social justice and thereby end poverty.

We recognise that CARE International UK is not a specialised anti-racism organisation. We therefore want to be thoughtful about how we can be a true ally of others who are leading the anti-racism movement. We know that we need to work both to be a non-racist organisation and an anti-racist organisation.

In 2021, CARE International UK has become a more diverse and inclusive organisation. An ethnicity pay review has been completed, we have established new diversity targets, added statements into new job descriptions and incorporated gender, equity and diversity questions included in all recruitment interviews together with REDI (Racial, Equality, Diversity and Inclusion) training programmes to all staff.

Modern Slavery

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

- Procurement, both UK-based and international.
- Selection of programme partners.
- HR policies and procedures.
- Fundraising and communications.

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

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

Human Resources

In FY21, a number of learning initiatives were facilitated as follows:

- Unconscious bias training workshop.
- Race, Power and Privilege Workshop to facilitate a conversation around issues of systemic racism within the INGO sector.
- Performance management learning workshops focusing on: Delivering effective 1 to 1s; Setting Objectives; and Getting the maximum benefit from the performance management process.

The pandemic had a positive impact on annual staff turnover at CARE International UK in FY21, by reducing it to 11% annually (as % of total staff) which is the lowest level since 2014.

The organisation embarked on a corporate restructure in FY21 to achieve substantive savings in order to have a balanced budget in FY22. This was the direct consequence of cuts in the aid budget in from 0.7% to 0.5% which has impacted on CARE International UK's income predictions.

We are also proud of the support we receive from our volunteers. In FY21 six volunteers assisted us with editing of entrepreneur profiles for the Lendwithcare website.

ENVIRONMENTAL IMPACT

Statement on Streamlined Energy and Carbon Reporting (SECR) FY21

For electricity usage in CARE International UK's office, the carbon footprint in FY21 was 13.9 tonnes CO₂e. This represents a carbon intensity of 0.12 tonnes CO₂e per employee at CARE International UK. The table below summaries our legally obligated emissions reporting as required by SECR and includes a comparison to the previous year.

UK Energy Source	FY20	FY21
Electricity kWh (Scope 2)	91,567 kWh	62,243 kWh
Associated Greenhouse gas emission (Tonnes CO ₂ equivalent)	21.15 tonnes CO ₂ e	13.9 tonnes CO ₂ e
Carbon intensity – tonnes CO ₂ equivalent per employee	0.18 tonnes CO ₂ e	0.12 tonnes CO ₂ e
Methodology: CO ₂ Associated greenhouse gases have been calculated using UK Government GHG conversion factors. 100% of our electricity comes from renewable sources. CARE International UK has a Renewable Energy Guarantees of Origin (REGO) backed contract from our supplier declaring that it will procure sufficient electricity from renewable sources to match our demand. However, in compliance with UK government reporting standards, the carbon saving this creates is not included in the standardised carbon footprint reported above. If the lower carbon associated with the purchase of renewable energy was taken into account, the total carbon footprint reported above would be substantially lower.		

Flight emissions

CARE International UK's emissions, including RF (Radiative Forcing) from International Flights, are presented below. This equates to 2.97 tonnes CO₂e and 0.025 tonnes CO₂e per employee. CARE International UK has reduced our carbon footprint on flights by 215 tonnes CO₂e since the last financial year.

	FY20	FY21
Flights tCO ₂ e inc RF	217.88 tonnes CO ₂ e	2.97 tonnes CO ₂ e
Flights tCO ₂ e Per Employee	1.85 tonnes CO ₂ e	0.025 tonnes CO ₂ e

Energy efficient actions:

During FY21, CARE International UK staff only took flights for emergency deployment and there were few emissions due to staff working remotely. Anyone representing CARE International UK signs a Code of Conduct confirming they will demonstrate commitment to reducing our environmental impact. CARE International UK contributes to the CARE International Global Climate Smart Report in terms of the action taken to reduce emissions, and to further CARE's global efforts to become a climate smart organisation.

We committed to offset our emissions where we cannot reduce them through credible carbon offset projects that have high social impact and environmental integrity. In FY22 we will contribute to the CARE International Carbon offsetting scheme with the Fair Climate Fund. We are very proud of our CARE joint offsetting programme - BACHAT II - and the steps the CARE confederation is taking to balance out unavoidable emissions from the work that we do. The BACHAT II programme will empower women in rural communities, improve health and safety conditions for families, and contribute to climate resilience – all while reducing emissions.

STATEMENT OF TRUSTEES'

RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

The Trustees are responsible for preparing the Annual Report including the Strategic Report and the financial statements in accordance with applicable law and regulations.

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

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

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the Charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Charity's website is the responsibility of the trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

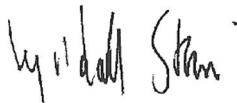
Disclosure of information to auditors

In the case of each of the persons who are Trustee Directors of the company at the date when this report was approved:

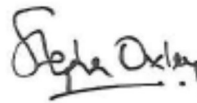
- so far as each of the Trustee Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditors are unaware; and

- each of the Trustee Directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Approved on 21 June 2023 on behalf of the Board



Lyndall Stein
Chair of Trustees



Stephen Oxley
Chair, Finance and Audit Committee

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

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 30 June 2021 and of the Group's incoming resources and application of resources 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.

We have audited the financial statements of CARE International UK ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 30 June 2021 which comprise the consolidated statement of financial activities, the group and Charity balance sheets, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent 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.

Material uncertainty related to going concern

We draw attention to note 1(c) in the financial statements, which indicates that the Trustees acknowledge that historic and current issues impact on the Charity's ability to forecast future income and expenditure and therefore the availability of unrestricted cash over the going concern period.

As stated in Note 1(c), these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the charity's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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. 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 themselves. 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.

Other Companies Act 2006 reporting

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

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

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

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

- adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group, and the sector in which it operates;
- Discussion with management and those charged with governance, Finance and Audit Committee and the charitable company's legal advisers;
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations; and
- Review of third party legal advice obtained by the Charitable company

we considered the significant laws and regulations to be the applicable accounting framework and UK tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the Charities Act 2011, and health and safety legislation etc.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit of the subsidiary entity; and
- Review of the third party legal advice, obtained by the charitable company, relating to the treatment of restricted appeal income and associated expenditure.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance, the Finance and Audit Committee and internal audit regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Reviewing reports made to the regulator.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override, income recognition and programme restricted fund accounting.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Testing recognition and categorisation of programme income and expenditure, during the year, to ensure in accordance with applicable accounting policies and grant agreements;
- Assessing significant estimates made by management for bias, including donation, grant and legacy income recognition; recognition of direct and overhead costs allocated to restricted emergency fundraising appeals; and
- Testing of negative restricted fund balances at the year-end for recoverability.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.


Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://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.

DocuSigned by:

BC8C15A11E97446...

Fiona Condron (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick, UK

Date: 21 June 2023

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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the Year Ended 30 June 2021

		2021 Unrestricted funds £'000	2021 Restricted funds £'000	2021 Total funds £'000	2020 Unrestricted funds £'000	2020 Restricted funds £'000	2020 Total funds £'000
	Notes						
Income from:							
Donations and legacies	2	4,549	6,899	11,448	5,203	5,157	10,360
Charitable activities	2	5,824	44,976	50,800	5,867	57,206	63,073
Other trading activities	2	190	-	190	227	-	227
Other income		281	-	281	217	-	217
Total income	11	10,844	51,875	62,719	11,514	62,363	73,877
Expenditure on:							
Raising funds	3	3,842	125	3,967	3,833	-	3,833
Trading costs	3	213	-	213	153	-	153
Total cost of raising funds		4,055	125	4,180	3,986	-	3,986
Charitable activities							
Humanitarian response	4	2,894	38,524	41,418	4,570	44,681	49,251
Development work	4	2,526	19,160	21,686	2,252	15,010	17,262
Advocacy	4	378	67	445	618	-	618
Total charitable activities		5,798	57,751	63,549	7,440	59,691	67,131
Total expenditure	11	9,853	57,876	67,729	11,426	59,691	71,117
Transfers between Funds	11	147	(147)	-	-	-	-
Net Income/(net expenditure)		1,138	(6,148)	(5,010)	88	2,672	2,760
Fund balances brought forward		1,805	15,223	17,028	1,717	12,551	14,268
Fund balances carried forward		2,943	9,075	12,018	1,805	15,223	17,028

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

The accompanying notes on pages 40 to 64 form an integral part of these Financial Statements.

GROUP AND CHARITY BALANCE SHEET

As at 30 June 2021

Registered company number: 1911651

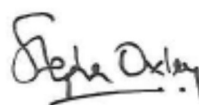
	Notes	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Fixed Assets					
Tangible Fixed Assets	7	122	366	122	366
Investments	8	39	39	39	39
		161	405	161	405
Current Assets					
Debtors	9	11,668	15,095	12,161	15,357
Cash		19,974	19,656	19,472	19,382
		31,642	34,751	31,633	34,739
Creditors					
Amounts falling due within one year	10	(19,563)	(17,847)	(19,545)	(17,835)
Net Current Assets		12,079	16,904	12,088	16,904
Creditors					
Amounts falling due after one year	10	(222)	(281)	(222)	(281)
Net assets		11,857	16,623	11,866	16,623
TOTAL ASSETS		12,018	17,028	12,027	17,028
Represented by					
Restricted funds	11	9,075	15,223	9,075	15,223
Unrestricted funds		2,943	1,805	2,952	1,805
TOTAL FUNDS	12	12,018	17,028	12,027	17,028

The accompanying notes on pages 40 to 64 form an integral part of these Financial Statements. The Group has taken advantage of the exemption under s408 of the Companies Act 2006 and has not prepared a separate Statement of Financial Activities for the Charity. Net Expenditure for CARE International UK in the year was £5.0m (2020: Net Income of £2.8m)

Approved by the Board and authorised for issue on 21 June 2023.



Lyndall Stein
Chair of Trustees



Stephen Oxley
Chair, Finance and Audit Committee

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2021

	2021 £'000	2020 £'000
Cash flows from operating activities		
Net (expenditure)/income for the year	(5,010)	2,760
Adjustments for:		
Interest receivable	(21)	(54)
Depreciation charges	232	218
Decrease/(Increase) in debtors	3,427	(2,193)
Increase in creditors and provisions	1,657	5,540
Net cash from operating activities	285	6,271
Cash flows from investing activities		
Interest received	21	54
Disposal of tangible fixed assets	59	-
Purchase of tangible fixed assets	(47)	(135)
Net cash from/(used in) investing activities	33	(81)
Net increase in cash and cash equivalents	318	6,190
Cash and cash equivalents at beginning of year	19,656	13,466
Cash and cash equivalents at end of year	19,974	19,656

NOTES TO THE ACCOUNTS

For the year ended 30 June 2021

1. Accounting policies

a) Basis of preparation

The financial statements of the Charity, which is a public benefit entity have been prepared under the historical cost convention in accordance with:

- the Financial Reporting Standard (FRS102) Applicable in the UK and Republic of Ireland;
- the Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP (FRS102)) 2nd Edition;
- the Charities Act 2011; and
- and Companies Act 2006.

The Charity has adapted the Companies Act formats to reflect the Charities SORP and the special nature of the Charity's activities. The principal accounting policies are set out below and have been applied consistently throughout the current year and the comparative year.

b) Basis of consolidation

The Consolidated Statement of Financial Activities (SOFA) and Balance Sheet consolidate the Financial Statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis. No separate SOFA has been presented for the Charity alone as permitted by the Companies Act 2006 (Section 408). The Charity has also taken the exemption under FRS102 (1.12(b)) to not include a parent only cash flow statement in these accounts.

c) Going concern

The economic impact of the Covid-19 pandemic led the UK government to reduce official development assistance, which had a significant impact on the income of CARE International UK in the financial year ending 2021 and going forward. This reduction in income presented a challenging financial environment for the Charity, and we amended our strategy and operations, resulting in a corporate restructure.

Prompt action and prudent financial management during the financial year ended 30 June 2021 increased the organisation's free unrestricted reserves to £2.8m (2020: £1.4m).

Since 30 June 2021, the Charity has continued its process to adjust to lower UK government official development assistance, including restructuring Programme Teams, strengthening our cost recovery and cash management processes. Unaudited unrestricted cash was £3.4m on 30 June 2022 (2021: £2.8m). Operating budgets for FY22 onwards are set conservatively and subject to oversight by the Trustees.

In preparing the going concern assessment, income and expenditure projections have been extended to 30 June 2024. A baseline projection has been prepared based upon the FY23 Reforecast, and first draft of the FY24 budget as presented to the Board in March 2023 – which shows continuing cost control and reflects recent contract wins.

1. Accounting policies (continued)

c) Going concern (continued)

In addition to the baseline projection, alternative scenarios have been modelled which consider the impact of potential declines in income of up to 20% in both programme and fundraising, as well as a further increase in inflation. A further scenario has been also prepared – a cumulative crystallization of all anticipated scenarios at the same time – to assess the impact such a scenario would have on the financial sustainability of the Charity. In this scenario the charity would have sufficient unrestricted cash resources to continue its operations.

