

# THE CHARITY FINANCE GROUP

England & Wales · Charity number 1054914

## Details

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Other names	THE CHARITY FINANCE DIRECTORS' GROUP, C F D G
Status	Registered
Legal form	Charitable company
Company number	03182826
Registered	1996-04-25
Register	<a href="#">View on the Charity Commission register</a>

## Contact

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## Activities

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**Objects:** THE GROUP'S OBJECTS ("THE OBJECTS") ARE FOR THE BENEFIT OF THE PUBLIC TO: 2.1 ADVANCE EDUCATION IN PUBLIC BENEFIT ORGANISATIONS; 2.2 PROMOTE THE EFFICIENCY AND EFFECTIVENESS (INCLUDING FINANCIAL MANAGEMENT) OF PUBLIC BENEFIT ORGANISATIONS AND IN PARTICULAR BY: (A) UNDERTAKING RESEARCH TO IDENTIFY NEEDS AND ESTABLISHING PROJECTS OR POLICIES TO ADDRESS THOSE NEEDS; (B) PROVIDING TRAINING, CONFERENCES AND SEMINARS; (C) BUILDING THE CAPACITY OF (INCLUDING THE EFFECTIVE USE OF RESOURCES) AND ENABLING THE EXCHANGE OF INFORMATION AND BEST PRACTICE AMONGST FINANCE ADVISERS AND PUBLIC BENEFIT ORGANISATIONS; (D) THE PROVISION OF A PRO-ACTIVE AND ACCESSIBLE SERVICE OFFERING PRACTICAL HELP, ADVICE AND SUPPORT; (E) ACTING AS A REPRESENTATIVE AND INTERMEDIARY FOR PUBLIC BENEFIT ORGANISATIONS, INCLUDING IN RELATION TO GOVERNMENT AND OTHER AGENCIES AND BODIES; (F) PROVIDING INFORMATION TO THE PRESS AND THE PUBLIC IN RESPECT OF THE OPERATION OF OR PROBLEMS ENCOUNTERED BY PUBLIC BENEFIT ORGANISATIONS.? ("PUBLIC BENEFIT ORGANISATIONS" MEANS CHARITIES (INCLUDING THEIR WHOLLY OWNED SUBSIDIARIES), VOLUNTARY ORGANISATIONS, CO-OPERATIVES, MUTUALS AND OTHER FORMS OF SOCIAL ENTERPRISES ESTABLISHED FOR PUBLIC AND COMMUNITY BENEFIT).

**Activities:** The Charity Finance Group aims to provide information, training, conferences and networking opportunities to finance professionals in the voluntary sector. To lobby and campaign and promote best practice on behalf of finance professionals in the sector.

## Classification

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- **How:** Acts As An Umbrella Or Resource Body
- **What:** Education/training
- **Who:** Other Charities Or Voluntary Bodies, Other Defined Groups

## Geography

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- Ireland
- Scotland
- Throughout England And Wales

## Finances

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Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,997,274	£2,120,875	£245,627	22
2024-03-31	£1,822,887	£1,723,311	£369,228	18
2023-03-31	£1,514,685	£1,518,850	£269,652	18
2022-03-31	£1,277,520	£1,364,685	£273,818	20
2021-03-31	£1,239,686	£1,399,082	£360,983	22

## Trustees

Name	Role	Appointed
<b>Hugh Wallace</b>	Chair	2022-12-21
Angela Linton		2022-12-21
Anna Bennett		2023-12-07
David McHattie		2024-11-14
Jenny Howard		2024-11-14
Kelly Ryder		2021-12-09
Susan Pemberton		2024-11-14
Timothy Nicholls		2022-12-21
Tony Wells		2023-12-09

**THE CHARITY FINANCE GROUP**

England & Wales - Charity number 1054914

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# Accounts

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Leading the way  
for charity finance

# Strong Foundations; Lasting Impact

Charity Finance Group  
Annual Report  
and Financial Statements  
2024/25

Registered Company number: 03182826



Charity Finance Group (CFG) is the charity and membership organisation that supports other charitable organisations to make the biggest difference possible.

We do this by helping them to make their money and resources go further, by putting financial leadership at the heart of their decision-making.

Since CFG was founded in 1987, we have evolved to welcome to membership all finance professionals working for charitable and social change organisations.

We also welcome non-finance professionals who recognise that we deliver greater impact when our organisations are financially confident, trustworthy and dynamic.

Today, CFG's vibrant community manages around one third of the UK's entire charity income. We are a diverse, inclusive and growing community that's passionate about delivering impact through financial leadership.

Together, we lead the way for charity finance.

For more information please visit our website: [www.cfg.org.uk](http://www.cfg.org.uk)

An abstract graphic on the right side of the page consists of several overlapping 3D rectangular blocks and lines in various colors: pink, light purple, cyan, and green. The blocks are arranged in a way that creates a sense of depth and movement, with some blocks appearing to be stacked or connected by lines. The overall style is modern and geometric.

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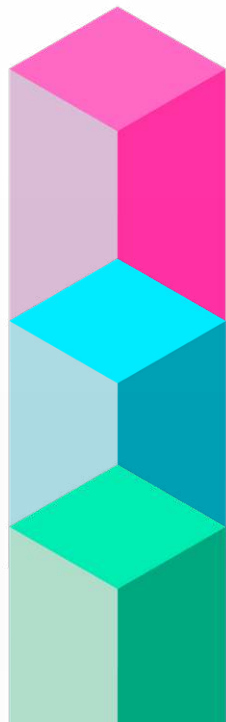
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# What is our purpose?

CFG is passionately committed to supporting other charitable and social purpose organisations. We do this through our services, resources, networks and communities.

We place finance at the heart of every organisation by championing best practice, nurturing leadership and influencing policy makers.

To achieve this, and to meet our charitable objects, our work is focused on achieving three main outcomes:



## OUTCOME 1

Well-developed skills, learning, knowledge and practice

## OUTCOME 2

Effective governance and leadership, with finance at the heart of it

## OUTCOME 3

A supportive and understanding operating environment

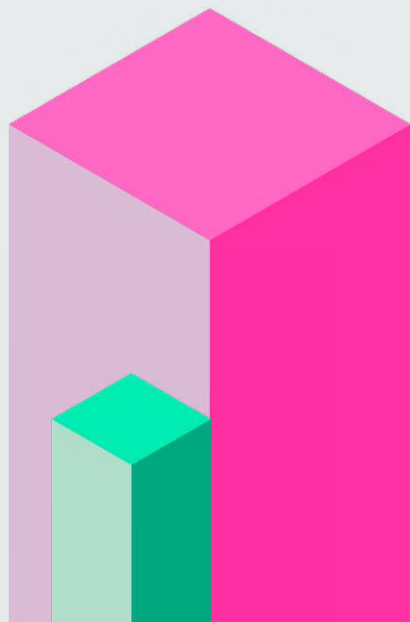
“Organisations that are financially confident are more effective at driving social change. When finance is well managed and placed at the heart of decision-making, it has the power to transform organisations and increase their impact.”

- Caron Bradshaw OBE, CEO, CFG



# A message from our Chair

A very warm welcome to our **2024/25 Annual Report and Financial Statements**. The theme of this year's report is *Strong Foundations; Lasting Impact* and it neatly encapsulates CFG's journey over the past year. This marks my first period as CFG's Chair, and I'm excited to be in post as the organisation strengthens its structure and continues to push forward. I'd like to thank Kevin O'Brien for his support as interim Chair.



In our 2023/24 annual report, we noted that we had moved out of survival mode and were able to look ahead with greater confidence. During that year we launched ambitious digital transformation projects. This planned investment – delayed for several years due to the pandemic – will see the replacement of systems no longer fit for purpose, embedding modern technologies that will better serve our organisation and communities.

These new systems will help streamline internal processes and provide a strong foundation to develop new tools, build peer networks and increase engagement. We know that new technologies are nothing without the people who'll use them. In 2024/25, we've continued investing in our team's wellbeing and development, and created several new roles to boost capacity.

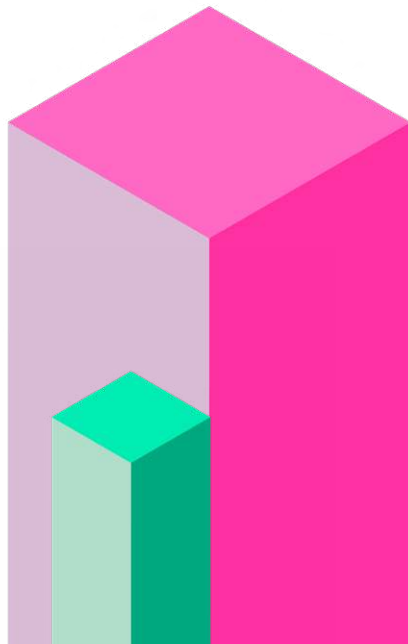
By investing in new talent, we have unlocked fresh ideas and secured new opportunities. We've progressed important work across training and development, campaigning, advocacy and much more. We know this investment carries risk – the financial and human commitment is substantial. However, if we don't invest in our future and ensure strong foundations, the risk is much greater.

Like many charitable organisations, we've been impacted by increased Employer National Insurance Contributions and continue adjusting to global economic and social uncertainty. Consistent with our spirit of innovation, we are moving to a co-leadership model, welcoming Sarah Lomax and Clare Mills as CFG's co-CEOs as Caron Bradshaw steps back. We believe this approach will bring new perspectives, ensure continuity and manage transition risk.

At our annual conference in 2025, CFG's special advisor Pesh Framjee rightly said we're no longer navigating a changing world, we are *in a changed world*. Investing in our future so we can continue to support our people – our members, corporate and sector partners, funders, volunteers, staff and many others – remains crucial. You remain CFG's firm foundation, our bedrock. We thank each and every one of you.



Hugh Wallace,  
Chair



# Strategic goals for 2024/25

Our three strategic goals for the year 2024/25 are:

1

Be the  
'go-to'  
body

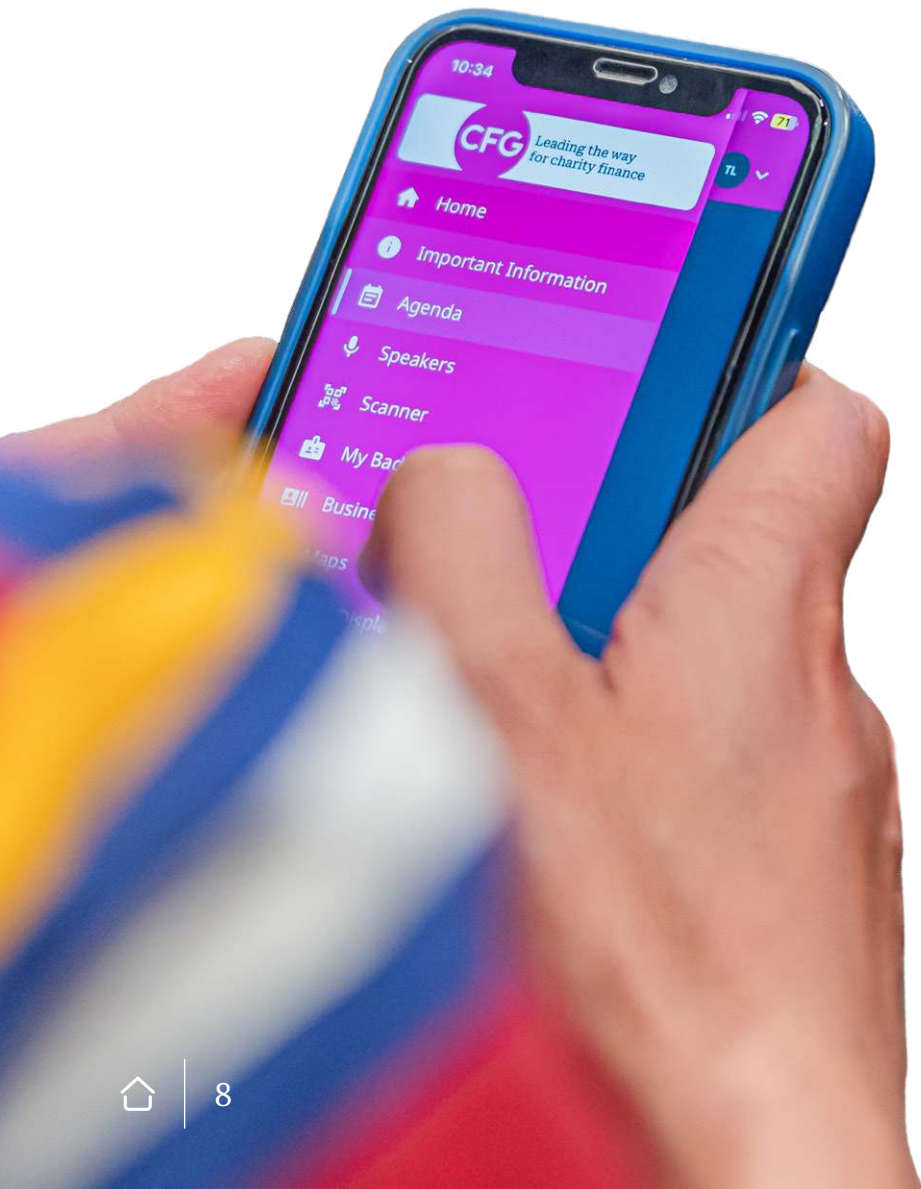
2

Promote  
and support  
financial  
leadership at  
all levels

3

Use our  
position to  
convene  
powerful  
networks





# 1

## Be the go-to body

Our priority is to maintain our position as a trusted and respected source of guidance across the UK charity sector on strong financial leadership, as well as governance and broader management issues, that will determine financial security.

We draw on our collective expertise and stature to be a bold, brave and confident advocate for the sector, both in partnership with other sector bodies and as an individual organisation. CFG also draws upon its learning and experience to continually improve.

We strive to be an 'exemplar' organisation and share, where relevant, our own knowledge and experience, recognising that we have common purposes and experiences with our members.

# 2

## Promote and support financial leadership at all levels

CFG promotes and supports the development of financial leadership skills of individuals working within the charity sector, irrespective of their background, aspirations or career stage.

We strive to be relevant to and inclusive of all those who wish to develop their financial skills, whether it be for the benefit of their organisation, their own professional development and/or the wider sector.



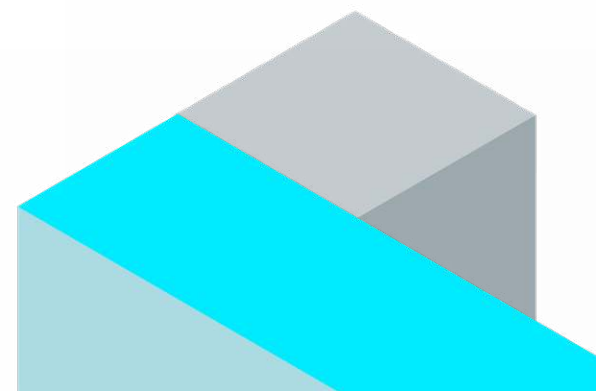


### 3

## Use our position to convene powerful networks

We use our position as a membership organisation to bring together different groups from within, and with, the sector. CFG connects individuals and organisations so that they can:

- support each other's learning and knowledge, leading to great social impact.
- position finance at the heart of decision making, to drive effective governance and sustainable operations.
- inform, instigate and shape better policy (regulation and legislation) and enhance public understanding in order to nurture a supportive environment.





# Meeting and reporting on public benefit

The trustees confirm they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

As volunteers, the trustees do not receive any private benefit from being on the Board of CFG.

As of the end of March 2025, there were 170,862 charities in England and Wales registered with the Charity Commission, and 25,000 charities registered with the Scottish Charity Regulator (OSCR). Alongside those, there are many more exempted or excepted charities and a host of voluntary organisations, community organisations, social enterprises and faith groups which share a commitment to social purposes.

These charitable organisations work across a range of issues providing help to the vulnerable, delivering social change and making the world a better place to live, work and thrive. To work effectively and achieve the greatest impact for their beneficiaries and communities, they need to be financially well-led and managed.

Through good financial leadership, management and performance, charitable organisations can make the best use of their resources. It is accepted, across the charity sector and by regulators, that this enables them to better achieve their charitable purposes.

CFG provides public benefit by carrying out activities and providing services and products which improve financial management and leadership in the charity sector. We deliver a range of training, guidance and support for charity staff and trustees.

We also work to improve the operating and regulatory environment for charities so that they can carry out their missions effectively. And we inspire diversity in thinking about finance and its importance to charities' work.