In addition to the scenarios set out above, the Trustees acknowledge that historic and current issues in filing statutory information risk undermining funders' confidence in the Charity. In the event that the income scenarios noted above were to double in their magnitude as a result of funders withdrawing or pausing funding, CIUK would have insufficient unrestricted cash resources to meet its obligations as they fall due and would therefore be unable to continue operations at least 12 months from the expected date of approval of the financial statements. While mitigations could be put in place, for example a reduction in staff and non-staff costs, the challenges in doing so within a reasonable timeframe and the resultant knock on impact on programme delivery and fundraising are uncertain. For this reason, the Trustees have concluded that there is material uncertainty relating to going concern. Trustees remain committed to taking all available actions required in terms of cash management and control of expenditure to ensure a worst-case scenario is avoided.

d) Income Recognition

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

Donations, including regular giving and appeals, are recognised as income once CARE International UK has the right to receive the donation, when it is probable that the economic benefits will be received and that the amount of the donation can be measured reliably.

Income from sponsors is recognised on a receivable basis.

Income from Gift Aid tax reclaims on donations is recognised on an accruals basis, covered under a valid Gift Aid declaration.

Recognition of legacy income is dependent on the type of legacy:

- Pecuniary legacies are recognised when notification is received.
- Residuary legacies are recognised when entitlement is established, and the value can be measured reliably. This is typically on grant of probate.

Grants and contracts

All income is considered unrestricted unless specifically restricted by the donor or raised in an appeal for a specific purpose. Grants are included in 'Donations and legacies' in the SOFA from the following sources:

- Governments and other agencies;
- Corporates, trusts and foundations; and
- Major donors that provide core funding or are of a general nature.

Where income from grants and contracts is for the specific provision of goods and services in the furtherance of our purpose it is included as 'Charitable activities'.

1. Accounting policies (continued)

Grants and contracts (continued)

Grant and contract income is accrued once all conditions that would permit entitlement have been met. Income is only deferred when the Charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future accounting period. Similarly, where entitlement occurs before income is received the income is accrued.

Income earned under contracts with donors where payments are contingent on the achievement of specified results is recognised in the SOFA in proportion to the stage of completion of the project. Where it is probable that total contract costs exceed total contract income, the expected deficit is recognised immediately. Income and expenditure in relation to these contracts are recognised within restricted funds, with any resulting surplus or deficit shown as a transfer to or from unrestricted funds.

Contributions in kind

Contributions and donations in kind are recorded at fair values during the year of contribution and recorded as restricted income and expenditure in the SOFA.

Trading

Income from trading activities is accounted for on an accrual basis.

e) Expenditure

All expenditure is accounted for on an accruals basis and is classified in the SOFA according to the activity to which it relates. Where costs cannot be directly attributed to particular classifications, where practicable, they have been allocated to activities on a basis consistent with use of the resources.

Central overhead costs (classified as Support Costs) are allocated to operational and fundraising functions based on their use measured by total direct costs incurred by those functions.

Governance costs are those which relate to the provision of the governance infrastructure of the Charity. Included within this category are costs associated with the strategic management of the Charity's activities, and all trustee and committee costs. In accordance with FRS102, these costs are classified as Support Costs.

Charitable activities expenditure includes both costs incurred directly by CARE International UK and indirectly where CARE International UK sub-contracts programme implementation to CARE country offices and other Partners but continues to provide management and oversight to these programmes.

Fundraising expenditure represents the total costs of fundraising includes the costs of disseminating information in support of the charitable activities.

1. Accounting policies (continued)

f) Property and equipment

Fixed assets are stated at cost less accumulated depreciation. Items costing less than £1,000 are not capitalised. Fixed assets are defined as non-programme capital expenditure for buildings, equipment, software and leasehold improvements. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets as follows:

- Leasehold improvements: over the remaining life of the lease
- IT equipment: 3 years
- Office and other equipment: 7 years

g) Operating leases

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

h) Fund accounting

Unrestricted funds comprise funds available for use at the discretion of the Trustees in furtherance of the objectives of the Charity. Restricted funds are subject to specific restrictions imposed by donors or by the purpose of the appeal under which they were raised.

i) Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Financial instruments are retranslated at the rate of exchange at the balance sheet date. All exchange differences are included in the financial statements and accompanying notes. Sterling is both the functional and presentational currency of the Charity.

j) Pensions

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

The Charity also participates in the Pensions Trust Growth Plan. This is a multi-employer pension scheme where it is not possible to separately identify the assets and liabilities of participating employers. This is a money purchase arrangement with historical guarantees. The scheme is subject to the funding legislation outlined in the Pensions Act 2004. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme. A full actuarial valuation for the scheme was carried out as of 30 September 2019, which showed a deficit. The pension trustees have asked for the participating employers to pay additional contributions to the scheme to eliminate this funding shortfall. These recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities. The liability recognised for this obligation is the net present value of the deficit reduction contributions payable under the plan and is held as a provision in the Balance Sheet. The current overall position of the fund and the assumptions made are provided in Note 17.

1. Accounting policies (continued)

k) Taxation status

The organisation is a registered charity within the meaning of Para 1 Schedule 6 Finance Act 2010. As such, the Charity is potentially exempt from taxation in respect of income or capital gains within categories covered by the Corporate Tax Act 2010 (Chapter 3 of Para 11) and of the Taxation of Chargeable Gains Act 1992 (Section 256), to the extent that such income or gains are applied exclusively to charitable purposes. The Charity is able to partially recover Value Added Tax (VAT). Expenditure subject to VAT that is not recoverable is recorded in the Accounts inclusive of VAT. The subsidiary trading company makes qualifying donations of taxable profit to the Charity to the full extent allowable. Unless material, any Corporation Tax liability arising in the subsidiary is included within the expenditure by the Group.

l) Areas of significant judgement and estimates

Significant accounting judgements and estimates

The Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These judgements and estimates are continually evaluated, based upon experience, reasonable expectations of the outcome of future event and professional and expert advice. The significant judgements and estimates that could impact the carrying amounts of assets and liabilities are detailed below:

Income recognition

Income recognition requires judgement to appropriately apply the income accounting policies across the many complex funding streams the Charity has. Note 1d (on pages 41 and 42) details the accounting principles adopted and their application across the significant funding streams. The judgements are continually reassessed and where appropriate provision is made for contingencies or deferrals are made to account for conditions yet to be fulfilled.

Cost Allocation methodology

The cost allocation methodology, including the determination of restricted fundraising costs, requires judgement as to the most appropriate basis to use to apportion Support Costs. These are reviewed annually to assess whether the basis adopted continues to be reasonable. Support Costs are allocated on a pro rata basis, based on their use as measured by direct expenditure.

Pensions Trust scheme deficit

The assumptions underpinning the measurement of the Pension Trust liability depend upon significant judgements and estimates. Details of the potential liability relating to withdrawal from the Pensions Trust scheme are set out in Note 20. The Trustees consider the probability of this liability crystallising to be remote.

Lendwithcare

Lendwithcare funds are not presented as part of CARE International UK's assets. To ensure this remains appropriate, legal advice has been obtained and is updated on a regular basis. Any updates to the terms and conditions are scrutinised to ensure that it continues to be appropriate for CARE International UK to operate and disclose that the scheme is an agency arrangement.

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

2a. Consolidated Income from donations, legacies and charitable activities by source

	2021	2021	2021	2020	2020	2020
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	funds	funds	funds	funds	funds	funds
	£'000	£'000	£'000	£'000	£'000	£'000
Donations and legacies						
Individual and corporate donors including legacies	4,463	5,541	10,004	5,157	4,786	9,943
Disasters Emergency Committee (DEC)	86	1,358	1,444	46	371	417
Total Donations and legacies	4,549	6,899	11,448	5,203	5,157	10,360
Charitable activities						
Foreign, Commonwealth & Development Office/ Department for International Development (DFID)	4,021	40,578	44,599	4,082	48,806	52,888
European Commission including Directorate for Humanitarian Aid and Civil Protection	94	2,416	2,510	156	1,384	1,540
Other Donors and Funders	1,709	1,982	3,691	1,629	7,016	8,645
Total Charitable Activities	5,824	44,976	50,800	5,867	57,206	63,073
Grand Total Donations & Charitable Activities	10,373	51,875	62,248	11,070	62,363	73,433

2b. Other trading activity

The trading income from the wholly owned subsidiary, CARE International Enterprises Limited, derives from:

- providing IT support to seven European CARE International members and their respective country offices
- fees charged to corporate partners for use of the CARE name and logo,
- royalty income from book sales

	2021	2020
	Unrestricted	Unrestricted
	funds	funds
	£'000	£'000
Total trading income	190	227
	190	227

3a. Expenditure on raising funds

	2021	2021	2021	2020	2020	2020
	Unrestricted	Restricted	Totals	Unrestricted	Restricted	Totals
	funds	funds	funds	funds	funds	funds
	£'000	£'000	£'000	£'000	£'000	£'000
Individuals	2,225	59	2,284	2,724	-	2,724
Institutional donors	302	-	302	349	-	349
Corporate donors	569	27	596	447	-	447
Media & Communications	540	-	540	125	-	125
Support costs (Note 4 and 5)	206	39	245	188	-	188
Total	3,842	125	3,967	3,833	-	3,833

3b. Expenditure on trading activities

The trading costs incurred by the wholly owned subsidiary, CARE International Enterprises Limited, comprise:

	2021	2020
	Unrestricted	Unrestricted
	funds	funds
	£'000	£'000
Cost of sales	143	150
Administrative costs	56	3
	199	153
Taxation on profits	14	-
	213	153

For the year ended 30 June 2020 the directors failed to make a qualifying distribution within 9 months of the year end to CARE International UK and therefore a corporation tax charge of £14,129 was incurred. Whilst this charge was reflected in the CI Enterprises Limited Financial Statements for the year ended 30 June 2020, it was not reflected in the CARE International UK Financial Statements for the year ended 30 June 2020, as these were signed off before the Subsidiary Financial Statements. In order to ensure that fund balances are correct as at 30 June 2021, the 2020 corporation tax charge has been disclosed in the trading costs for the year ended 30 June 2021 within these financial statements. Going forward, the directors will ensure that a qualifying distribution is made within the period of 9 months after the balance sheet date.

For the year ended 30 June 2021 the directors were not required to make a qualifying distribution within 9 months of the year end as CI Enterprises Limited made a loss of £9,161, and no corporation tax charge was incurred.

4. Expenditure

	2021 Functional Expenditure			Support Cost Allocation		2021 Total Expenditure		
	Unrestricted Expenditure	Restricted Expenditure	Total Expenditure	Unrestricted Expenditure	Restricted Expenditure	Unrestricted Expenditure	Restricted Expenditure	Total Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure on Raising Funds (includes Trading Costs)	3,849	86	3,935	206	39	4,055	125	4,180
Expenditure on Charitable Activities								
Humanitarian	838	38,134	38,972	2,056	390	2,894	38,524	41,418
Development	1,450	18,956	20,406	1,076	204	2,526	19,160	21,686
Advocacy	355	62	417	23	5	378	67	445
Subtotal	6,492	57,238	63,730	3,361	638	9,853	57,876	67,729
Support Cost Reallocation	3,361	638	3,999	(3,361)	(638)	-	-	-
Total Expenditure	9,853	57,876	67,729	-	-	9,853	57,876	67,729

	2020 Functional Expenditure			Support Cost Allocation		2020 Total Expenditure		
	Unrestricted Expenditure	Restricted Expenditure	Total Expenditure	Unrestricted Expenditure	Restricted Expenditure	Unrestricted Expenditure	Restricted Expenditure	Total Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure on Raising Funds (includes Trading Costs)	3,798	-	3,798	188	-	3,986	-	3,986
Expenditure on Charitable Activities								
Humanitarian	2,163	44,681	46,844	2,407	-	4,570	44,681	49,251
Development	1,388	15,010	16,398	864	-	2,252	15,010	17,262
Advocacy	588	-	588	30	-	618	-	618
Subtotal	7,937	59,691	67,628	3,489	-	11,426	59,691	71,117
Support Cost Reallocation	3,489	-	3,489	(3,489)	-	-	-	-
Total Expenditure	11,426	59,691	71,117	-	-	11,426	59,691	71,117

5. Support costs

Support costs in 2021 amounted to £4.0m and a breakdown by area of expenditure is provided in the table below. The allocation of support costs to fundraising and charitable activity has been provided in note 4.

	<i>2021</i>	<i>2021</i>	<i>2021</i>	<i>2020</i>	<i>2020</i>	<i>2020</i>
	<i>Unrestricted</i>	<i>Restricted</i>	<i>Totals</i>	<i>Unrestricted</i>	<i>Restricted</i>	<i>Totals</i>
	<i>funds</i>	<i>funds</i>	<i>funds</i>	<i>funds</i>	<i>funds</i>	<i>funds</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Support Costs						
<i>Management</i>	1,105	-	1,105	1,191	-	1,191
<i>Office costs</i>	651	-	651	769	-	769
<i>Finance & IT</i>	946	500	1,446	970	-	970
<i>Human resources</i>	347	135	482	329	-	329
<i>Governance</i>	312	3	315	230	-	230
Total	3,361	638	3,999	3,489	-	3,489

Included in Unrestricted Support Costs are the following:

	<i>Total</i>	<i>Total</i>
	<i>2021</i>	<i>2020</i>
	<i>£'000</i>	<i>£'000</i>
Auditor's remuneration	78	89
Depreciation charges (see Note 7)	232	219
Operating lease - property rent	202	567

6. Staff costs

	<i>Total</i>	<i>Total</i>
	<i>2021</i>	<i>2020</i>
	<i>£'000</i>	<i>£'000</i>
Wages and salaries	5,033	4,678
Social security costs	514	487
Pension costs	322	286
Termination costs	34	-
Other staff costs	8	306
Total	5,911	5,757

The average number of UK employees was:

	2021	2020
	Number	Number
Charitable activities	61	58
Fundraising	38	36
Support	20	21
Total CIUK employees	119	115
Staff seconded to other CARE members	1	1
Total	120	116

6. Staff Costs (continued)

In addition to full-time permanent staff, CARE International UK employed temporary staff at a cost of £46,000 (2020: £87,000). This was due to some positions being filled on an interim basis. These costs are included in other staff costs.