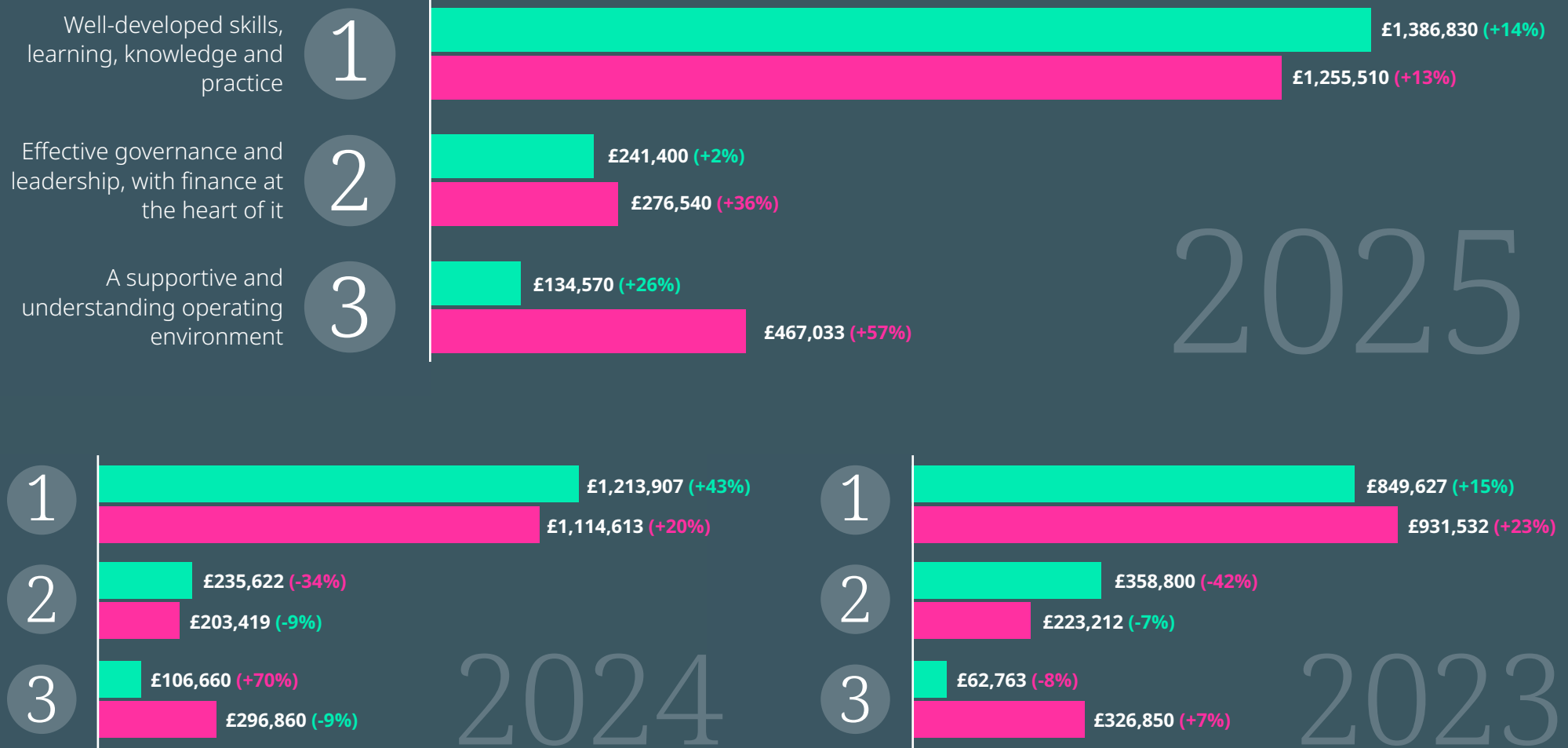
CFG improves the effectiveness and work of charities and supports their sustainability in an often volatile and unpredictable environment. In this way, we are supporting millions of beneficiaries in the UK and around the world.

This report shares many of CFG's activities and achievements during the year, as set against our strategic aims and our plans for 2024/25.



# Financials at a glance

● Income  
● Expenditure

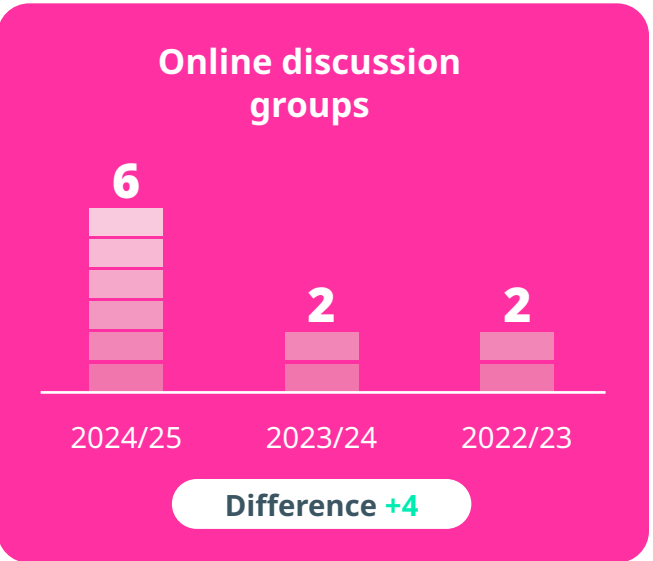
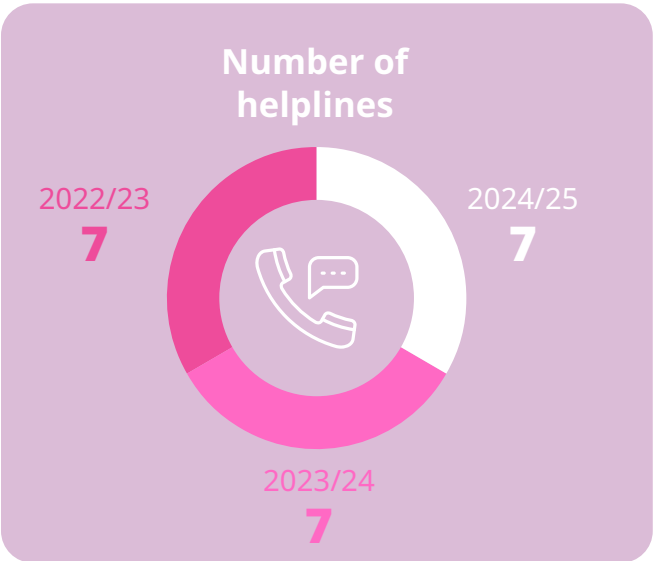
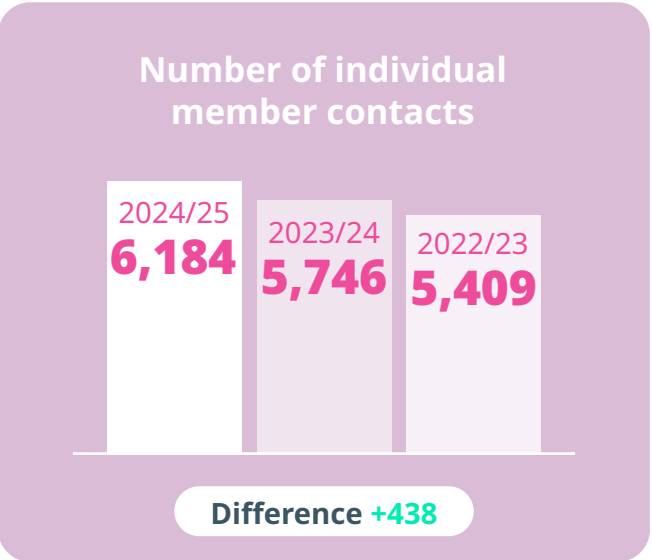
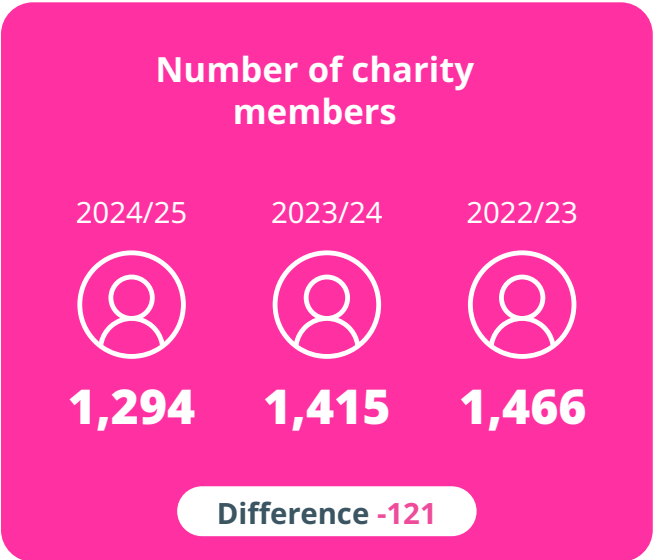


Note: £121,792 was spent on activities to raise funds during the year, compared to £108,419 in 2023/4 (an increase of 12%).



Performance  
at a glance

# Charity membership



In the months leading up to the spring 2024 renewal period, the total number of our charity members decreased. The majority of those who did not renew their membership were in the £1-5m income bracket. The main reason cited for leaving was the impact of the increase in Employer National Insurance Contributions from April 2025. Other reasons were changes in personnel and new internal policies to reduce spending on membership subscriptions.

## Finance skills for all

We continue to attract more professionals from the broader operations function, including HR, IT and general charity leadership positions to our events and programmes. We have also seen an increase in the number of member contacts on our database and this trend is set to continue.

This is partly due to our efforts to communicate that CFG charity membership is accessible to every individual in each member charity, from new starters to trustees and those with no finance experience or responsibility. This approach helps the whole organisation improve their understanding of the importance and functioning of finance and operations.

During the year, we stepped up our efforts to engage with members, asking them what they needed from CFG and what they valued. Our Membership Survey saw a good response rate and the insights provided through this supported the development of new products and services.

We produced new membership materials and launched a series of online meetings to directly share the value of CFG membership. Our research showed that members were not always aware of the full range of benefits available to them. We are pleased that the response to this work has been extremely positive.

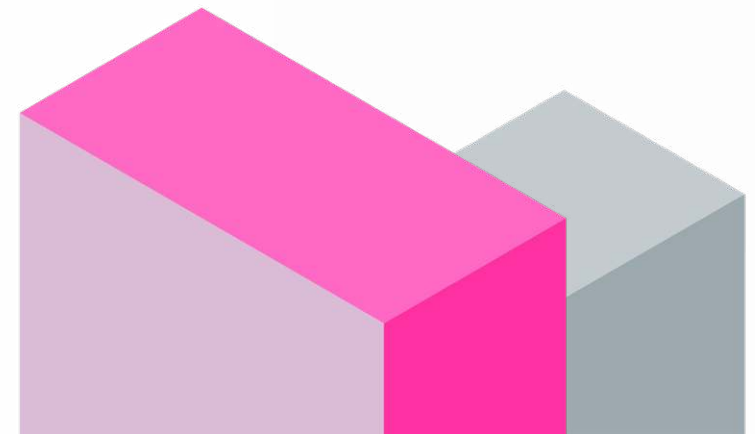
This year, we concluded the phasing out of our legacy pricing structure for membership fees and continued with 'rolling membership'. Feedback on rolling membership has been very positive, with charitable organisations now able to begin membership at any point during the year.

We continue to invest in our database, systems and workflows so that we can improve member sign-up and make the experience as simple and seamless as possible. As of Q3, we had made significant progress in implementing a new finance system and had selected a new CRM provider.

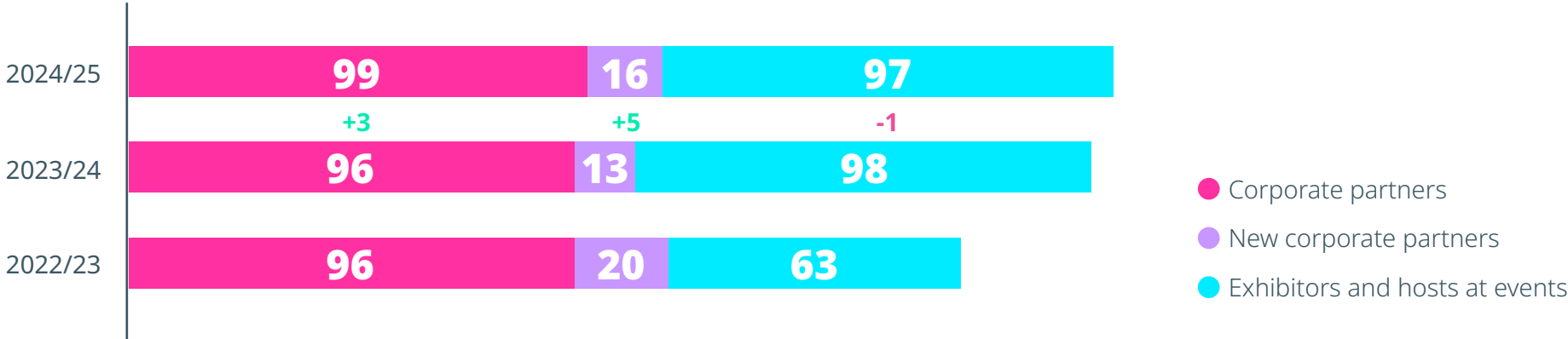
By streamlining our systems, we will be able to increase staff time and capacity to focus on having more in-depth conversations with our charity members, and convene and facilitate more groups and forums. This will help us to respond more rapidly to our members' evolving needs and provide greater support.

With the planned investment in our systems and positive feedback from our Membership Survey about the value of CFG membership, we are feeling positive about the future. With a smoother renewals and joining-up processes, as well as our 'win-back' campaigns, we believe that the CFG community will continue to grow and thrive in the coming months.

Read on to find out how we have worked to improve our systems to 'get the basics right'.



# Corporate partnerships



We are delighted to have increased our number of corporate partners and have welcomed 16 new corporate partners in 2024/25. We believe this is due to the strong plan we had for renewals and recruitment at the beginning of the financial year. This trend continued in late 2025 and we're delighted to have representation from a wide range of sectors, from accountancy and tax through to HR and technology.

Our corporate partners have been exceptionally active in 2024/25, sharing their resources, knowledge and experience with our charity members in numerous ways.

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## Supporting the community

The enthusiasm for exhibiting at our events continued in 2024/25. We welcomed nearly 50 exhibitors to Annual Conference in June 2024 and were able to keep the price of the exhibition stands competitive. We were delighted that so many of our corporate partners joined us at our flagship event. With their support, which included five exhibiting sponsors, we were able to provide a diverse and exciting agenda, attracting more than 500 attendees representing charities of every size.

This year, we also enjoyed the support of corporate partners at our first in-person Digital Conference, and we continued to deliver our popular investment training events alongside our partners.

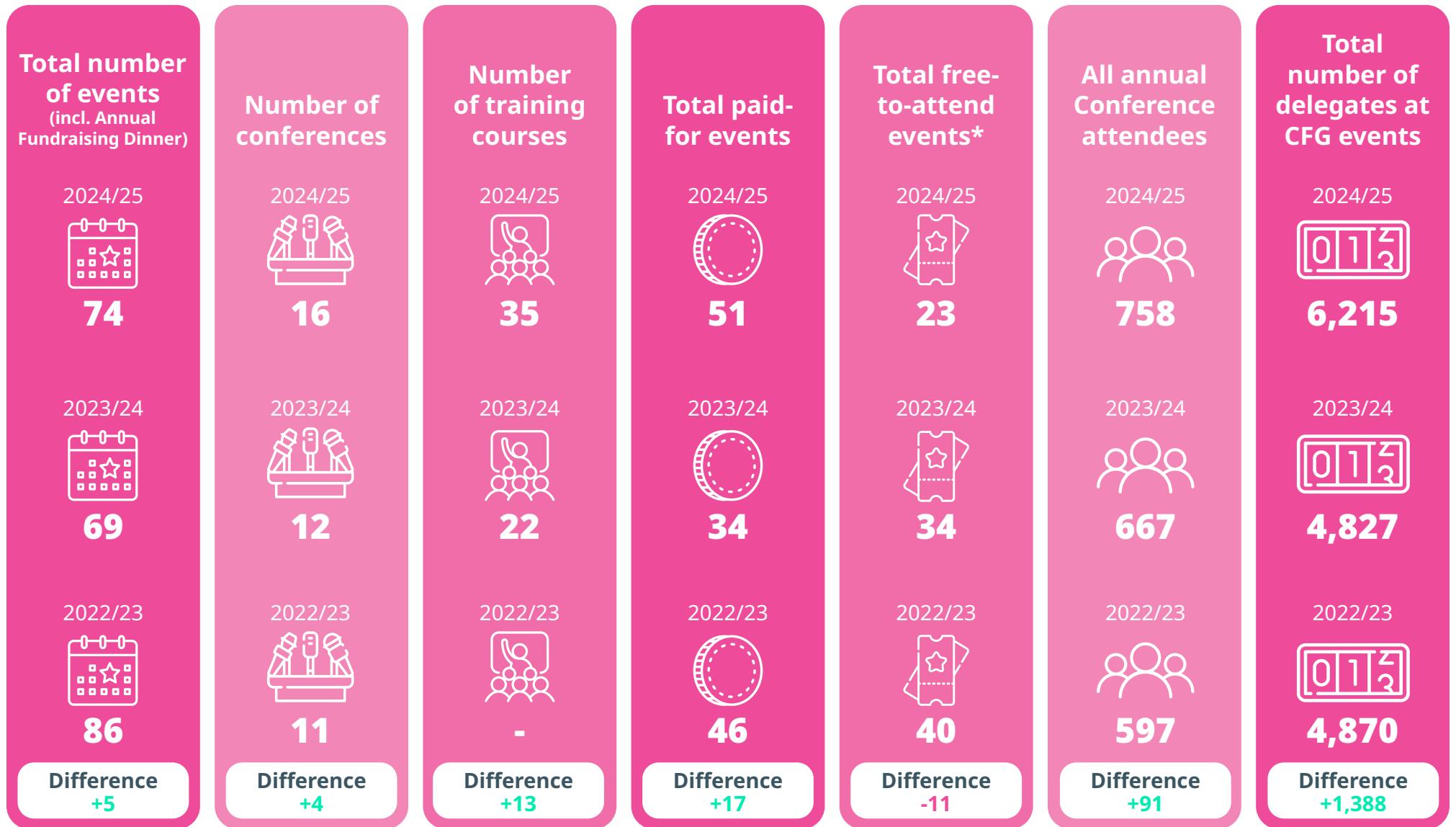
We did not attract as many corporate partners to our Annual Fundraising Dinner, held in October 2024. Several organisations were unable to support the event due to internal policy changes which prevented them from hosting clients.

We have taken this feedback on board and are now exploring how we can develop the event to ensure that it is not only congruous with corporate policies, but is also a more inclusive event that both charity members and corporate sponsors are proud to be a part of.

The ongoing support of our corporate partners is vital to the success of our events programming, and to CFG's success as a whole. We thank all our corporate partners for their ongoing commitment and enthusiasm.



# Events and training



\* For 2024/2025, this figure includes all bookable free-to-attend webinars, members' meetings and forums. It does not include policy-led roundtables.

The logo for Charity Finance Group (CFG) is a red circle containing the letters 'CFG' in white.

Leading the way  
for charity finance

A charity finance  
community  
built for you.

CPD opportunities

Leadership courses

Expert support

Special Interest Groups

Sector news and insights

And more!

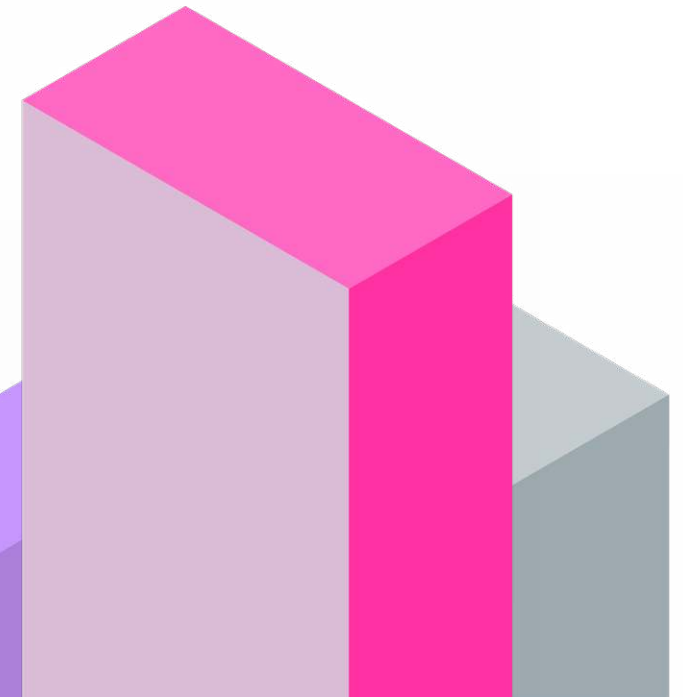
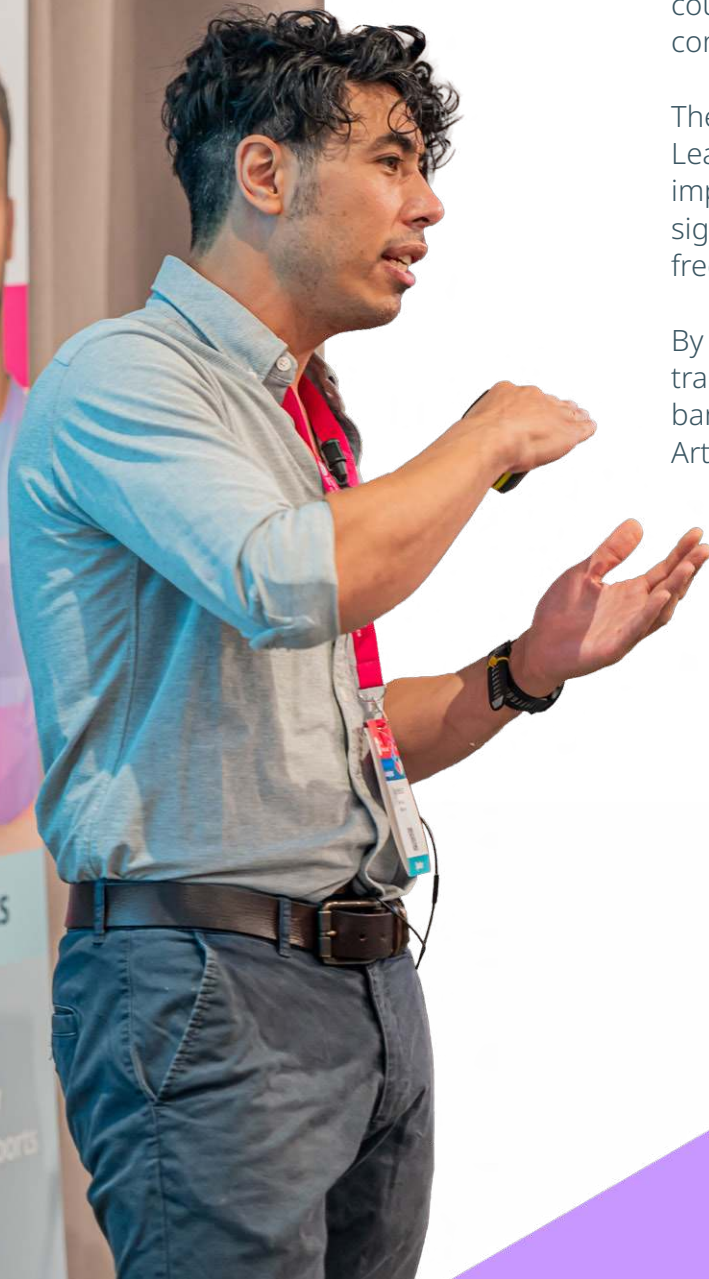
Talk to us and discover how  
Charity Finance Group supports  
individuals and teams.

## Building technical confidence

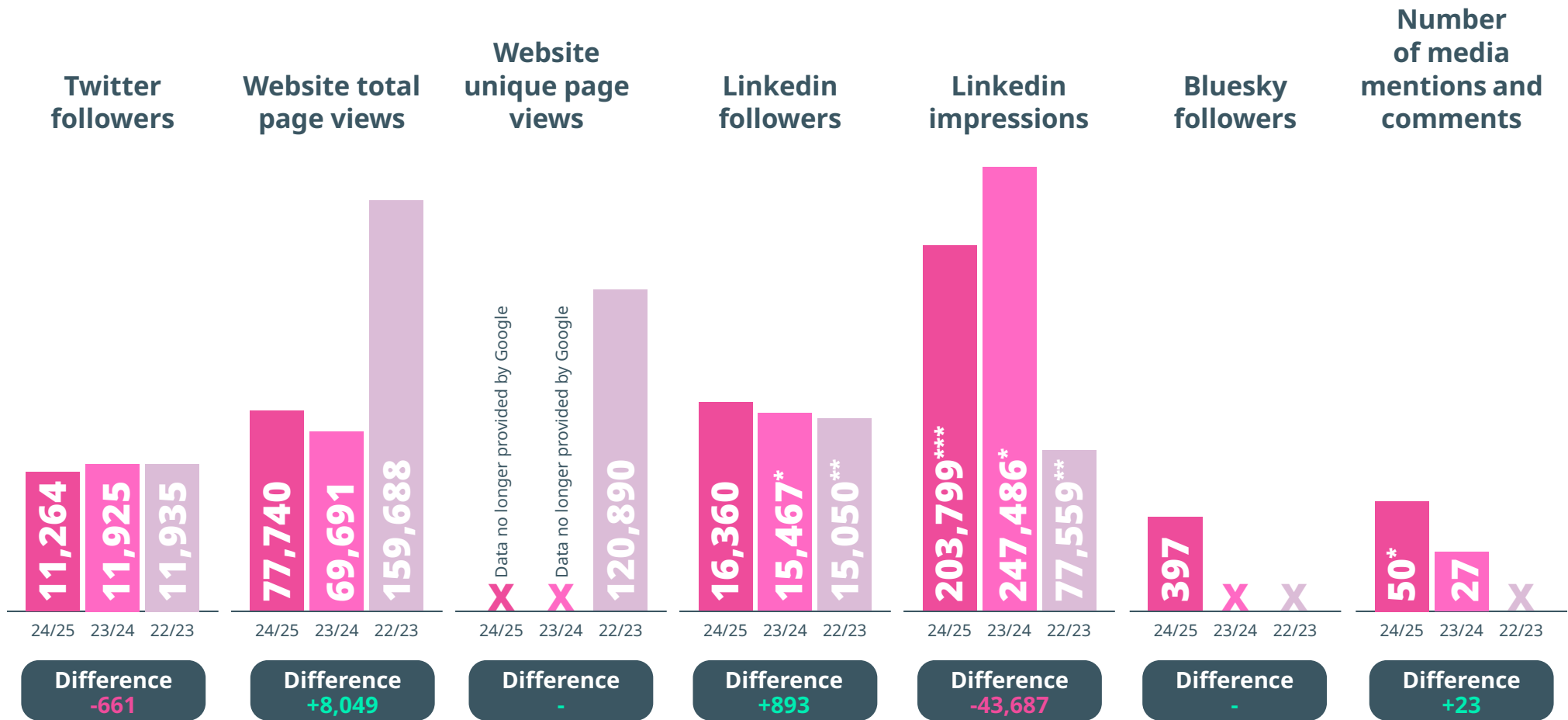
In 2024/25, we ran more events than in the previous financial year, and welcomed more people online and in-person to our events than ever before. We continued to focus on delivering high-quality training courses and webinars, to ensure members gain as much access to our community's collective knowledge as possible.

These training sessions complemented our flagship Inspiring Financial Leadership (IFL) course by providing attendees with the opportunity to improve their technical skills and increase knowledge and confidence. A significant portion of our growing events and trainings programme was free-to-attend.

By the end of the financial year, we had begun to roll out financial training to leaders of other related sectors, such as heritage and banking. This follows on from the successful training that we delivered to Arts Council England's grant recipient network during the year.



# Communications, digital and media



\*Figure as of end of September 2024. Combines organic and sponsored impressions.

\*\*Figure as of December 2023.

\*\*\*Figure as of August 2025.

CFG's Communications and Digital Team continued to build on the success of 2023/24, further establishing the organisation as a leader in the charity finance space, and a go-to for sector journalists. Building on strong relationships with the sector press and other media contacts, CFG was invited to comment on a wide range of news events and topics, including non-finance related issues.

In addition to coverage within the sector, CFG's work following the government's announcement of a rise in National Insurance contributions led to CFG's Deputy CEO, Clare Mills, appearing on ITV News and BBC Radio 4's MoneyBox. Statistics from CFG's survey on the impact of the rise in Employer National Insurance Contributions (ERNICs) were cited by MPs and Lords during debate in Parliament.

During the year, we received more than 50 online media mentions, a significant increase on the previous year. We also continued to contribute guest articles, including to Charity Times and the Association of Independent Museum's regular bulletin. At this time, we are still unable to consistently and accurately track and measure all media mentions, particularly in print, as this requires a dedicated media monitoring service.

In terms of our social media, we confirmed in February 2025 that we were leaving the platform X. Though it was a difficult decision, as many of our members and key stakeholders remain active on the platform, we felt that the platform no longer aligned with our values, and we had seen a marked reduction in activity and engagement. We have chosen to redirect our team's efforts towards other platforms such as LinkedIn and Bluesky. We continue to see a growth in followers on LinkedIn and it is proving to be effective for stimulating conversations, sharing knowledge and driving meaningful engagement.

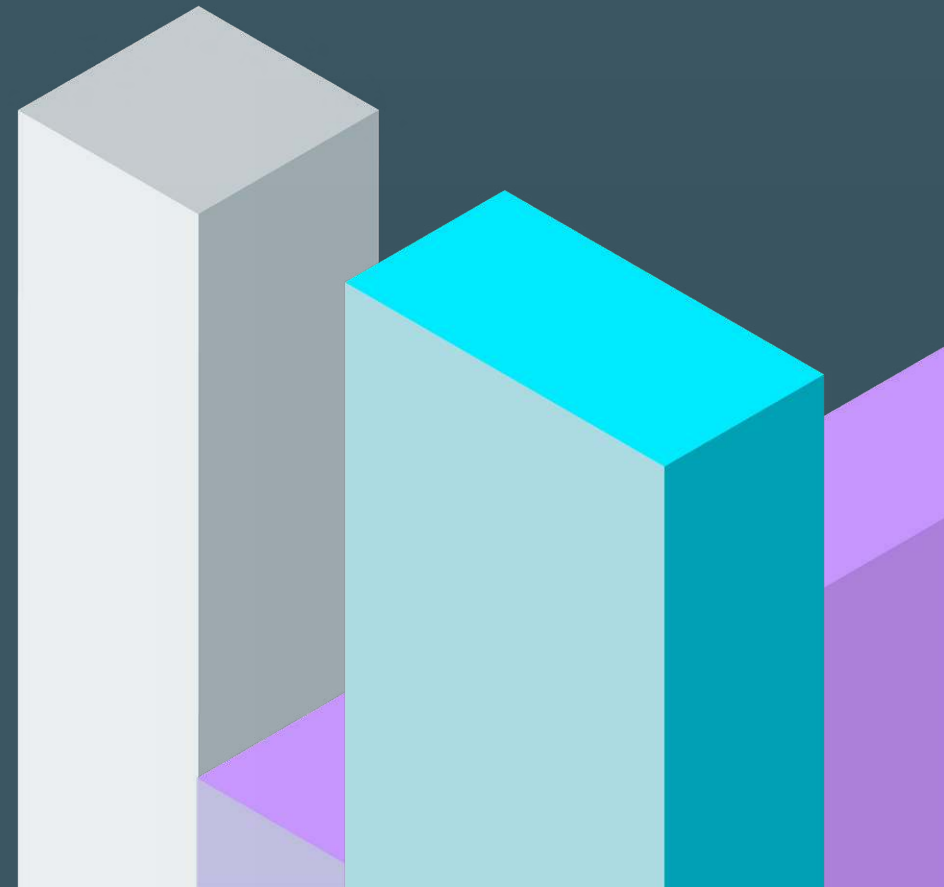
We continued our partnership with Good Finance UK which means we continue to serve additional data-rich and timely content to our social media followers, whilst benefiting from an additional source of income.

**During the year, we received more than 50 online media mentions, a significant increase on the previous year. We also continued to contribute guest articles, including to Charity Times and the Association of Independent Museum's regular bulletin.**



# Report of the Board of Trustees

The year 2024/25 once again presented a mixed picture for CFG, our charity members, corporate partners and the wider sector. As the financial year began, we sensed that many organisations had turned a corner from the pandemic and cost of living crisis.



However, we knew that we were not quite out of the woods. The vast majority of charities and our members continued to balance reduced incomes with increased demand, set against a backdrop of continued economic uncertainty. The cost of living crisis was, and still is, far from over.

The new Labour Government's first fiscal event in October 2024 increased that pressure. An unexpected rise in Employer National Insurance Contributions as of April 2025 meant that CFG, along with other charitable organisations who employ staff, were facing higher costs.

This led to immediate concern among our members and the wider charity sector, and our own research conducted in November 2024 and March 2025 showed that those initial concerns were justified. Like many other charities we had to re-forecast quickly and adjust.

Throughout the year, CFG engaged with policy makers on behalf of our members and the wider sector. We continually highlighted the difficulties that many charities were facing, particularly after the rise in Employer National Insurance Contributions, and advocated for measures that would alleviate some of the economic pressures.