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

	Number of Employees	
	2021	2020
£60,001 - £70,000	9	3
£70,001 - £80,000	-	1
£80,001 - £90,000	2	2
£130,001 - £140,000	1	1
	12	7

The highest paid individual in the organisation is the Chief Executive Officer. In 2021 the Chief Executive's remuneration (pay and pension) placed him in the £130,001-£140,000 band (2020: £130,001-£140,000 band).

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

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

Our pay ratio (the ratio between the highest paid member of CARE International UK staff and the median) is 3.2 (2020: 3.2) and this ratio is one of the indicators used to monitor the organisation's approach to pay.

Employer contributions are made to a defined contribution pension scheme in respect of one higher paid employee (2020: one). Total employer contributions in respect of higher paid employees during the year amounted to £50k (2020: £36k).

The key management personnel of the Charity are the Trustees and the senior management team (see page 60). The short-term employee benefits (as defined in FRS102 28.4: wages, pension and social security contributions) for the senior management team for 2021 was £425k (2020: £445k).

Termination costs relate to a limited number of redundancies, where payments were made to staff in lieu of notice. No ex-gratia payments were made.

None of the members of the Board received any remuneration for their work as trustees (2020: Nil). Expenses reimbursed to trustees for travel undertaken on the Charity's behalf in 2021 totaled £174 (2020: Nil). The Charity paid £16.8k (2020: £9.3k) for trustees' Indemnity Insurance cover. Trustees' donations were £5.8k (2020: £7k).

7. Tangible fixed assets

Group and Charity, 2021

	<i>Leasehold Improvements</i>	<i>Office Equipment</i>	<i>IT Equipment & Software</i>	<i>Total 2021</i>
	£'000	£'000	£'000	£'000
Cost				
At 1 July 2020	205	241	1,047	1,493
Additions	-	-	47	47
Disposals	(205)	(238)	(837)	(1,280)
At 30 June 2021	-	3	257	260
Depreciation				
At 1 July 2020	183	171	773	1,127
Charge for the year	22	64	146	232
Disposals	(205)	(235)	(782)	(1,221)
At 30 June 2021	-	1	137	138
Net book value				
At 30 June 2021	-	2	120	122
At 30 June 2020	22	70	274	366

Group and Charity, 2020

	<i>Leasehold Improvements</i>	<i>Office Equipment</i>	<i>IT Equipment</i>	<i>Total 2020</i>
	£'000	£'000	£'000	£'000
Cost				
At 1 July 2019	205	238	915	1,358
Additions	-	3	132	135
At 30 June 2020	205	241	1,047	1,493
Depreciation				
At 1 July 2019	162	149	597	908
Charge for the year	21	22	176	219
At 30 June 2020	183	171	773	1,127
Net book value				
At 30 June 2020	22	70	274	366
At 30 June 2019	42	90	319	451

8. Investments

Group and Charity	2021 £'000	2020 £'000
Market value		
Opening balance at 1 July	39	39
Closing balance at 30 June	39	39

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

a) Subsidiary company investments held by the Charity include a £2 (2020: £2) investment in the subsidiary company at cost. The Charity holds 100 per cent of the issued share capital of CI Enterprises Limited, which is registered in England and Wales. The Company's principal activity is to undertake trading for the Charity. A summary of the subsidiary's results and its financial position as at 30 June 2021 is given in Note 14.

b) During the year CARE International participated in the Revolving Fund established with other members of the CARE International Confederation, maintaining its investment of €45,500. The Fund, which is administered by the CARE International Secretariat in Geneva, is used to provide short term interest-bearing loans to finance cash flow needs of members for projects across CARE International, where funds are received from donors after they are needed for implementation.

9. Debtors

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Receivable from donors and funders	2,918	4,506	2,918	4,506
Program advances to CARE country offices & partner	8,222	9,038	8,222	9,037
Prepayments and accrued income	163	623	161	623
Due from Subsidiary undertaking	-	2	554	410
Other Debtors	365	926	306	781
Total	11,668	15,095	12,161	15,357

Program advances to CARE country offices and partners represent funds transferred to enable program implementation, which have not yet been utilised.

10a. Creditors

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Amounts falling due within one year				
Payable to donors and funders	373	420	373	420
Funds due to CARE country offices and partners	18,040	15,220	18,040	15,220
Trade creditors	270	276	269	276
Accruals	530	692	527	688
Deferred Income	25	104	25	104
Other creditors	260	1,060	246	1,052
Provision for pension plan recovery	65	75	65	75
Total	19,563	17,847	19,545	17,835

Amounts falling due after one year

Provision for pension deficit recovery plan	222	281	222	281
Total	19,785	18,128	19,767	18,116

Funds due to CARE country offices and partners represent funds utilised for programme implementation for active awards, which have not yet been transferred by CARE International UK.

10a. Deferred Income

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Balance at 1 July	104	721	104	721
Amounts provided for during the year	-	-	-	-
Amounts released to income during the year	(79)	(617)	(79)	(617)
	25	104	25	104

Deferred income represents income relating to multi-year contract payments and performance related grants paid in advance.