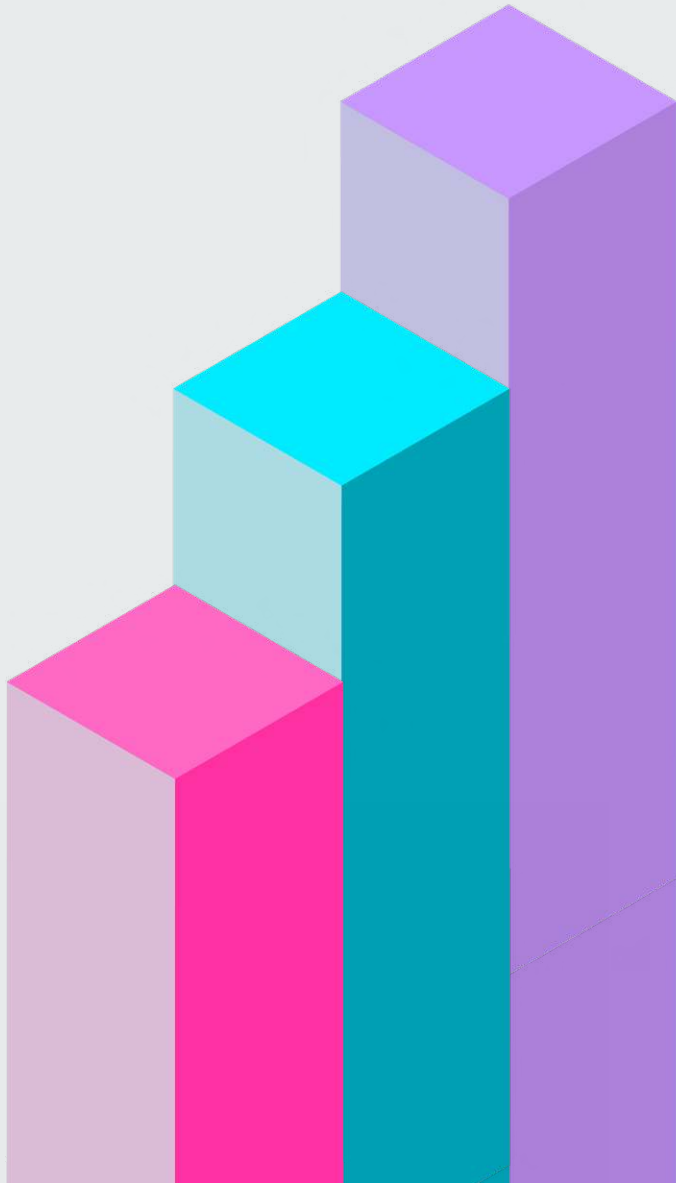
Despite the economic realities, there were many highlights during the year, and we made enormous progress with our internal objective of 'getting the basics right' and our digital transformation work – something the Board of Trustees have been particularly supportive of. We also launched a number of new services and products which were inspired and shaped by our charity members and corporate partners. This is testament to the team's ability to innovate, adapt and deliver.

We continued to invest in our team this year. Based on forecasts during the year, the Board accepted the Remuneration Committee's recommendations for a cost of living increase to staff salaries of 2% from April 2025, reflecting that inflation continued to have an effect on living costs throughout 2024/25.

Outside of pay, we continued to support staff by again approving two wellbeing weeks, in July/August 2024 and January 2025, to allow staff vital time to refresh and recharge. We have also continued to invest in training Mental Health First Aiders and ensuring 24/7 mental health support is available for those staff members who need it. Personal development training continued, with staff undertaking a range of external courses and internal training sessions.

We were delighted to welcome new trustees during the year: with Sue Pemberton, David McHattie and Jenny Howard joining us in November 2024. Hugh Wallace was also appointed as Chair of the Board of Trustees, and we said thank you and farewell to Kevin O'Brien, who served as a trustee and interim chair. Through sharing his energy, skills and experiences so generously, Kevin made tremendous contributions to CFG. We'd also like to thank Stella Smith for her dedicated service as a CFG trustee, as she left the Board in June 2024.

As ever, we thank CFG's staff team, volunteers, charity members and corporate partners for providing so many highlights during the year. We are grateful to our funders and donors for their generosity, and our sector peers and external stakeholders who engage so willingly and supportively. The charity finance community is characterised by energy, professionalism and mutual support, and we are thankful that CFG contributes to that community, and helps organisations to build strong foundations that create a lasting impact.



How did *we* do?

# Be the go-to body

OUR STRATEGIC GOAL	KEY ACHIEVEMENTS/OUTPUTS	WHAT WE LEARNED
<p><b>Be the go-to body:</b> Our priority is to maintain our position as a trusted and respected source of guidance across the UK charity sector on strong financial leadership, as well as governance and broader management issues, that will determine financial security.</p> <p>We draw on our collective expertise and stature to be a bold, brave and confident advocate for the sector, both in partnership with other sector bodies and as an individual organisation. CFG also draws upon its learning and experience to continually improve.</p> <p>We strive to be an 'exemplar' organisation and share, where relevant, our own knowledge and experience, recognising that we have common purposes and experiences with our members.</p>	<p>We welcomed more attendees to our events and trainings programme and grew our conferences, and the number of members attending Special Interest Groups and discussion forums have continued to grow.</p> <p>Our staff participated in external events and contributed to third-party publications to share CFG's expertise and thought leadership.</p> <p>We responded quickly to regular media enquiries, fulfilling nearly all media requests.</p> <p>We engaged with members and partners to respond to a number of government consultations, including the SORP consultation and continued to be the UK Country Champion for the IFR4NPO project.</p> <p>We proactively engaged members on government policy, raising their concerns on issues that impact their financial sustainability, such as the increase in Employer National Insurance Contributions.</p> <p>We continued to work closely with sector partners, including ACEVO and NCVO, and supported the work to develop the Civil Society Covenant.</p> <p>We continued to run Gift Aid Awareness Day and support other charity sector campaigns.</p>	<p>CFG is seen as a trusted and influential advocate for the charity sector. We are also seen as the voice on issues impacting the financial sustainability of the sector. We will build on this reputation by highlighting our policy work and media appearances more frequently.</p> <p>Collaboration with a diverse range of organisations, sector leaders and institutions means that we gain new insights and connections, which benefit our members and partners, and the wider sector. Collaboration leads to stronger results and lasting impact.</p> <p>Our policy work is valued by many stakeholders including members, partners and other infrastructure bodies. The demand for our specialist knowledge remains high.</p>

# Promote and support financial leaderships at all levels

OUR STRATEGIC GOAL	KEY ACHIEVEMENTS/OUTPUTS	WHAT WE LEARNED
<p><b>Promote and support financial leadership at all levels:</b></p> <p>CFG promotes and supports the development of financial leadership skills of individuals working within the charity sector, regardless of their background, aspirations or career stage.</p> <p>We strive to be relevant to and inclusive of all those who wish to develop their financial skills, whether it be for the benefit of their organisation, their own professional development and/or the wider sector.</p>	<p>Our volunteers and contributors are crucial to delivering support to those looking to improve their financial skills.</p> <p>Our Inspiring Financial Leadership and Peer Mentoring Scheme continued to be over-subscribed, demonstrating a clear demand for personal and leadership development skills.</p> <p>Our network and discussion groups are growing, connecting diverse groups for peer support, learning and leadership development.</p> <p>We undertook a full member survey in 2024 to better understand our members and their needs. By capturing better data and the views of our members we can better understand how they want to connect and engage.</p> <p>We renewed our successful partnership with the Association of Independent Museums, bringing more charities into membership from the cultural sector and supporting the development of financial leadership in this area.</p> <p>We worked closely with Arts Council England to develop bespoke charity finance training for their members.</p> <p>We developed the first phase of The Finance Journey tool with the support of technical experts from JP Morgan's Force for Good programme and a new member-led steering group.</p>	<p>We must develop a framework of key principles to underpin good relations with our volunteers and contributors and formally recognise and value their contributions.</p> <p>There continues to be a strong appetite for connection and community, and this can be found through CFG. Creating safe, secure online communities and forums is priority work for our digital transformation project.</p> <p>Regular membership surveys are vital to understanding how to respond and prioritise our members' diverse needs. The results of the 2024 survey helped us to improve our current offering, and better understand what we need to deliver in the future.</p> <p>Working with umbrella and other membership organisations is an effective way to share our community's expertise and upskill non-finance leaders.</p> <p>By further developing The Finance Journey and putting the framework at the heart of CFG's digital transformation work and strategy, we have the opportunity to support professionals to become transformative leaders.</p>

# Use our position to convene powerful networks

OUR STRATEGIC GOAL	KEY ACHIEVEMENTS/OUTPUTS	WHAT WE LEARNED
<p><b>Use our position to convene powerful networks:</b></p> <p>We use our position as a membership organisation to bring together different groups from within, and with, the sector. CFG connects individuals and organisations so that they can:</p> <ul style="list-style-type: none"><li>Support each other's learning and knowledge, leading to great social impact.</li><li>Position finance at the heart of decision making, to drive effective governance and sustainable operations.</li><li>Inform, instigate and shape better policy (regulation and legislation) and enhance public understanding in order to nurture a supportive environment.</li></ul>	<p>We convened roundtables, forums and groups that cut across sectors and topics and brought together experts with diverse backgrounds. Notable successes were the Charity Investment Governance Principles work and the development of our SORP consultation workshops.</p> <p>CFG's CEO continued work as co-convenor of the Civil Society Group (CSG), working with infrastructure colleagues on engagement with policy makers and decision takers, as well as influencing the CSG's programme of work. We have contributed to the development of the Civil Society Covenant, an important piece of work that resets the relationship between government and civil society.</p> <p>We continued to support sector research projects, including the VCSE Barometer Survey by Nottingham Trent University which builds insight into real-time trends, changes and challenges in the UK sector.</p> <p>We continue to reach new audiences via our fortnightly newsletter, Finance Focus and podcast. These channels are useful for members and partners to connect with others, share their news and best practice, and seek support from the community.</p>	<p>Our active and diverse community means that we can bring together diverse talents and expertise, often quickly, to respond to the needs of our members and the wider sector. This shows the importance of establishing and valuing our networks and communities.</p> <p>We have a great story to share about our policy and campaigns work and we need to talk about this more consistently. Growing our Policy and Communications teams in 2024/25 meant we were able to tell CFG's story and share our work more effectively.</p> <p>There is high demand for CFG's unique blend of technical information, shared learning, networking and thought leadership. Whilst we want to respond to all needs and demands, we must balance this with the need to remain financially sustainable. Bringing together people through forums, roundtables and members' meetings means we can better understand how to prioritise and share our work.</p>

CEO'S COMMENT

# Influencing positive change

**Caron Bradshaw OBE, CEO,  
Charity Finance Group**



You will likely know that this is my last annual report as CEO of CFG, a role which I have been privileged to hold since 2010. Whilst much of this will already have been said by the time this Trustees' Annual Report is published, I do want to take this additional opportunity to thank all the CFG staff, members and trustees, as well as all those from across the sector and beyond who I've worked with during this time.

This is not a final goodbye though as I will be staying with CFG in a business development capacity, but this is still a bittersweet moment as I look back on the past 15 years, as well as look forward with excitement at what is to come for CFG.

The year was not without challenges but still provides me with great hope for the future, as CFG took steps to strengthen our own foundations in order to create a lasting impact for years to come. As stated in our previous report, we have moved beyond the survival mode and made the decision to invest in key areas. CFG's Board has been bold in committing to potentially operating outside of our lower reserves range.

We added many new posts this year, initially on a proof-of-concept basis, as well as creating a £100,000 pot for our digital transformation project, which we truly feel will be a gamechanger for the organisation and allow us to provide even greater support for our members and the wider sector.

## A big year for policy and advocacy

There was, of course, a big change this year with the General Election in July leading to a Labour government for the first time since 2010, and the tone from the new government out of the blocks was incredibly positive. As I've said in previous statements, it's been really noticeable how open various ministers have been to having dialogue with the sector.



However, the operating environment remains very hostile and great tone alone will not keep the wolf from the door. The announcement in the government's October 2024 budget that there would be a rise in Employer National Insurance Contributions (ERNICs) caused much distress, with our survey of our members finding that 84% of charities were concerned about affording the increased costs. Sadly, a number of charities have since closed their doors, and many more have had to make significant cutbacks.

Clearly, there have been times when the government would have benefited from talking to the sector and we have had some robust and honest discussions with relevant departments since. We are pleased that CFG has been engaged in regular updates with the Treasury, alongside our partners at NCVO and ACEVO. These allowed us to raise our members' concerns and to lobby for changes which will provide huge benefit to the sector, at little cost to the exchequer.

The next step, of course, is action and for the government to avoid the common pitfalls of developing policy in a vacuum. During the year, I attended an event at 10 Downing Street, focused on resetting the relationship between government and civil society, alongside other sector leaders. This included the announcement of the Civil Society Covenant and provided further opportunities to have full and frank discussions with ministers.

## Proud to provide valuable support

We recognise how difficult things are for our members, and this is the reason we worked hard to highlight just how much value CFG membership provides. We have continued to provide many services completely free of charge. We remain committed to supporting the whole sector, not only our members, and this is particularly important at a time when so many small charities are finding things especially difficult.

So, as I close the book on my time as CEO, I'm proud that CFG are providing vital support in these tricky times. The whole CFG team, including our fabulous Board of Trustees, has worked incredibly hard to do this.

My heartfelt thanks also go out to all our members and partners who continue to make this entire CFG community a place of learning, knowledge-sharing and growth, to the benefit of the communities we all serve. I hope you enjoy reading all about our highlights and challenges in this annual report.



Caron Bradshaw



**Clearly, there have been times when the government would have benefited from talking to the sector and we have had some robust and honest discussions with relevant departments since. We are pleased that CFG has been engaged in regular updates with the Treasury**



FINANCE

# A year of transition

By Kath Qualtrough, Interim Director of Finance, CFG



The past year at CFG has been one of transformation, challenge and resilience. As we continue to evolve in response to sector-wide pressures and internal shifts, I'm proud of the progress we've made and the foundations we're laying.

2024/25 was marked by significant internal change, particularly within our finance function. While our income slightly exceeded budget - thanks to higher than expected grant and gift in kind income - membership income fell short, reflecting broader economic pressures. We've responded by refining our services and deepening our understanding of what our community values.

On the expenditure side, we saw a small overspend, largely driven by costs associated with our digital transformation programme. This included the implementation of our new finance system, as well as spending on key platforms like our new CRM and website. While this investment was anticipated, it took longer than expected to move away from existing platforms.

Following discussion with our Board, we decided to expense all digital costs incurred in 2024/25 rather than capitalising any as intangible assets. This is due to the fact that we are budgeting for software development costs annually over the coming three years given the pace of change we are seeing with the relatively new systems we selected.

Despite these pressures, the designated fund we set up for the digital transformation work of £100,000 helped buffer the impact on free reserves. We are reporting a deficit for the year, but one that aligns with the scale of change we've undertaken, and one that reflects the strategic investment we are making to strengthen our foundations for the future.

## Strengthening financial stewardship

One of my key priorities since joining CFG has been to support our budget holders: financial management sits both with the finance team and also with those running the projects that support our members. It's essential that those closest to the work can make informed decisions about any changes to project plans that may be needed and have the right data and information available.

The economic environment continues to challenge us. The national insurance hike and ongoing cost of living crisis have impacted both our staff and our membership income. Internally, these pressures have influenced our workforce planning, especially around fixed-term contracts. We've had to be agile, ensuring continuity of work, especially when roles are temporarily vacant between contracts. It's a balancing act, but one we're managing with care and creativity.

The implementation of our new finance system, Iplicit, marked a major milestone. While the system is now live, the real work lies in tailoring it to CFG's needs and ensuring seamless integration with our new CRM and website. The CRM, in particular, will be central to our operations, serving as the hub for data and member engagement.

Beyond systems, we're investing in our people. From budget holder training to strategic recruitment, we're building a finance function, and a wider team, that's equipped to lead CFG into its next chapter.

## Looking ahead

2025/26 will be another year of digital evolution but, beyond that, I see exciting opportunities for CFG. With stronger systems and clearer financial insight, we're poised to serve the sector in new and impactful ways. Whether it's convening conversations on policy changes or delivering high-value events, our focus will remain on supporting our members and amplifying their voices.

We'll continue to refine our reserves policy, ensuring it reflects our current risk profile and strategic ambitions. And we'll keep listening to our members, our partners, and our team to ensure CFG remains responsive, relevant, and resilient.

## A message to our members

Finance is everyone's business. Whether you're running a programme, managing a team, or leading a charity, understanding your financial position is key to making good decisions and driving impact. CFG are here to support you on that journey.

I encourage you to explore the tools, insights and community that CFG offers. We're committed to helping charities achieve more, and by utilising all that CFG provides for the sector, organisations can build those strong foundations, and create a lasting impact.



Kath Qualtrough

# CFG news highlights: spring/summer 2024

## CFG leadership evolves

CFG begins a new financial year by welcoming a new chair. Kevin O'Brien, former Chair of CFG's Finance and Audit Committee, has been appointed as CFG's interim Chair, taking the reins from Gary Forster. Kevin commented: 'I'm looking forward to leading the Board through 2024 and playing a role in the future development of CFG. At the heart of the decisions we will make will be a desire to focus on continuity and impact.' The Board also confirmed that CFG's directors Sarah Lomax and Clare Mills will become joint deputy CEOs following Caron Bradshaw's appointment as a non-executive director at Lending Standards Board.

## New Labour Government

CFG looks forward to working with the new government, stating: 'There's a lot of work to be done at home and abroad: reversing social and economic decline; tackling the cost of living crisis, poverty and inequality; putting local government and public services on a sustainable footing and promoting unity, not

division... Our sector will continue to advocate for communities everywhere, work with policymakers to find positive and practical solutions to challenges, and hold the new government to account when necessary.'

## CFG unveils brand refresh

Following a year-long consultation process with members and other stakeholders, CFG reveals new branding, including a new logo, strong visual identity and new colour palette. The brand refresh lays the foundations for work that will take place later in the year to develop a new CRM and website. CFG's Gift Aid Awareness campaign also gets a fresh new look with an updated logo and new resources.

## UK riots condemned

As part of the Civil Society Group, CFG joins with 39 other organisations to sign a statement to 'reject and condemn the actions of those involved in the recent wave of violence' that is affecting many parts of the country. The group's statement acknowledges the 'sense of shock and horror' those working

in civil society organisations are feeling, and goes on to say that 'civil society leaders will play a leading role in the community response.'