11. Consolidated Statement of Funds (group)

Statement of Funds 2021

	1 July 2020	Income	Expenditure	Transfer between funds	June 30, 2021
	£'000	£'000	£'000	£'000	£'000
Restricted Funds					
Donations & Legacies					
Individual and corporate donors including legacies	6,886	5,408	(8,322)	(20)	3,952
Disaster Emergency Committee (DEC)	(68)	1,358	(1,235)	18	73
Total Donations and Legacies	6,819	6,766	(9,557)	(2)	4,025
Charitable Activities					
Foreign, Commonwealth & Development Office (FCDO) / Department for International Development (DFID)	7,086	40,578	(45,109)	(164)	2,391
European Commission including Directorate for Humanitarian Aid and Civil Protection	(1,827)	2,416	(425)	22	186
Other donors and miscellaneous restricted funds	3,145	1,982	(2,666)	(3)	2,459
Total Charitable Activities	8,404	44,976	(48,199)	(145)	5,036
Total Restricted Funds	15,223	51,742	(57,757)	(147)	9,061
Unrestricted Funds	1,805	10,977	(9,972)	147	2,957
Total funds	17,028	62,719	(67,729)	-	12,018

Transfers between funds relate to the clearing of the remaining balances on restricted fund codes and awards which had ended prior to 1 July 2021. Once the asset and liability balances for a restricted fund have been closed, and we have confirmed that no obligations to donors or partners remain, the remaining restricted fund balance is transferred to unrestricted funds. In most instances, these remaining balances occurred as a result of expenditure incurred to implement the awards being coded elsewhere in advance of receiving and recording the corresponding income.

Statement of Funds 2020

	1 July 2019	Income	Expenditure	Transfer between funds	June 30, 2020
	£'000	£'000	£'000	£'000	£'000
Restricted Funds					
Donations & Legacies					
Individual and corporate donors including legacies	7,151	4,787	(4,616)	(435)	6,886
Disaster Emergency Committee (DEC)	174	371	(613)	-	(68)
Total Donations and Legacies	7,325	5,158	(5,229)	(435)	6,819
Charitable Activities					
Foreign, Commonwealth & Development Office (FCDO) / Department for International Development (DFID)	5,674	48,806	(47,968)	574	7,086
European Commission including Directorate for Humanitarian Aid and Civil Protection	(2,735)	1,384	(1,471)	995	(1,827)
Other donors and miscellaneous restricted funds	2,287	6,966	(5,023)	(1,134)	3,145
Total Charitable Activities	5,226	57,206	(54,462)	435	8,404
Total Restricted Funds	12,551	62,363	(59,691)	-	15,223
Unrestricted Funds					
General Funds	853	11,433	(11,426)	864	1,805
Designated Funds	864	-	-	(864)	-
Designated funds	-	-	-	-	-
Total Unrestricted Funds	1,717	11,514	(11,426)	-	1,805
Total funds	14,268	73,877	(71,117)	-	17,028

12. Analysis of net assets between funds

Group	Fixed assets	Current assets	Current liabilities	Long-term liabilities	Total 2021
2021	£'000	£'000	£'000	£'000	£'000
Restricted	-	27,345	(18,284)	-	9,061
Unrestricted	161	4,297	(1,279)	(222)	2,957
Total Funds	161	31,642	(19,563)	(222)	12,018

Group	Fixed assets	Current assets	Current liabilities	Long-term liabilities	Total 2020
2020	£'000	£'000	£'000	£'000	£'000
Restricted	-	30,925	(15,702)	-	15,223
Unrestricted	405	3,826	(2,145)	(281)	1,805
Total Funds	405	34,751	(17,847)	(281)	17,028

13. Commitments

At 30 June 2021 the Group had no remaining commitments in respect of operating leases which expire within the following periods:

	Land and buildings		Equipment	
	<i>Group and Charity</i>	<i>Group and Charity</i>	<i>Group and Charity</i>	<i>Group and Charity</i>
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Operating leases expiring				
- within one year	-	231	-	2
- within two to five years	-	-	-	-
- over five years	-	-	-	-
Total	-	231	-	2

14. Subsidiary

The Charity owns the whole of the issued ordinary share capital of CI Enterprises Ltd, a company registered in England and Wales (Company number 02306212) and whose registered address is c/o Ashurst LLP, London Fruit and Wool Exchange, 1 Duval Square, London, England, E1 6PW.

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

	2021 £'000	2020 £'000
Total trading income	190	227
Cost of sales	(143)	(150)
Gross profit	47	77
Administrative expenses	(56)	(3)
(Loss)/Profit before qualifying charitable donation and taxation	(9)	74
Taxation for the year	-	(14)
(Loss)/Profit after taxation	(9)	60
The aggregate of the assets and liabilities were		
Assets	556	294
Liabilities	(565)	(294)
(Deficit)/Funds	(9)	-

CI Enterprises Limited has entered a binding deed of covenant to pay all its taxable profits to its parent Charity, CARE International UK, as a qualifying charitable donation. Ordinarily these taxable profits transferred to the parent entity are recognised through equity rather than as an expense through the profit and loss, and therefore an operating profit exists at the balance sheet date. If the qualifying distribution is made within 9 months of the year end, no corporation tax is due on the profits.

For the year ended 30 June 2021 no qualifying distribution was made to CARE International UK as CI Enterprises Limited made a loss. For the year ended 30 June 2020 a corporation tax charge of £14,129 was incurred, as the qualifying distribution was not made within 9 months of the year end. Going forward, the directors will ensure that a qualifying distribution is made within the period of 9 months after the balance sheet date.

15. Lendwithcare

Lendwithcare is a peer-to-peer lending relationship between individuals and organisations based in the UK and people in low-income countries. It is an innovative way of raising microfinance to help entrepreneurs in developing countries to lift themselves out of poverty.

The total number of lenders, since the scheme's inception in April 2010, is 69,005 (2020: 60,548) with 48,373 (2020: 43,449) active lenders as at 30 June 2021. Active lenders are defined as a lender who has logged in, made a loan, or received a repayment in the last 12 months.

The total value of loans made to entrepreneurs since the inception of the scheme has been £33.6m. This has supported 151,103 (2020: 130,435) entrepreneurs since the beginning of the scheme. In compliance with the Charities SORP (FRS102), the Charity, as agent, discloses the value of funds added to the scheme; funds loaned to entrepreneurs through microfinance partners, which includes both new funds from lenders and funds repaid to lenders and then re-loaned to another entrepreneur; together with the balances held at 30 June 2021.

Funds received

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

	2021 £'000	2020 £'000
Added to the scheme	2,222	1,771
Withdrawn	(193)	(246)
	<u>2,029</u>	<u>1,525</u>

Funds paid

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

	2021 £'000	2020 £'000
Loans during the year	<u>4,893</u>	<u>4,565</u>

Balance held as agent

The amount of lenders' funds held:

	2021 £'000	2020 £'000
Amounts held by CIUK at year end as agent	<u>2,708</u>	<u>1,882</u>

Lenders' funds do not form part of the assets of CARE International UK and are therefore not consolidated within the financial statements. They are not available for use by the Charity.

The operating costs of the scheme of £0.9m (2020: £0.9m) are included in expenditure on raising funds (individuals) within the financial statements and in Note 3a. These are the costs of managing the scheme and raising new funds for the scheme.