### IN THE NEWS

#### 10 June, Civil Society

[Relatively modest fee increases can negatively impact financial security](#)

#### 27 June, Civil Society

[CFG annual conference – Announcement of CIGP](#)

#### 24 July, Civil Society

[CFG unveils bolder branding](#)

#### 7 August, Civil Society

[CSG statement on racist violence](#)

## MEMBER VOICES

# Bringing art to the streets

Neil Goulder, Finance Director at Artichoke, shares how CFG membership has helped build the financial resilience behind some of the UK's most ambitious public art events.



At Artichoke, we create extraordinary art in public spaces - free, outdoor events which transform cities and communities. From Royal de Luxe's iconic Sultan's Elephant - which roamed London's streets in 2006 - to Lumiere, the UK's light art biennial in Durham, our work is bold, imaginative, and logistically complex.

But behind every giant puppet, intricate structure or dazzling light installation is a finely tuned financial engine. And that's where my role comes in.

When I joined Artichoke eight years ago, it quickly became clear to me that we needed a transformation of our accounting systems, IT infrastructure and our approach to project costing.

## CFG: My professional lifeline

As Finance Director, I wear many secondary hats: IT lead, financial report designer, and even all-round handyman. CFG has been my lifeline for staying informed and effective. Without an in-house technical department behind me, I rely on CFG's annual conference, roundups, and workshops to keep me up to date on sector changes: especially the things I didn't know I needed to know.

CFG's technical helplines have been invaluable, especially when navigating complex issues like Museums and Galleries Exhibition Tax Relief (MGETR), which has become vital to our financial sustainability. CFG was an invaluable sounding board when we faced a disagreement with our auditors, and is always there for us when we need clarity on a technical issue.



## From crisis to confidence

One of the most transformative shifts I made early on was changing the language around core costs and overheads, to ensure that each project was able to pay for the core resources it consumed. That shift helped us build six months of reserves within three years.

During the first three years we implemented a new accounting system in record time, automated data flows between systems, and designed clear, aesthetic reports that make financial information accessible. These efficiencies mean we spend less time keying data and more time focusing on our mission.

## Connecting with the sector

Being a finance director in a small organisation can be very insular. CFG's events, especially the Annual Conference and Digital & Tech Conference, offer a chance to connect with peers, share experiences, and learn from others. My relationship with CFG works both ways: I have presented at CFG events on MGETR, creative use of reserves, and the automation of financial information. I also recently joined (and presented at) ARTSIG, CFG's special interest group for arts charities.

These connections have helped me grow as a leader and given me fresh perspectives on the challenges we face. Whether it's a chat over lunch or a deep dive into financial strategy, CFG creates space for reflection and innovation.

## Why CFG matters

Artichoke's work is ambitious and unconventional. We operate in public spaces, often with tight timelines and complex logistics. To do this, we need financial resilience, strategic foresight, and sector-specific knowledge. CFG helps me deliver all three.

CFG membership is a partnership which empowers you to lead your organisation with confidence and for any charity finance professional – especially those in small teams or complex sectors – CFG is an essential part of their toolkit.



Neil Goulder



**Being a finance director in a small organisation can be very insular. CFG's events, especially the Annual Conference and Digital & Tech Conference, offer a chance to connect with peers, share experiences and learn from others.**



CFG'S LEADERSHIP

# Investing in innovation

By Sarah Lomax, Deputy CEO, Charity Finance Group





As we reflect on another pivotal year for CFG and the charity sector, three words capture the essence of our journey: support, connection and value. These principles have guided everything we do as we serve our members through an increasingly difficult operating environment.

## A challenging landscape

From the hike in Employer National Insurance Contributions to decreasing donations and under-funded contracts, the pressures have been relentless.

These external pressures have been reflected in a slight decrease in our charity membership renewals, though we remain deeply grateful to our members and partners who continue to support our work and charitable objectives.

The biggest focus for our Commercial Services Directorate has been strengthening our foundations while expanding our reach. We were delighted to welcome Milly Durrant as our new Head of Membership in July 2024, who immediately undertook a comprehensive survey of our membership to better understand their evolving needs. This insight has proven invaluable in shaping our service delivery.

Simultaneously, we've embarked on an ambitious digital transformation project, working toward completion in 2025/26. While this inevitably impacted our capacity and resources, I'm incredibly proud of our teams who have continued to provide a balanced programme of membership services and events.

## Highlighting value and success

Recent work to quantify the value of CFG membership revealed that members receive approximately £12,000 worth of value annually – and that doesn't include invaluable benefits like our policy and advocacy work, which we carry out on behalf of the entire sector. We're committed

to not just maintaining but enhancing this value proposition as we navigate the challenges ahead.

Our Annual Conference 2024 was another resounding success, selling out once again and reinforcing the appetite for high-quality, face-to-face networking and learning opportunities. The Finance Leaders' Discussion Group has gone from strength to strength, while we successfully introduced an exhibition element to our Digital Conference for the first time.

Beyond our regular programming, we delivered a comprehensive bespoke training course for Arts Council England and continued to develop our Finance Journey framework – an initiative that I'm particularly excited about as it supports charity finance professionals at every career stage.

## Innovation and adaptation

Our approach to strategy remains dynamic and responsive. As a leadership team, we review our rolling strategy annually with the Board, using our Risk Plus approach to evaluate not only risks but also opportunities. This has led us to launch several new initiatives, including a new Turnaround Discussion Group and enhanced mentoring programmes.

We've also worked closely with internal teams to successfully launch CFG's rebrand and are preparing for our Annual Conference 2025 with a move to a new venue and the introduction of a new conference app. These changes reflect our deep commitment to continuously improving our member experience.

The year ahead brings both exciting opportunities and significant challenges. We're working toward completing our digital transformation projects, and another major area of focus will be supporting our

members with the new SORP. We'll be running consultations with members and implementing comprehensive training programmes to ensure they're fully prepared for these changes.

I'm particularly enthusiastic about our new Transformation Collaborative which will give leaders a space to come together to effect wider change. This, alongside our expanding consultancy services and the Finance Journey, represents the evolution of CFG's offering to meet our members' needs.

## Optimism for the future

As we continue to support our members, we remain optimistic about the future. The charity sector's resilience never ceases to inspire us, and CFG's role in fostering that resilience remains as vital as ever. The path ahead may be challenging, but with our strengthened foundations, enhanced digital capabilities, and unwavering commitment to our members and the wider sector, we're well-positioned to continue driving positive change.



Sarah Lomax



**The charity sector's resilience never ceases to inspire us, and CFG's role in fostering that resilience remains as vital as ever.**



# Strengthening our foundations

By Dr Clare Mills, Deputy CEO, Charity Finance Group

One of my regular sayings is, if I wanted to go to such and such a place, I wouldn't start from here. Coming from a policy background, it's often the case that we are seeking to improve a position or system that has evolved over time, rather than designing on a blank piece of paper and then creating the reality against the design.

Moving away from policy and looking at developing a culture of continuous improvement, we also come up against the 'I wouldn't start from here' paradox – because here is where we are! We have no option but to start from here.

For the past three years, CFG has had 'getting the basics right' as one of our internal priorities or focus areas. When we review how much progress has been made, we can see significant improvements in some areas, but the overall impact can be difficult to quantify.

## What are 'the basics'?

To make more measurable progress on priority areas, we went back to basics! We reviewed our staff's understanding of what we meant by 'the basics' and what we meant by 'right', to develop a common understanding of what 'getting the basics right' means.

The staff team knows what the organisation needs to operate effectively but reflected that they had a range of understanding about our business processes. The ideas that came out of those conversations fell roughly into three categories: people, processes/workflows, and IT/digital. The second part of our discussions probed what we meant by 'getting it right', what that looks like, and understanding the impact.

Why does getting it right matter? We discussed ethics, efficiency and effectiveness; use of resources including people, funds and time; and the impact of our work on members, beneficiaries and society.



In summary, getting the basics right in an organisation like CFG means:

- operating efficiently and effectively, to maximise our impact for our members and civil society in general.
- making smart use of our time and resources, while harnessing insight and information to ensure operations move smoothly and decisions are well-informed.
- staff feeling valued, empowered and effective in their roles, and supported by systems and tools, policies and procedures that are known, understood and used consistently.

## Quick wins and lasting improvement

One aim of this work was for all staff to identify and agree areas where we could quickly make visible improvement. Working in small groups, the team took a selection of 'basics' and developed a description of what getting those right would look like, within those categories of people, processes, and IT/digital.

However, we know that even quick wins take time – so what should we prioritise? Having shared the summaries with each other, staff completed a short poll to say where they felt we should focus immediately. Keen to make progress, two working groups formed and got to work on two areas: our project management processes and making meetings more effective.

Having a creative, dynamic and engaged body of staff is fantastic, because everyone shares that vision of working smarter and using the tools we have to save time and improve the way we do things. We're going to continue working on 'getting the basics right' in short bursts or sprints over the coming months, picking an area where we can make improvements, shaping our ideas together, putting changes in place and then checking progress.

Having started work in the pre-digital era, when the arrival of the fax machine was a game changer, I can see that the things that mattered then are still the things that matter now. Supporting our people, working with our members, managing our external stakeholders, keeping track of our finances, ensuring good governance and compliance – these are the 'what' that have been at the heart of organisations and businesses for decades.

But the way we work – how we do things, rather than what we do – can change dramatically. To adapt and take advantage of opportunities such as the development of artificial intelligence and automation, we need strong foundations – and to do that we need to go right back to basics!



Clare Mills



**Having a creative, dynamic and engaged body of staff is fantastic, because everyone shares that vision of working smarter and using the tools we have to save time and improve the way we do things.**

# CFG news highlights: autumn/winter 2024

## CFG welcomes new directors

CFG members Sue Hall and Kath Qualtrough join CFG as Interim Digital Transformation Director and Interim Finance Director respectively. Caron Bradshaw says: 'We are delighted to welcome Kath and Sue to the CFG team. Their passion for CFG, as well as being experts, will be invaluable and will help us to continue to put members at the heart of what we do.'

## Charity leaders set out wish list

As part of the Civil Society Group, CFG urges the Chancellor of the Exchequer, Rachel Reeves, to 'invest to secure' the future of philanthropic giving by setting out a range of low-cost, high-impact measures. These include increasing charity tax limits in line with inflation; confirming funding for HMRC's Gift Aid review and launching a consultation on the introduction of VAT relief on charitable donations and donated goods.

## CFG launches biggest ever Gift Aid Awareness Day campaign

On October 3 2024, CFG, alongside thousands of other charities, celebrated Gift Aid Awareness Day and social media was awash with posts encouraging donors to #TickTheBox. In total, there were 2961 posts with an estimated reach of nearly half a million people.

## CFG reacts to autumn budget

Chancellor Rachel Reeves held her first budget on 30 October 2024, and among the announced changes was an increase in Employer National Insurance Contributions. Following the news, CFG launched a survey to understand the impact that this would have on the sector, which revealed deep concerns about the abilities of charities to absorb the increase in costs.

## CFG publish 'Charity Banking Challenges 2024' report

CFG, alongside sector partners, launched a joint report on the challenges and barriers

charities face with banking. Following a survey of nearly 2000 charity trustees and volunteers, the report indicated a systemic issue that requires urgent attention.

### IN THE NEWS

#### **3 October, Civil Society**

[One fifth of charity leaders report difficulties in claiming gift aid, CFG survey shows](#)

#### **30 October, Civil Society**

[Tributes paid to former CFG Chair Ian Theodoreson](#)

#### **27 November, Civil Society**

[Over 90% of charities experienced banking issues in the past two years](#)

#### **4 December, Third Sector**

[Two thirds of charities likely to consider job cuts due to NI hike](#)

HR AND OPERATIONS

# Supporting our people through change

By Harriet Deeks, HR and Operations Officer, CFG



At CFG, we know that our people are our greatest asset. Over the past year, our HR team has focused on supporting staff through a period of significant change. We've welcomed new colleagues, embedded new systems, and continued to build a culture where everyone feels valued and supported.

## Welcoming new faces and systems

2024/25 saw a wave of new starters join CFG, and we're proud of the success of our recruitment and onboarding processes. From the outset, our aim has been to make people feel part of the team, which is especially important for a remote organisation like ours. Creating a sense of belonging is central to our culture, and we've worked hard to ensure new colleagues feel connected and supported from day one.

Change hasn't just come in the form of new faces though. Throughout the year, we have been rolling out a programme of digital transformation, which included the successful implementation of our new HR system in March 2025.

Transitions like these can be challenging, so we've prioritised clear communication and support to help staff adapt confidently. With more systems' changes on the horizon, including a new website and CRM, it's more important than ever that we continue to support our people through this.

## Listening and learning

Our annual Birdsong staff survey remains a vital tool for understanding how our staff are feeling and where we can improve. This financial year, we were proud to see 100% of respondents agree with statements such as 'I enjoy working with the people in this charity', 'I am happy with the flexible working practices here,' and 'I have access to appropriate emotional and mental health support at work when or if I need it.' We also scored 25% above the charity benchmark for encouraging staff to



improve their physical and mental wellbeing, which is a testament to the culture we're building together.

Remote working continues to offer flexibility as an organisation. We've seen the benefits of being able to recruit from across the country, and the cost savings of not having a physical office. At the same time, we recognise the importance of face-to-face connection.

Our quarterly all-staff away days have been invaluable for strengthening relationships and sharing learning. In March, we welcomed experienced charity CEO and leadership trainer Duncan Dunlop to deliver a session on values-based leadership, which was an inspiring reminder of why we do what we do and the impact we can have.

## Investing in development and wellbeing

Professional development continues to be a key focus. We continue to put time aside for our monthly DEAL (Drop Everything And Learn) hour, giving staff dedicated time to focus on learning. LinkedIn Learning remains a valuable tool, and we've also invested in targeted training to help staff upskill in key areas. These initiatives reflect our commitment to helping every member of the team grow and thrive. Setting time aside for training is also vital to the implementation of our new systems which will require all staff to adopt new ways of working and develop new skills.

We're grateful to our Board for continuing to support our twice-yearly wellbeing weeks. These breaks, where the whole team steps away from work at the same time, offer a chance to rest and recharge without returning to a mountain of emails. They've become a vital part of our wellbeing strategy. Alongside this, our two trained Mental Health First Aiders continue to be an important touchpoint for peer support. This year, two staff members received mental health first aid training, replacing those who left during the financial year.

As a membership organisation and a leader within the charity sector, CFG continues to strive to be an exemplar in how we support our people. By implementing meaningful benefits and sharing our approach publicly, we hope to encourage other organisations to adopt similar practices. We believe that prioritising staff wellbeing and development is essential for building resilient, effective teams across the sector.

## Looking ahead

As we move into another year of change, our focus remains clear: to support our people, strengthen our culture, and ensure CFG continues to be a place where everyone can thrive. We'll keep reviewing our policies and benefits to make sure they meet the needs of our team. Together, we're building a resilient, inclusive and forward-looking organisation, one where people feel empowered to do their best work and are supported every step of the way.



Harriet Deeks



MEMBERS, VOLUNTEERS AND PARTNERS

# Putting members at the heart of change

By Milly Durrant, Head of Membership, CFG

As I reflect on my first full year as Head of Membership at CFG, I'm struck by just how much we've achieved together as a vibrant membership community. When I joined in June 2024, I had high expectations based on that incredible first impression attending the Annual Conference. But even those expectations have been exceeded by the energy, engagement and passion I've witnessed from our members and partners throughout the last year.

## Listening to our members

One of the highlights of this year has been our comprehensive member survey, launched in November 2024. With 120 members taking part, this piece of work really cemented what I suspected from day one – that we have an exceptionally engaged and vibrant community who really value CFG and being part of such a supportive network. The results have been both validating and enlightening, helping us all at CFG to understand exactly what makes membership so valuable and where we can do even better.

I was particularly struck by the survey findings that showed just how much our members value being part of our community. Nearly nine out of ten members told us they're satisfied with their CFG benefits, resources and support services, with 84% rating membership as 'good' or 'excellent' value for money. Perhaps most telling of all, 63% believe every charity should be a CFG member – that's the kind of advocacy that speaks volumes about why we're here! We'll soon be inviting members to recommend CFG to their wider charity networks as a result!

What surprised me most was learning that some members weren't fully aware of the breadth of benefits available to them. As one respondent put it: "Until I completed the survey, I was unaware of lots of the resources and benefits that are apparently available to me." This feedback has been invaluable in helping us prioritise our communications and member engagement work this year. We now hold

regular member benefit drop-in webinars to remind existing members of all that we offer, whilst allowing new prospects to come and hear more about our community.

## Growing our community

Beyond the survey, this year has been marked by tremendous growth and energy. Our renewal target was challenging, with many charities feeling the effects of the ERNICs rise and a difficult global political and economic climate.

I've seen our forums and Special Interest Groups flourish with increased participation.

Our 2025 Annual Conference was another personal highlight – seeing our biggest turnout yet. The day truly reinforced everything I love about the CFG community: the willingness to share knowledge, the collaborative spirit, and the genuine care members have for supporting each other and strengthening the charity sector. As one delegate told us afterwards: "Conferences can sound really dull, but the day was stuffed with practical tips, inspiring stories, and a sense of others being in the same boat. Even sharing common frustrations was reassuring! I came away with ideas that we can implement in our charity."

## An exciting year ahead

Looking ahead, I'm energised by the opportunities that lie before us. Our digital transformation project is well under way and aims to do just that – transform our systems to allow us to do more for you, our members.

We are excited about bringing online a new website that will create more personalised learning experiences, improve self-service, and bring more people together in shared online spaces.

A new CRM system will allow us to have a better idea of our members' needs and focus areas, so we can improve and personalise our offering, whilst vastly improving efficiencies. We've expanded our Peer Mentoring Scheme to run twice yearly due to high demand and have introduced quarterly policy briefings to keep members informed of the regulatory changes that affect the whole sector.

What excites me most, though, is the opportunity to build even stronger connections within our community. Over the past year, I've had countless conversations with members and partners at events, through surveys, via email and in informal settings, and each one reinforces my belief that CFG's strength lies in generosity and expertise. You share your knowledge freely, support each other through challenges, and consistently advocate for the transformational impact of charity finance.

With economic uncertainties continuing to challenge our sector, I'm more convinced than ever that membership communities like ours are essential. Together, we're elevating the entire sector, ensuring charity finance professionals and charity leaders have the tools, knowledge and networks they need to help their organisations thrive.

Thank you for making this first year so rewarding. Here's to another year of growth, learning and making a real difference in charity finance together.



Milly Durant



# and building stronger communities

By Zoe Bennett, Membership Engagement Manager, CFG





existing volunteers but also taken significant steps to formalise and expand our volunteering framework, ensuring we can support even more members while recognising the vital role our volunteers play.

## Our volunteer champions

Our volunteers continue to be the backbone of CFG's most impactful initiatives. Simon Hopkins has been instrumental in leading both the Finance Journey development and initiating the launch of our new Turnaround Special Interest Group, bringing his extensive experience and knowledge to support charities facing financial challenges.

Jon King continues to chair our hugely popular Finance Leaders Special Interest Group with dedication and insight. The group is a hub of conversation and a supportive peer network.

Alan Sharpe's leadership of the Large Charities Special Interest Group remains invaluable for our bigger member organisations, while Nicki Deeson continues to bring the latest thought leadership to our Peer Mentoring Scheme and deserves special recognition for her work with our alumni mentors.

We are also hugely grateful for the work of our overseas and large charity Special Interest Groups who are dedicated to ensuring our programme of specialist events deliver the best possible impact to our members.

## Strengthening the framework

We've recently undertaken comprehensive work to support our volunteers more effectively. We've completed a full volunteer audit, giving us a complete picture of our current volunteers and prospects for the first time. This has enabled us to clearly identify our

volunteer roles – from chairs and moderators to special advisers – and draft robust 'Terms of Reference' that outline roles, remits and conduct expectations.

We're also developing a structured onboarding programme that will welcome new volunteers, covering everything from role guidelines to social media guidance and training opportunities. Overall, this framework ensures our volunteers feel properly supported and equipped to make the most of their contribution to CFG.

## A vision for volunteer-led excellence

The exciting part is what comes next. As our digital transformation project progresses, we're creating new opportunities for member engagement and volunteer leadership. Our new CRM system, our new forums platform and website will revolutionise both the volunteer and member experience.

Our plan is that each Special Interest Group will soon have its own dedicated landing page featuring volunteer profiles, helping members connect with the experts leading their communities. We're creating a dedicated volunteer page on our new website where members can easily find and apply for volunteer opportunities, with vacancies listed clearly online. The launch of the forums platform will be particularly transformative, creating new moderator roles and enabling more dynamic, ongoing discussions within our specialist communities.

Our goal is ambitious but definitely achievable: we want all Special Interest Groups to be truly volunteer-led, and with all CFG staff supporting. This model recognises that our members are the real experts, and that peer-to-peer learning and leadership creates the most valuable experiences for our community.

We're also implementing regular recognition programmes, ensuring our volunteers receive the thanks and congratulations they deserve from our

Leadership Team and Board of Trustees. While volunteering is fulfilling in itself, we want to each and every volunteer to feel genuinely valued for their contribution.

## The power of community

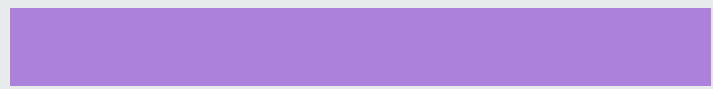
As we move forward, one thing remains constant: CFG simply wouldn't be able to achieve what we do without these amazing champions. They are key players in convening our powerful networks and communities, and their willingness to share expertise, facilitate discussions, and support fellow members exemplifies everything that makes the charity finance sector special.

As we continue to grow and evolve, I'm excited about expanding these opportunities for members to contribute, lead, and shape the future of CFG. If you're interested in volunteering or want to learn more about the opportunities available, I'd love to hear from you. After all, the more we share and connect, the stronger our community becomes. Thank you to every volunteer who has given their time, expertise, and passion to CFG this year. Your contributions really do make all the difference!

## A year of policy



Zoe Bennett



# and campaign wins

**By Richard Sagar, Head of Policy, Charity Finance Group**

2024/25 has been a landmark year for Charity Finance Group's policy and campaigns work, wins, sector-wide collaboration, and meaningful engagement with government and regulators. As ever, our focus has been on amplifying the voice of charities and



ensuring that the financial and regulatory environment enables them to thrive.

## Shaping policy and practice

One of the most significant areas of engagement this year was the consultation on the Charities Statement of Recommended Practice (SORP). Recognising the importance of this framework to charity reporting and transparency, CFG took a leading role in coordinating sector. Through a series of workshops and surveys, we brought together more than 100 charities to seek their feedback and view on the Exposure Draft. This collaborative effort not only strengthened the sector's response but also reinforced CFG's position as a trusted convener and advocate in technical policy matters.

Another long-standing priority for CFG has been the charity audit threshold. For years, we have argued that the threshold should be increased in line with inflation to reduce unnecessary burdens on smaller charities. This year, our persistence paid off: the Department for Culture, Media and Sport (DCMS) launched a consultation on the issue, directly influenced by our advocacy. While the final outcome is expected later in autumn 2025, we remain optimistic that our proposals will be adopted, marking a significant win for the sector.

## Improving banking services

Banking access and service quality have continued to be a challenge for many, particularly smaller charities. Following the publication of 'Charity Banking Challenges 2024', a report based on a survey of more than 2,000 charity leaders, we were invited to appear on two segments of BBC Radio 4's Money Box to talk about charity



banking and our work. Later in the year, we published a practical toolkit titled 'Communicating with your bank: raising an issue or concern' to help charities navigate the complaints process and engage effectively with their banks.

CFG's Charitable Sector Banking Forum has also been meeting regularly, bringing together sector colleagues, regulators and banks to develop stronger relationships and understanding of the issues affecting charities, and work towards solutions.

## Collaborations and communications

As we've previously noted in this report, the autumn budget saw a major blow to charities with the increase in ERNICs. Our survey of member charities revealed widespread concern. This research led to a report on ITV News, which included an interview with our Deputy CEO Dr Clare Mills and input from some of our members. Later on, we were delighted that the issue had been raised in Parliament and almost led to an exemption for smaller charities.

CFG's Gift Aid Awareness Day on 3 October 2024 was the most successful yet. This was thanks in no small part to Dionne Sturdy-Clow who joined us as a Project Officer for 2024 through the Rank Foundation's Time to Shine programme. Gift Aid Awareness Day 2024 saw thousands of posts on social media. It was incredibly rewarding to see the impact of the campaign reflected in a 7% increase in the total amount of Gift Aid claimed by charities in 2024/25.

This year, engagement with the Treasury has further increased, and we were invited to participate in a newly established forum with HMT and civil society. Our relationships with regulators have also flourished. We've worked closely with the Charity Commission for England and Wales, OSCR, and the Charity Commission for Northern Ireland. We're now collaborating on reshaping the Charity Commission's guidance on

risk, which is a vital piece of work for transforming how the sector thinks about and manages risk.

Finally, in partnership with other sector bodies and experts, CFG launched the Charity Investment Governance Principles which provide a clear framework for trustees and charity leaders to make informed, responsible investment decisions. We will continue to promote these principles and support their adoption across the sector.

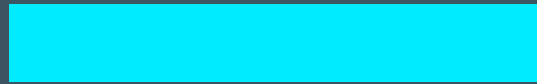
These achievements reflect CFG's commitment to practical, impactful policy and communications. Whether through technical consultations, regulatory engagement, strategic partnerships and campaigns, our goal remains the same: to create a financial and policy environment where charities can focus on what they do best – serving communities and changing lives.



Richard Sagar



**This year, engagement with the Treasury has further increased, and we were invited to participate in a newly established forum with HMT and civil society**



# Training for excellence

By Joanna Strumilowska, Head of Learning and Events



The past year has been an incredibly busy and exciting one for the events team, one marked by significant growth and change. During 2024/25, CFG's events team delivered an incredibly packed calendar of events with 74 conferences, webinars and members meetings and 35 training courses that provided attendees with a wealth of expertise and knowledge.

The team grew during the year, as we welcomed three new team members, after sadly losing our brilliant Events Manager Sarah Boorman to pastures new. This growth allowed us to build on the events that we already had and increase our output, as well as the number of people attending.

## The year's highlights

As usual, the priority for the first part of 2024/25 was our Annual Conference, which was bigger and better than ever! We were delighted to see so many people come together for a day of learning and sharing. There were some incredible sessions on a wide range of topics, from speakers discussing the challenges and opportunities of artificial intelligence, to the more technical aspects of charity finance like reserves and audits. The sheer breadth of knowledge on display from both our charity members and corporate partners was simply astounding. The incredible feedback we received from attendees both on the day and in the weeks following showed just how valuable the conference is to the sector.

Beyond the Annual Conference, our comprehensive programme included everything from networking events through to topical conferences, targeted training sessions, insightful webinars, and essential member meetings. The diversity in programming not only serves our community's varied learning needs but also plays a crucial role in CFG's financial sustainability, with events contributing a significant portion of our annual income.

## Building on success and looking forward

The success of our bespoke training programmes has been particularly encouraging. Our focused efforts on upskilling non-finance leaders within charitable organisations have proven invaluable, helping to build financial literacy and confidence across the sector. This work has enabled us to forge stronger relationships with more corporate and sector partners than ever before, and has created rich opportunities for knowledge sharing and professional development.

None of this would have been possible without the dedicated support of our colleagues across CFG, particularly the marketing and corporate partnerships teams, whose expertise and collaboration have been instrumental in our success. Most of all, we are deeply grateful to our partners, volunteers, and the many generous professionals from across the sector who give their time so willingly to share their knowledge and insights at our events.

## What's next

We're excited about several new initiatives on the horizon. Our comprehensive SORP training programme promises to address one of the sector's most pressing technical needs, while a reimagined Annual Fundraising Dinner will offer members and partners fresh opportunities to network and celebrate the sector's impact.

We will continue to broaden our training portfolio and will be looking into delivering more training courses based on the sector's requirements, integrating our output with our training and development framework, The Finance Journey. It's important that we continue to build on innovative formats and topics, and evolve the programme with the sector's changing needs and pressures.



## Final reflections

As we reflect on another successful year, we're energised by the positive impact our events continue to have across the charity finance community. We are extremely grateful to those who attend, contribute and feedback on our events and training. This helps us to continually shape and improve our programmes.

Inspiring members through high-quality learning and networking opportunities is at the heart of everything we do at CFG and we're looking forward to another year of growth, learning and success for us all.



Joanna Strumilowska



Beyond the Annual Conference, our comprehensive programme included everything from networking events through to topical conferences, targeted training sessions, insightful webinars, and essential member meetings.

# CFG news highlights: winter/spring 2025

## New CFG chair announced

CFG paid tribute to outgoing interim Chair, Kevin O'Brien, who had stepped into the role in 2024, and welcomed Hugh Wallace into his new role. Hugh, the Chief Information Officer at Research Data Scotland, brings a useful combination of digital expertise and charity sector experience which will be extremely valuable for CFG. We also welcomed Sue Pemberton, Jenny Howard and David McHattie as CFG's new trustees.

## Charity investment governance principles launched

CFG, alongside partners including NCVO, WVCA and others, jointly launched new governance principles to help bring charity leaders greater clarity and confidence when making decisions about their investments. The principles are a first for the sector and were developed to reflect the outcomes of the Butler-Sloss case and complete the Charity Commission's CC14 guidance.

## CFG leaves X/Twitter

On 26 February 2025, CFG announced that we will no longer be posting to X. The decision was made as the platform no longer aligns with the CFG values of integrity, support and dynamism, as the platform continues to increasingly promote divisive content.

## Charities and sector experts invited to engage in SORP consultation

On 25 March, following the drafting of the updated Statement of Recommended Practice (SORP), CFG invited charities and sector experts to join together to respond to the proposed changes. The consultation was announced in December 2024 by the charities SORP-making body which worked with the sector-based SORP Committee to draft the new accounting requirements.

## IN THE PRESS

### 16 January, Civil Society

[New investing principles for trustees and charity leaders launch](#)

### 17 January, ITV News

[Charities warn of closures due to hike in National Insurance](#)

### February 26, Civil Society

[Peers vote to exempt charities from ERNICs rise](#)

### 19 March, Civil Society

[Charities struggling with lack of warning ahead of NICs rise](#)

## What our members say

“I just wanted to feed back how brilliant I think CFG is! I have only been a member since joining my charity and I have attended so many useful conferences/training courses. The updates are fantastic and I am getting so much value from the membership. I also called the helpline the other day which was useful. Thanks for everything you are doing!”

“As much as the individual benefits have value, it's more important to support and be part of a group which is there to speak up for all charities.”

“I thoroughly enjoyed the annual conference – it was exceptionally well-organised, with a thoughtfully planned timetable and a strong, varied range of topics. I left with many actionable takeaways and found the overall experience to be both engaging and extremely worthwhile.”



## What our members say

“As a finance professional who moved from the commercial sector into the charity sector, CFG was invaluable in helping me navigate all the new things I was having to deal with. The training is second to none in the sector.”

“I find CFG an essential network to be in touch with finance professionals facing similar issues and challenges in the workplace, to be able to discuss and work through them together. Identifying areas where finance directors can also add value in their role, through sharing resources and experience, is a fantastic support.”

“I do find the CFG groups really good for helping with that [imposter syndrome]. It's easy to feel a bit isolated with work related issues at times, but whenever I've connected with other CFG members, I realise similar issues are being faced by others in similar roles, and it's been very beneficial to talk these through.”

“The peer mentoring sessions have been hugely beneficial so far, for me personally, and I am hugely indebted to you and CFG for allowing me to participate in this.”



# Our corporate partners

We extend our gratitude to our corporate partners\* for their support throughout the year. Our shared vision has a huge impact on the charities we serve.

AAB Business & Tax Advisory LLP  
Accounting without Borders  
AccountsIQ  
Adapta Consulting  
Aedon.Accounting  
Allen Lane  
Altum Consulting  
Barclays  
Barnett Waddingham  
Bates Wells & Braithwaite London LLP  
BDO LLP  
BHP Chartered Accountants  
Bishop Fleming  
Broadstone Corporate Benefits Limited  
Brown Advisory  
BuyingStation  
Buzzacott  
CAF Bank  
Cambridge & Counties Bank  
Candex Solutions Ltd  
Cartwright Financial Solutions Limited  
Cazenove Charities

Charity Bank  
Charles Russell Speechlys LLP  
Cloud Doing Good  
Co-operative Bank  
Crowe U.K. LLP  
Downing LLP  
Ebury Partners UK Limited  
Ecclesiastical Insurance  
Eton Bridge Partners Ltd  
Eureka Solutions (Scotland) Ltd  
Evelyn Partners  
Farrer & Co LLP  
Forvis Mazars LLP  
Goodman Jones  
Goodman Masson  
Grant Thornton UK LLP  
HaysMac  
HSBC UK  
HSF Health Plan Ltd  
HW Fisher  
Insignis Asset Management Ltd  
iplicit

ISIO  
Ivy Rock Partners  
James Hambro & Partners  
King & Shaxson Limited  
LAKE  
Lane Clark & Peacock LLP  
LGT Wealth Management UK LLP  
Lloyds Bank PLC  
Marble Mayne Recruitment  
Menzies  
MHA  
M-hance  
Mills & Reeve  
Moore Kingston Smith LLP  
Natwest Corporate Banking Services  
New Test Corp  
Newmark  
Newton Investment Management  
Nyman Libson Paul  
One Broker Insurance  
PEM  
Penningtons Manches Cooper LLP

Continued over



PIB Insurance Brokers  
PKF Littlejohn  
PMCL Consulting  
Price Bailey  
PricewaterhouseCoopers  
Provira Limited  
Quantum Advisory  
Quilter Cheviot  
Rathbones Investment Management  
RBC Brewin Dolphin

RSM  
Russell-Cooke  
Saffery LLP  
Sage UK Limited  
Sarasin & Partners  
Sayer Vincent  
Smartdesc  
Spence & Partners  
Stuart Davis Consulting Ltd  
Third FD

Third Sector Property  
UHY Hacker Young LLP  
Unit4 Business Software Limited  
United Trust Bank  
Unity Trust Bank PLC  
Utility Aid  
Waverton Investment Management  
Wrigleys  
Xledger

\*As of 3 September 2025.

A very special mention to our partner organisation the **Association of Independent Museums (AIM)**.