16. Related Party Transactions

The Charity is a member of the Disasters Emergency Committee (DEC) and in the year paid a subscription of £39.7k (2020: £40k). As an automatic part of membership, CARE International UK's Chief Executive is a trustee of the DEC. The Charity receives funds from DEC appeals and amounts received and receivable in the year were £1.4m (2020: £0.4m).

17. Pensions

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

Contributions to the scheme for the year were £426k (2020: £324k and at the end of June 2021 there were 108 members in the scheme (2020: 103).

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

Contributions to the scheme for the year were £52k (2020: £40k) and at the end of June 2021 there were 10 members in the scheme (2020: 10).

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

Following a change in legislation in September 2005, there is technically a potential liability to CARE International UK, applicable to employers with pre-October 2001 liabilities in the Plan. When an employer withdraws from a pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). If Plan liabilities exceed assets, a buy-out debt will exist if CARE International UK withdraws all employees from the scheme. The leaving employer's share of the buy-out debt is the proportion of the Plan's pre-October 2001 liability attributable to employment with the leaving employer compared with the total amount of the Plan's pre-October 2001 liabilities. Given the number of factors to be considered in determining the liabilities the debt can fluctuate over time.

The Pensions Trust estimates that the cost of withdrawal from the Plan would be £1.17m based on the financial position of the Plan at 30 September 2020 (2019: £1.18m). The cost of withdrawal has since been revised to £0.76m based on the financial position of the Plan at 30 September 2021. The Pensions Trust has advised that an employer will only be deemed to have withdrawn if it has no active members remaining in the Plan and no eligible employees to whom to offer membership to the Plan. The chance of this debt crystallising is therefore considered remote. CARE International UK has no intention of withdrawing from the scheme and will continue to make a provision for the recovery of pension deficit amounts.

Under the Pensions Trust recovery plan, deficit contributions made by CARE International UK during the year were £0.75m (2020: £0.73m). This recovery plan is intended to run to 2025. In compliance with the Charities Statement of Recommended Practice (FRS102), the provision for the net present value of the future contributions to the deficit recovery plan is held on the Balance Sheet. Details of this provision are given in Note 10a, Creditors.

18. Donor funding

The information in the table below is provided to meet special conditions in restricted grant agreements requiring CARE International UK to disclose cash received from these grants in the Annual Financial Accounts.

	Cash received	
	2021	2020
	£'000	£'000
Comic Relief		
Sport for Social Change - Empowering female advocates	22	40
Humanitarian Rapid Response to Yemen100	-	100
(DEC) Disasters Emergency Committee		
WASH Restoration and Livelihoods Recovery for More Resilient Communities in Central Sulawesi	187	266
Mozambique- Restarting access to WASH and Education in the aftermath of Cyclone phase 2	785	152
Syria: Winter COVID-19 Response: Increased access to protection services, WASH and Winter NFIs for IDPs and Host communities in North East Syria. Yemen: Emergency COVID-19 response for crisis-affected population in Amran, Yemen.	516	-
DEC Coronavirus Appeal 2020 (Syria) 2nd phase	15	-
Foreign Common and Development office/(DFID) Dept. for Int'l Dev't		
Strengthening Access to Fair and Equitable Justice (SAFE JUSTICE)	-	119
Developing resilience of households and communities affected by conflict in Northern, Central and Southern Syria	8,712	16,131
Facilitating Successful Recovery and Preparedness – Idai Response	-	6,994
Seizing the moment: Working toward Gender Equality in Government Structures and Policies with a focus on the Ministry of Women Children and Youth Affairs	171	281
Strengthening Resilience to Climate Change in Western Kenya phase 2	67	117
Strengthening Resilience to Climate Change in Western Kenya - via DAI		146
Sahel Covid-19 Response in Chad, Niger and Mali	1,429	1,571
Multisector Humanitarian Response Programme	-	14,412
Multisector Humanitarian Response Programme Extension	22,637	946
and Norms for Gender Equity and Empowerment in Somalia (CHANGES) Project - via Save the Children Somalia	85	548
Steps Towards Afghan Girls' Educational Success Phase II (STAGES II) - via Aga Khan Foundation	1,884	1,697
Kobcinta Waxbarashada Gabdhana - Somali Girls Education Promotion - Transition (SOMGEP-T)- via PWC	2,113	3,401
Improving Gender Attitude Transition and Education - (IGATE-T)- via Worldvision UK	527	597
Weather and Climate Information Services for Africa (WISER)- via IGAD Climate Prediction and Application	166	163
The Accountability in Tanzania Programme Phase 2 (AcT2) - via KPMG		176
Adolescent Girls' Education in Somalia (AGES) via PWC	2,853	3,039
COVID-19 Response WASH in Quarantine / Isolation Facilities at Siranchowk, Gandaki, Ajirkot, Shahid Lakhani, Chumnumbri and Dharche Gaunpalikas of Gorkha- via Mott MacDonald Limited	182	-
COVID-19 Secondary Impact Resilience Response in Province 2, 5, and Karnali - via Save the Children International in Nepal	532	-
The Afghanistan Recovery, Reintegration, and Resilience Programme - via Norwegian Refugee Council	16	-
Building Resiliency and Gender Equality of the Most Marginalised Communities through Multi-Sector Approaches to Delivering Quality Sexual and Reproductive Health and Rights" project - via Marie Stopes International	650	108
Building Resiliency and Gender Equality of the most marginalised communities through Multi-sector Approaches to delivering quality sexual and reproductive health and rights (Co-creation phase) - via Marie Stopes International	50	-
Jersey Overseas Aid Commission		
Response to WASH needs and Covid 19 prevention in Yemen	200	-
My Healthy Schools	-	111
The Power of Nutrition		
Gujarat Nutrition Programme- Project Vrudhhi	196	710
UKAID Match		
Help Her Live Learn and Earn (HELP)	145	271
United Nations Office for Project Service		
The Strengthening Humanitarian Preparedness and Response Programme	-	1,075