# Review of financial position

## CFG's business model

CFG has a history of working in partnership and through collaboration. This means that CFG will avoid duplication where others are meeting needs in a cost-effective way. Since the pandemic, we've seen that working together not only achieves efficiency – it drives efficacy. CFG's business model was perfectly positioned to lean into a new appetite for collaboration across the sector and continues to do so now.

CFG currently earns nearly all income through membership fees, sponsorship and delegate fees, supplemented by modest grant income. The brilliant core support received from the Paul Hamlyn Foundation over five years from 2018 was due to come to an end in last year, but was generously extended for a further two years up to 2025/26. In the financial year 2024/25, we received £35k from the Paul Hamlyn Foundation.

Additionally, grant funding support was gratefully received during the year from the City of London (£48k), the Rank Foundation (£11k), Friends Provident Foundation (£10k), Barrow Cadbury (£1k) and the Civil Society Group released £5k of project funds to CFG. This recognition of the importance of not only supporting the work of CFG with project-based and core funding, but also the role of infrastructure in the ecosystem of the sector, is hugely appreciated and we are very grateful.

Our funding model is predicated on the fact that corporate partners want to engage with us for two main purposes; to connect with not-for-profit organisations that may purchase their products and services, and to support the wider sector through sharing their expertise, financially supporting CFG's provision of services and hosting our activities.

We believe that a blend of channels and approaches is necessary to ensure that our beneficiaries can access CFG services in a manner

most suitable to their needs. This has not fundamentally changed our business model but has evolved our methods of delivery.

Corporate support subsidises the cost of services to our charity members. Without corporate partners' support CFG could not effectively deliver to the sector without changing our business model. This continues to be a core part of our sustainability.

This year has once again seen a rise in our training and event income as more professionals have come to appreciate the value they bring.

## Results for the year

For the financial year 2024/25 the trustees had planned a small deficit for CFG along with £100k investment in our digital transformation, and the year ended with a deficit of £123,601 across all funds and a small deficit of £714 on just unrestricted funds (2024: surplus of £99,576 on all funds and surplus of £55,719 on unrestricted funds).

Income improved significantly in 2024/25, £1,997,274 compared to £1,822,887 in the prior year. Expenditure of £2,120,875 was correspondingly higher than £1,723,311 spent in the prior year, an increase of 23% reflecting our investment particularly in the digital transformation project: designated funds of £100,000 for 2024/25 were set aside at the start of the year specifically for this work and fully spent within the year.

CFG's target unrestricted reserves range is from £175,000 to £280,000. Free reserves at the end of 2024/25 stand at £188,387 compared to £189,101 for 2023/24. CFG's unrestricted reserves are just within the lower end of the acceptable reserves policy level. To offset this, a surplus budget is planned for 2025/26.

Designated funds have been retained for our popular Inspiring Financial Leadership Course, with Restricted funds held for our important work on the Charity Investment Governance Principles.

## Reserves policy

As part of the annual budget setting process, CFG's Finance and Audit Committee reviewed CFG's Reserves Policy. It was confirmed that the policy agreed previously was still valid and that CFG maintained free reserves to:

- provide a sustainable and appropriate level of working capital;
- allow for periods of unexpected drops in planned income;
- cope with sudden short-term increases in planned expenditure;
- provide cover for other risks, contingencies or unforeseen events (these would have a low likelihood of occurring but, if they did, would have a significant effect on CFG).

After a review of our reserves by the trustees in June 2024, the agreed reserves range changed to £175,000-£280,000. Our available free reserves as at 31 March 2025 were £188,387 (2024: £189,101) within the current agreed range. The Board will at times designate funds from free reserves for specific costs that fall outside the normal business as usual expenditure, or back into free reserves to withstand other pressures. Any funds received that can only be lawfully used for a specific charitable purpose will be held as restricted funds.

## Investment policy

CFG receives income on an annual basis through membership subscriptions, sponsorship, grants and other sources. We plan activities on a rolling three-year basis and budget to expend all anticipated income, except for retaining a prudent amount in reserves. We have no permanent endowment and provide for capital expenditure within the budget. The only funds of CFG that are not expendable within 12 months of receipt are reserves and any grants or contracts for activities over a longer period.

Consequently, the Board of Trustees does not consider that it is prudent to invest income for the longer-term. Our policy is therefore to retain funds as cash and place them on bank deposit at the best rate obtainable. As a result, the Board of Trustees considers that it is not appropriate for CFG to adopt an ethical investment policy at this time.



# Structure, management and governance



## Structure

Charity Finance Group (CFG) was incorporated by guarantee on 29 March 1996 and registered in England and Wales, changing our name from the Charity Finance Directors' Group on 20 March 2015. The charity has been trading as CFG since 2012.

We have no share capital and the guarantee is limited to £1 per member. The governing document is the Memorandum and Articles of Association of the company, which was amended on 6 November 2014 by Group Members' special resolution and on 5 October 2017 following a Company Member Resolution.

The Board of Trustees are the directors of the company, and we have one wholly-owned trading subsidiary, CFDG Trading Limited, which carries out all trading activities for CFG. See note 1 to the financial statements.

## The Board

The Board consists of up to ten trustees, all able to serve two terms of three years. Up to seven are required to be elected from CFG's membership, and the Board may appoint three non-member trustees to bring in wider necessary skills and experience.

Member trustees are elected by their fellow members. The Office Holders are allowed a further period of appointment if they would have less than two years in the role due to their appointment date, subject to a maximum period of service as Trustee of eight years. Non-member trustees are appointed after an open recruitment process. The Chair and Office Holders of the Board are appointed by the trustees from among their number. The Board meets four times a year and holds additional strategy planning sessions and away days in order to closely engage with the work CFG delivers.

The Board receives regular updates on day-to-day activities, new risks and progress against key objectives. This provides the Board with regular and valuable information in order to carry out their duties and responsibilities. Sub-committees and task and finish sub-groups of the Board are convened to expedite the execution of duties.

Sub-committees, currently: Nominations Committee; Remuneration Committee; and Finance & Audit Committee. They are governed by their own terms of reference and delegated duties are approved by the full Board. Sub-committees are served by trustees and co-opted independent appointees. A special advisor and expert forums/ad hoc working groups provide support and advice to the Board and staff.

## Board induction and conduct

Trustees sign a code of conduct and complete a register of interests, which is reviewed annually. Induction support and a Trustee handbook are provided to new trustees by the staff team and Chair. The handbook includes a copy of relevant policies, procedures, governance information and role descriptions.

## Management

Day-to-day management of CFG is delegated to the CEO and senior staff in accordance with an agreed Scheme of Delegation. Performance and risk are monitored against strategic objectives. CFG's average headcount during the year to 31 March 2025 was 19 members of permanent staff.

## Risk management

CFG's strategic risks are defined as those matters which could inhibit or, if managed appropriately, advance the achievement of our charitable objects as articulated in our rolling strategy and supporting decision making framework (we refer to this as 'CFG Essentials'). Trustees do

not fix whether something is a strategic risk by category or by nature, but rather have adopted a dynamic approach which considers the appropriate risk response to a wide range of variables.

The major risk elements have been reviewed, and systems or procedures have been established to manage them. The Board of Trustees are satisfied that reasonable steps are being taken to limit the probability and the impact of risk.

CFG continues to view active risk management as a day-to-day aspect of running the organisation. Risk is the responsibility of every member of staff and all trustees. It has been embedded into staff activities, reporting and Board meetings ensuring CFG has the best opportunity to prevent issues arising, minimise risks and maximise opportunities.

The leadership team review risk on a regular basis, especially when considering changes to plans or new opportunities. The trustees review a 'risk issues' log at Finance & Audit Committee (twice a year) and Board meetings (once a year) in order to monitor the effectiveness of CFG's risk management. A register of Risk Controls records the major processes, policies, procedures and controls that are in place. Key changes in risk are reported to the Board as required and it is a standing agenda item at every Board meeting.

Reflecting on the challenges of the last financial year in terms of getting the basics right, supporting our people and amending our systems, policies and procedures and dealing with increased risks of fraud, the top three risks faced were in the following categories:



- People and development
- Reputation
- Systems, policies and procedures

We were pretty accurate in predicting the areas of significant risk we would face during the financial period. We anticipated people and development, systems, policies and procedures and financial and resource management would be our top three topics.

Going forward, we anticipate our major risks will continue to be related to financial and resource management, people and development and systems, policies and procedures.

### **Risk:** Financial and resource management

Financial and Resource Management accounted for the fourth greatest number of risk issues logged in the financial period. We have turned a corner in terms of our business model and removed the structural deficit. However, as the financial environment is still immensely tough for our members it is possible that income will be challenging to come by in the next financial period. In particular, we are seeing charity closures and some charities putting a blanket moratorium on membership subscriptions.

### **Risk:** People and development

As in 2023/24, the next 12 months continue to be a period of intense change, including our digital tools, processes and growing our products and services, against a backdrop of transition in the leadership team. Our people remain at the heart of everything we do, and we will continue to support them, investing in wellbeing and development to maintain high engagement and manage the risk to the delivery of our charitable objectives.

### **Risk:** Systems, policies and procedures

Improvements to our systems, policies and procedures continue to be necessary as we complete our digital transformation work. We are making progress on replacing three core operating systems and will manage risks by co-designing systems, policies and processes, where possible, with those members of the staff team who will be most affected by the changes and who are well placed to help identify where we can improve for the best impact.

### Financial and resource management

This report has been produced for the performance of the charity up to the 31 March 2025. For this year, the on-going cost of living crisis has had a major impact on individuals, companies and charities. CFG was not isolated from that.

CFG's key income lines are membership (charities and corporate entities), our Annual Conference and our Annual Fundraising Dinner. Our income for 2024/25 is due to renewals that commence predominantly in February and March (for an April membership year) and on a rolling basis throughout the year. This again held up for the year.



**Going forward, we anticipate our major risks will continue to be related to financial and resource management, people and development and systems, policies and procedures.**

A charity finance  
community  
built for you.

CPD opportunities

Leadership course

Expert support

**CFG**

Annual  
Conference | 2025

Strong  
foundations,  
Lasting  
impact



Current estimates of our net income for the 2025/26 financial year show a surplus, with new business development plans and capitalising on our investments in people and digital transformation, which will all enable us to deliver more effectively and efficiently for the sector.

The trustees have stated the following principles for CFG going forward:

- We will continue to trade our way through the turbulent global scene, pivoting services where necessary to continue our support to the sector.
- The trustees are determined that CFG will continue to avoid redundancies (and at the time of this report, none have been made at CFG as a result of the pandemic or cost of living crisis).
- We will continue to advocate on behalf of the sector for more support for the vital work charities do. Therefore, at the time of producing this report, on the basis of current financial information, the trustees consider it is appropriate for the going concern basis to be adopted in preparing the financial statements in this report.

## Remuneration: How we decide to pay staff

CFG is an accredited Living Wage employer, and we are committed to ensuring that we pay our staff fairly and in a way which ensures we attract and retain the right skills to have the greatest impact in delivering our charitable objectives.

In accordance with the Statement of Recommended Practice (SORP) CFG discloses:

- all payments to trustees (no trustees receive 'pay')
- the number of staff in receipt of more than £60,000 and above (in bands of £10,000)
- pensions and other benefits.

CFG has a Remuneration Committee which meets annually, comprised of the CFG Chair, CFG Vice Chair, one other trustee and one other (who shall be appointed by the Chair), which sets the pay for all staff. In 2024/25 the CEO and DECO with responsibility for HR were in attendance for the meeting, and no members of the Executive are members of the Committee. The main responsibilities of the Committee are to:

- Review the CFG salary banding and make sure amendments are appropriate to ensure that CFG salaries remain competitive.
- Determine the remuneration package of the Chief Executive.
- Approve the annual percentage increase in the payroll for all staff (which can be zero) taking into account the average RPI for the previous year.
- Approve any consolidated pay awards and staff salary increases outside of the annual review process as recommended from time to time by the Chief Executive.
- Approve any non-consolidated pay awards (bonus) as recommended by the Chief Executive.
- Determine pension arrangements and ensure that contractual terms on termination are fair to the individual and the charity, that poor performance is not rewarded and a duty to mitigate loss is recognised.

For the financial year 2024/25, CFG awarded a cost of living uplift in salary of 2.00%, reviewing in light of the continued economic impact and reducing level of inflation (2023/24: 6%).

In determining CFG's remuneration policy, the Remuneration Committee takes into account all factors which are deemed necessary. The objective of the policy is to ensure that the Chief Executive and staff team are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the charity.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other charities ensuring CFG remains sensitive to the broader issues e.g. pay and employment conditions elsewhere.

## Equality, diversity and inclusion (EDI)

Despite the work we have undertaken in previous years, we acknowledge there is still much to do to make sure our activities and our internal organisation matches our commitment to equality, diversity and inclusion.

We regularly review our progress towards ensuring that staff, trustees and members are not subjected to practices that lead to inequality, lack of diversity or exclusion. One of our trustees is our EDI champion on the Board. Our EDI strategy remains focused on:

- CFG as a place of work
- CFG as a membership body
- CFG's role in the wider sector

Alongside other charity infrastructure bodies, CFG continues to take part in collaborative working on addressing racism and in 2024/25 our CEO participated in the ACEVO initiative *Further Faster*. Since the publication of the Home Truths report in 2020, we have been part of a group of civil society leaders working together on anti-racism. This work has been difficult and is far from complete, but some progress has been made.

Through the Civil Society Group, we worked together with New Ways during 2023 to look at that progress in more detail and to see how the good intentions behind the original commitments made to support Home Truths could be turned into real impact across the sector. *From Good Intentions to Impact: Supercharging race equity in the charity sector*

provides a detailed summary of the work done by infrastructure bodies on this critical issue. It also provides clear recommendations, identifying five key catalysts for race equity change:

**1. Prioritising diversity in leadership**

**2. Working transparently in the open**

**3. Visible anti-racist leadership**

**4. Breaking through the discomfort**

**5. Safeguarding and support**

We hope that by highlighting this work and noticing the other work going on across the sector, particularly the work of Home Truths 2, CFG and the other partners in the Civil Society Group can continue to shine a light on the important journey towards anti-racism that must continue.

In our recruitment we follow the #ShowTheSalary and #NonGradsWelcome campaigns' guidance. We make sure we only ask for educational qualifications which are relevant to the role advertised and do not specify education to degree level for roles unless a degree is of direct relevance to fulfilling the role tasks and responsibilities. Salaries for roles are included in adverts as we recognise failure to do so acts as a disproportionate discouragement to women and people from the global majority and/or disadvantaged backgrounds. Our recruitment packs, staff handbook and other documentation have been reviewed and use inclusive language. We promote vacancies widely and now advertise all roles on the Diverse Jobs platform.

We have committed to ongoing improvements and to ensuring that future reports include our performance against targets and relevant benchmarks where possible. However, data collection relating to protected characteristics remains difficult with a small staff team and we have not yet reached the position where we can make relevant disclosures. As our headcount increases, we hope to be able to produce statistical reporting which has minimal risk of identifying individuals. In the meantime, we will continue to learn, and engage our staff and trustees through various communications channels, including our annual staff survey, to challenge our assumptions and monitor our performance.

We have published several pieces on our website and in other publications, and we will continue to develop CFG's position as thought leaders on EDI and leadership, as well as sharing and amplifying voices from across the sector with lived experience, practical information and thought-provoking discussions.

## Fundraising

We have continued to be registered with the Fundraising Regulator although our direct fundraising has been at a low level, almost exclusively through our in-person Annual Fundraising Dinner.

We only raised funds through a JustGiving page, through which supporters of our work could make donations. Gift Aid has also been collected by JustGiving on our behalf on donations made. Supporters have been made aware of the JustGiving page through our website, mailings to members and through social media channels, thereby protecting the general public from unreasonable intrusion or pressure. No other fundraising activities were undertaken.

We are pleased to report that no complaints regarding any fundraising activities with stakeholders have been received.

# Statement of the Board of Trustees' responsibilities



The trustees are responsible for preparing the strategic report, the report of the Board of Trustees 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 income and expenditure of the group 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.

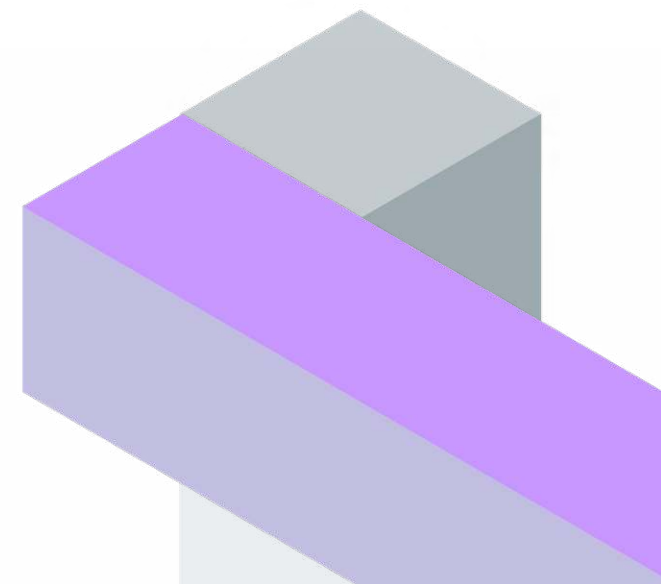
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies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

The trustees have confirmed that, so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

## Appointment of auditors

Forvis Mazars LLP were reappointed during the year as our auditors and they will be proposed for reappointment in the coming year.