18. Donor funding (continued)

	Cash received	
	2021	2020
	£'000	£'000
United Nations Peacebuilding Fund		
Mobilization of Committed Youth for the Consolidation of Peace in Côte d'Ivoire - Gender and Youth Promotion Initiative	317	559
START Network		
Alert 317 - Philippines (Anticipation of Lahar) Learning Grant	-	10
Alert 317 - Philippines Anticipation of volcanic activity - via Christian Aid	-	18
Alert 343 - Sierra Leone Flooding	-	124
Alert 350 - Yemen Flooding	-	99
Alert 368 - Nigeria Flooding - via Action Aid	-	77
Alert 372 Iraq Anticipation of Displacement	-	284
Alert 388 - Philippines Cyclone	-	100
Alert 406 - Honduras	-	150
Alert 417 - Vanuatu Cyclone	-	100
Alert 418 - Tonga Cyclone	-	95
Alert 419 - DRC Flooding Learning Grant	10	208
Alert 420 - Yemen	-	288
Alert 431 - Togo	-	180
Alert 436 - Guatemala	-	95
Alert CV19 058 - Peru Covid-19 Rapid Response to urgent unmet needs of Venezuelan migrants and refugees population	-	60
Alert CV19 082 - Laos Covid-19 response	-	186
Covid-19 Response Timor-Leste - via Oxfam GB	-	35
Emergency project to limit the risk of spread of Covid-19 pandemic in the South of Chad - via Solidarity International	-	69
NPL Covid-19 Response - Protecting the dignity and safety of migrants returnees	-	94
Alert 450 - Yemen Flooding	300	-
Alert 454 - Sudan Displacement due to Conflict	275	-
Alert 469 - South Sudan Flooding	125	-
Alert 494 - Fiji Cyclone	54	-
Alert 509 - DRC Displacement due to Conflict	99	-
Alert 514 - Timor-Leste Flooding	40	-
Alert CV19 099 - Togo Covid-19 Response	81	-
Pakistan Floods	80	-
Seroja NTT Indonesia Cyclone Emergency Response (SINCERE)- via World Vision UK	51	-
Pakistan Heatwave	38	-
Pakistan Floods	100	-

LEGAL & ADMINISTRATIVE INFORMATION

Trustees

Carolyn Clarke (Chair)¹ [resigned 6 October 2021]
Nigel Chapman (Acting Chair from 6 October 2021 to 31 July 2022)^{1,2,4}
Lyndall Stein (Chair)¹ [appointed Chair of Board of Trustees 1 August 2022]
Edward Bickham³ [resigned 8 December 2022]
Esther Kwaku^{3,4}
Nadine Nohr⁴
Edward Sparrow⁴
Stephen Oxley²
Khalid El Ansari^{2,4}
Maliha Khan³
Marian Rose² [resigned 9 December 2020]
Ebele Okobi¹ [resigned 1 February 2021]
Kate Tench³ [resigned 6 October 2021]
Desiree D'Souza [appointed 2 March 2021]
Anita Yuen [appointed 2 March 2021]

Additional committee members

Wendy Fenton³
Nasra Ismail³
Kim Price² [resigned 20 September 2020]
Michael Fanning² [resigned 28 September 2020]

¹ Nominations and Remuneration Committee

² Finance and Audit Committee

³ Programme and Policy Committee

⁴ Ethics and People Committee

Senior management team

Laurie Lee	Chief Executive Officer [to 30 June 2022]
Eamon Cassidy	Chief Executive Officer [from 4 July 2022]
Rachel Hewitt	Finance Director/COO [to 11 September 2020]
Eva Dixon	Finance Director/COO [3 August 2020 to 1 November 2021]
Sarah Barton	Interim Finance Director [from 19 October 2021 to 7 June 2022]
Dallan Cuniffe	Interim Finance Director [from 6 June 2022 to 5 December 2022]
Leo Skyner	Finance Director [from 14 November 2022]
Erin Segilia Chase	Director, Fundraising, Partnerships & Comms [to 18 February 2023]
Laura Griffin	Director, Fundraising, Partnerships & Comms [from 13 February 2023]
Frances Longley	Director of Programmes and Policy [to 1 April 2021]
Helen Thompson	Director of Programme Delivery [from 1 July 2021 to 30 June 2022] Director of Programme and Policy from 1 July 2022]
Laurent Martial	Director of Programme Quality [from 1 July 2021 to 30 June 2022]

Company information

Registered Office

C/o Ashurst LLP
London Fruit and Wool Exchange
1 Duval Square, London E1 6PW

Auditors

BDO LLP
2 City Place
Beehive Ring Road
Gatwick RH6 0PA

Bankers

Barclays Bank plc
Level 28
1 Churchill Place
London E14 5HP

HSBC plc

UK City of London Commercial Centre
60 Queen Victoria Street
London EC4N 4TR

Solicitors

Ashurst LLP
London Fruit and Wool Exchange
1 Duval Square, London E1 6PW

Thank you to everyone who has supported CARE in the last year.

This includes all those people who have made one-off or regular donations or taken part in fundraising events and campaigns. Your support is invaluable in helping us to fight poverty around the world. We couldn't do it without you.

Thank you

STATUTORY DONORS

Conflict, Stability and Security Fund through the Foreign and Commonwealth Office (CSSF)

Department for International Development (DFID)

Disasters Emergency Committee (DEC)

European Commission (EC)

European Commission's Directorate-General for Humanitarian Aid and Civil Protection (ECHO)

Foreign & Commonwealth Office (FCO)

United Nations Development Programme (UNDP)

United Nations Office for Project Services (UNOPS)

United Nations Peacebuilding Fund (UNPBF)

TRUSTS, FOUNDATIONS & CHARITIES

Action Aid UK

Aga Khan Foundation UK

Thani Bin Abdullah Bin Thani Al-Thani Humanitarian Fund

The Beatitudes Fund

Better Cotton Initiative (BCI)

Comic Relief

The Big Give

The Cotton Trust

The Calvert Family Charitable Trust

Equality and Human Rights Commission (EHRC)

The Fawcett Society

Generation Fund

Global Challenges Research Fund

Guernsey Overseas Aid

Halcrow Trust

International Rescue Committee UK (IRC)

IPSOS Foundation
Islamic Relief Worldwide (UK)
Jersey Overseas Aid
Jimmy Choo Foundation
Joseph Rowntree Reform Trust
The Lord Deedes of Aldington Charitable
The MacDaibhidh Charitable Trust
Marie Stopes International
Mercy Corps Europe
Norwegian Refugee Council
Oxfam GB
Oxford Brookes University
Plan International UK
People's Postcode Lottery
The Positive Action for Children Fund
The Power of Nutrition
Results for Development
Save the Children International
Solidarites International
St Clare & St Francis Trust
START Fund
START Network
The Talent Fund / Make Humanity Great Again
Tony Blair Institute
VIIV Healthcare
World Vision UK

COMPANIES

Development Alternatives Inc (DAI)
Diageo Plc
GlaxoSmithKline (GSK) Limited
Grant Thornton Limited
Heathrow Airport Limited
Hogan Lovells Limited

IHG (InterContinental Hotels Group) Ltd

KPMG LLP

Marks & Spencer PLC

Mondelēz International, Inc.

Mott MacDonald Limited

Palladium International Limited

PriceWaterhouseCoopers (PWC) LLP

Primark Stores Limited

Stars Group Limited

Sunbites UK

Twinings

Unilever Plc

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Thank you to those who donated to our following appeals:

Coronavirus Appeal

India Coronavirus appeal

LWC's Small Business Solidarity Fund Palestine Emergency Appeal