# CFG's Board of Trustees



## Hugh Wallace, Chair of the Board of Trustees

Hugh Wallace joined the Board in January 2023 and became Chair in January 2025. Hugh is Chief Information Officer at Research Data Scotland, a charity focused on enabling access to public sector data about people, places and businesses.

Prior to that, he led a high-profile programme to deliver a common payments platform in Scottish Government and support digital service development within Scotland's Social Security agency. His previous roles include leading the digital teams at Oxfam and National Museums Scotland, as well as heading up the design function in a digital agency.



## Anna Bennett

Anna joined the CFG Board in November 2023. She is Director of Finance, IT and Facilities at London's Air Ambulance Charity. Prior to this role, she worked in charity audit, advising and supporting a large range of charities. Before this, Anna was Finance Director at Hospice UK and Director of Finance & Operations at BBC Children in Need.

Anna has been a CFG member for most of her career and is passionate about using her experiences and skills to ensure other finance professionals can continue benefiting from CFG membership.



## Jenny Howard

Jenny Howard brings a wealth of experience in the charity finance sector, having previously served as Finance Director at Carr-Gomm, London Wildlife Trust and Muscular Dystrophy Campaign.

Since 2019, Jenny has been the Director of Finance and Digital at the Marine Society and Sea Cadets in which she oversees IT and Stores, in addition to managing MSSC's financial affairs. A CFG member for nearly 30 years, Jenny has personally benefited from the organisation's training and support and is now delighted to join the organisation and help CFG support the charity sector.



## Angela Linton

Angela is Chief Operating Officer at The National Foundation for Youth Music. Angela has a breadth of experience working in charitable organisations across the cultural sector and being a trustee. Angela is a Real Living Wage Advocate, is a member of the Living Wage Foundations, Funders Steering Committee and is Co-Chair of Making London a Living Wage City.



## David McHattie

Prior to retiring in September 2020, David was a member of the senior management team within Barclays London Corporate Banking. His penultimate role was Head of Charities for 7 years which gave a good insight into the charity sector, including working with CFG.

Through this role he became familiar with many of the financial challenges that charities are facing and the important role that CFG plays to help charities large and small. David was responsible for launching and chairing the Barclays National Charities Day Conference, bringing together charity finance professionals to share knowledge for the wider benefit of the sector.



## Mwiza Mkandawire

Mwiza is the Head of Finance and Administration at Transaid, an INGO where she has been since 2019. Prior to that she worked at arts charity Artsadmin Ltd for 11 years. Mwiza is a qualified chartered accountant and a CFG Inspiring Financial Leadership Alumni. Before joining Artsadmin Ltd in 2008 she worked with various organisations in both the commercial and charity sectors in Malawi. She has excellent knowledge and understanding of charity finance and is a trustee of two arts charities. Mwiza resigned as a Trustee on 29 September 2025.



## Tim Nicholls

Tim is currently Head of Finance and Resources at Tudor Trust, a large grant making charity based in London. Tim has held senior finance positions within the charity sector for over ten years. Before moving to the charity sector, he enjoyed a successful career in the NHS. Until 2021, Tim was an elected Council Member of the Association of Accounting Technicians (AAT) and has held several Trustee roles across the sector.



## Sue Pemberton

With a strong focus on advising charities throughout her career, Sue brings invaluable expertise and a deep understanding of the sector's unique challenges. Sue's work involved developing strategies with charities that recognise the importance of their people in delivering critical services with balancing tight budgets.

Sue retired in January 2023 after a distinguished 37-year career in Corporate Pensions and Benefits, most recently as a Director at Isio. Since retiring, Sue has still been undertaking some freelance consultancy work, and is now delighted to have joined CFG where she can help the organisation support the whole charity sector.



## Kelly Ryder

Kelly is Head of Finance for the Orchard Trust, a charity based in the Forest of Dean who support adults with learning and physical disabilities to live independent and fulfilled lives. Prior to this, Kelly worked for many years in the financial services industry and then in finance for a global manufacturing company, where she obtained her AAT qualification. This is Kelly's first trustee role and she is passionate about using it to serve CFG members and also to increase awareness of the challenges faced by charities in the social care sector.



## Tony Wells

Tony is Director of Resources at Emmaus UK, a homelessness charity. Previously, he held the position of Director of Finance & Resources at The Connection, a homelessness charity in London. He joined the charity as Financial Controller, after qualifying as a Chartered Accountant in 2018.

As a relative newcomer to the world of charity finance, Tony completed CFG's Inspiring Financial Leadership course in 2021. He was promoted to his role the following year. Tony is passionate about using his leadership and financial skills for the benefit of the CFG community and wider sector.

Hugh Wallace  
By order of the Board, 09 October 2025



Independent  
auditor's report to  
the members of  
**Charity Finance  
Group**



## Opinion

We have audited the financial statements of Charity Finance Group (the 'charity') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity and the group's affairs as at 31 March 2025 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

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

## Conclusions relating to going concern

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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## Other information

The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report which includes the Directors' Report 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 Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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

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



## Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 56, 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

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

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. Irregularities, including fraud, are instances of noncompliance with laws and regulations. We

design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the charity and its activities, we considered that noncompliance with the following laws and regulations might have a material effect on the financial statements, Charities Act 2011, tax legislation, safeguarding, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud and money laundering.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to noncompliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006, the Charities Act 2011 and the Charities Statement of Recommended Practice.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to income recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of nondetection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of the audit report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Nicola Wakefield  
(Senior Statutory Auditor)  
for and on behalf of Forvis Mazars LLP  
Chartered Accountants and Statutory Auditor  
6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SMI 4FS  
Date: 08/12/2025

# Financial statements for year ended 31 March 2025



# Consolidated statement of financial activities

There are no recognised gains or losses other than those in the statement of financial activities. Therefore, no statement of total recognised gains or losses has been prepared.

The notes on pages 92 to 110 form part of these financial statements.

	Notes	Unrestricted Funds	Restricted Funds	Total 2025	Total 2024
		£	£	£	£
<b>INCOME</b>					
Donations	2	81,159	37,401	118,560	127,640
Income from charitable activities	3	1,762,800	-	1,762,800	1,556,189
Income from trading activities	4	95,596	-	95,596	109,920
Investment income	5	16,661	-	16,661	15,479
Other income		3,657	-	3,657	13,659
<b>TOTAL INCOME</b>		<b>1,959,873</b>	<b>37,401</b>	<b>1,997,274</b>	<b>1,822,887</b>
<b>EXPENDITURE</b>					
Expenditure on charitable activities	6	2,050,862	70,013	2,120,875	1,723,311
<b>TOTAL EXPENDITURE</b>		<b>2,050,862</b>	<b>70,013</b>	<b>2,120,875</b>	<b>1,723,311</b>
<b>Net (expenditure) / income and net movement in funds for the year before transfers</b>		<b>(90,989)</b>	<b>(32,612)</b>	<b>(123,601)</b>	<b>99,576</b>
Transfer between funds		(1,193)	1,193	-	-
<b>Net (expenditure) / income and net movement in funds for the year</b>		<b>(92,182)</b>	<b>(31,419)</b>	<b>(123,601)</b>	<b>99,576</b>
<i>Reconciliation of funds</i>					
Total funds, brought forward		325,371	43,857	369,228	269,652
<b>Total funds, carried forward</b>		<b>233,189</b>	<b>12,438</b>	<b>245,627</b>	<b>369,228</b>

# Balance sheet

The notes on pages 92 to 110 form part of these financial statements.

Approved by the Trustees on 09 October 2025 and signed on their behalf by Hugh Wallace (Chair):

	Notes	2025		2024	
		£ Charity	£ Group	£ Charity	£ Group
<b>Fixed assets</b>					
Tangible fixed assets	8	-	-	-	-
Investments	8.1	10,000	-	10,000	-
<b>Current assets</b>					
Debtors	9	744,386	379,056	657,240	455,223
Short term deposits		329,072	329,072	313,017	313,017
Cash at bank and in hand		260,519	643,042	464,845	787,314
		<b>1,333,977</b>	<b>1,351,170</b>	<b>1,435,102</b>	<b>1,555,554</b>
<b>Liabilities</b>					
Creditors falling due with in one year	10	(1,210,455)	(1,102,158)	(1,121,114)	(1,169,010)
<b>Net current assets</b>					
		<b>123,522</b>	<b>249,012</b>	<b>313,988</b>	<b>386,544</b>
Creditors falling due after one year	10	(3,385)	(3,385)	(17,316)	(17,316)
<b>Net assets</b>					
		<b>130,137</b>	<b>245,627</b>	<b>306,672</b>	<b>369,228</b>
<b>The funds of the charity</b>					
Unrestricted funds:					
General	11	72,897	188,387	126,545	189,101
Designated	11	44,802	44,802	136,270	136,270
Restricted funds	11	12,438	12,438	43,857	43,857
<b>Total charity funds</b>					
		<b>130,137</b>	<b>245,627</b>	<b>306,672</b>	<b>369,228</b>

# Consolidated statement of cash flows

	2025		2024	
	£	£	£	£
<b>Cash Flows from Operating Activities</b>				
Net Expenditure	(123,601)		99,576	
Adjustments for:				
Depreciation	-		-	
Interest Expense	1,620		2,504	
Trade and Other Receivables	76,167		(3,138)	
Trade and Other Payables	(95,399)		37,625	
<b>Cash Flows (used in)/generated from Operations</b>	<b>(141,213)</b>		<b>136,567</b>	
Interest paid		(1,620)		(2,504)
<b>Net Cash Flow (used in)/generated from Operating Activities</b>	<b>(142,833)</b>		<b>134,063</b>	
<b>Cash Flows from Finance Activities</b>				
Repayment of loan	14,616		14,616	
		<b>14,616</b>		<b>14,616</b>
<b>Net (decrease) / increase in Cash</b>	<b>(128,217)</b>		<b>148,679</b>	
		At 1 April 2024	Cash Flows	At 31 March 2025
Cash at bank		787,314	(144,272)	643,042
Cash on deposit		313,017	16,055	329,072
		<b>1,100,331</b>	<b>(128,217)</b>	<b>972,114</b>

# Financial statements for year ended 31 March 2025

## Notes to the financial statements

### Accounting policies

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)) and the Companies Act 2006.

The Charity Finance Group meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The principal accounting policies of the Group are set out below:

### Consolidation

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the charity and of its subsidiary undertaking, namely CFDG Trading Limited. The results of the subsidiary are consolidated on a line-by-line basis.

The charity has availed itself of paragraph 3(3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities. No separate SOFA or income and expenditure account has been presented for the charity alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

### Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of CFG.

### Recognition of income

All income (including grants) is accounted for as soon as CFG has entitlement to the income, there is certainty of receipt and the amount is quantifiable.

### Donated facilities

Donated facilities are included at the value to CFG i.e., the value CFG would have paid in the open market. Although the SORP recommends that the value of donated facilities is included in voluntary income, they are included under the relevant category of income for charitable activities because CFG considers this gives a fairer presentation.

### Members' subscriptions and events & conferences and deferred income

Subscriptions and events income are accounted for in the year to which they apply. Subscription income received during the year that relates to a subsequent financial accounting period is carried forward as a creditor in the balance sheet and shown as deferred subscriptions income. It is accrued in line with the benefits received.

## Pensions

Contributions to our defined contribution group personal pension scheme are charged to revenue according to the period to which they relate.

## Expenditure

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing CFG to the expenditure. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of the resources. Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity. Overheads and other salaries are allocated between expenses headings based on time spent.

The cost of the Annual Fundraising Dinner covers direct expenditure on the dinner together with the appropriate allocation of staff and support costs.

Charitable activities include expenditure associated with the operation of CFG and the provision of our services.

## Operating leases

The lease of 15/18 White Lion Street, London, N1 9PG stopped from November 2023. Rent is now being paid to Canopi for 82 Tanner Street, London, England, SE1 3GN.

## Going concern

Free unrestricted reserves of CFG at the year-end amount to £188,387. After consideration of the current strategic plan and with an aligned three-year forward forecast reviewed, the Trustees consider there is a reasonable expectation that the CFG group has adequate resources to continue in operational existence for the foreseeable future. The Trustees are also satisfied with the controls in place for monitoring and flexing the budget throughout the years. There are no material uncertainties that would impact on the charity's ability to continue. Accordingly, we continue to adopt the going concern basis in preparing this annual report and financial statements.

## Intangible and Tangible Fixed assets

All fixed assets are stated at historical cost less depreciation. Assets with a cost more than £2,000 and which are intended to be of ongoing use to CFG in carrying out its activities are capitalised as fixed assets. Depreciation/amortisation is charged on all tangible/intangible fixed assets at 25% of cost per annum, so as to write them off over their expected useful lives.

## Significant judgements and estimates

No significant judgements or estimates have been required in the production of these accounts.

## Investments

The investment in the subsidiary CFGD Trading Limited is valued at cost.

# Notes to the financial statements

## 1. Results from the trading activities of the subsidiary

The charity has one wholly owned subsidiary which is incorporated in Great Britain. CFDG Trading Limited was incorporated on 5th February 2009 to raise funds via commercial activities and sponsorship for CFG. CFDG Trading Limited donates taxable profits to CFG under Gift Aid, subject to its working capital requirements being maintained.

	2025	2024
	£	£
<b>CFDG Trading Limited</b>		
Turnover	609,739	472,430
Cost of sales	(193,324)	(140,000)
<b>Gross profit</b>	<b>416,415</b>	<b>332,430</b>
Administrative expenses	(3,481)	4,242
<b>Operating profit</b>	<b>412,934</b>	<b>336,672</b>
Interest receivable	-	-
<b>Profit before tax and Gift Aid distribution</b>	<b>412,934</b>	<b>336,672</b>
Fund balance brought forward	72,557	35,885
Distribution to parent charity	(360,000)	(300,000)
Retained in subsidiary	125,491	72,557
<b>Balance sheet</b>		
Current assets	939,855	744,196
Current liabilities	(814,365)	(671,639)
<b>Net assets</b>	<b>125,490</b>	<b>72,557</b>
Share capital	10,000	10,000
Reserves	115,490	62,557
<b>Total funding</b>	<b>125,490</b>	<b>72,557</b>

## 2. Donations

	Unrestricted Funds	Restricted Funds	Total 2025	Total 2024
	£	£	£	£
Donations & Grants	81,159	37,401	118,560	127,640
	<b>81,159</b>	<b>37,401</b>	<b>118,560</b>	<b>127,640</b>

## 3. Income from charitable activities

	Unrestricted Funds	Restricted Funds	Total 2025	Total 2024
	£	£	£	£
Developing skills, learning, knowledge and practice	1,386,830	-	1,386,830	1,213,907
Inspiring Financial Leadership	241,400	-	241,400	235,622
Encouraging a supportive environment	134,570	-	134,570	106,660
	<b>1,762,800</b>	<b>-</b>	<b>1,762,800</b>	<b>1,556,189</b>

## 4. Income from trading activities

	Unrestricted Funds	Restricted Funds	Total 2025	Total 2024
	£	£	£	£
Other Trading Activities	95,596	-	95,596	109,920
	<b>95,596</b>	<b>-</b>	<b>95,596</b>	<b>109,920</b>

## 5. Investment income

	Unrestricted Funds	Restricted Funds	Total 2025	Total 2024
	£	£	£	£
Bank interest	16,661	-	16,661	15,479
	<b>16,661</b>	<b>-</b>	<b>16,661</b>	<b>15,479</b>

## 6. Expenditure on charitable activities

	Staff costs	Support costs	Other direct costs	Total 2025	Total 2024
				£	£
Analysis for total expenditure					
<b>Raising funds</b>	<b>31,637</b>	<b>11,832</b>	<b>78,323</b>	<b>121,792</b>	<b>108,419</b>
<b>Charitable activities</b>					
Develop skills, learning, knowledge & practice	667,961	240,613	346,936	1,255,510	1,114,613
Inspire financial leadership	173,200	62,978	40,362	276,540	203,419
Encourage a supportive environment	291,729	106,565	68,739	467,033	296,860
	<b>1,164,527</b>	<b>421,988</b>	<b>534,360</b>	<b>2,120,875</b>	<b>1,723,311</b>
<b>Total expenditure 2023-24</b>	<b>980,359</b>	<b>362,398</b>	<b>380,554</b>	<b>1,723,311</b>	

## 7. Analysis of support cost

All support costs are allocated on the basis of staff time. Staffing support costs have not been analysed as the majority of CFG staff work directly on activities and the amount that can be allocated to support is therefore not material.

	Raising funds	Develop skills, learning, knowledge & practice	Inspire financial leadership	Encourage a supportive environment	Total 2025	Total 2024
					£	£
<b>Support cost</b>						
Premises & Office Services	707	14,382	3,764	6,370	25,223	91,489
IT & Communications	4,082	83,005	21,726	36,762	145,575	86,557
Human Resources, Recruitment & Training	3,421	69,570	18,209	30,811	122,011	65,380
Financial Costs	2,258	45,927	12,021	20,341	80,547	84,940
Depreciation	-	-	-	-	-	-
Governance (incl External Audit)	1,364	27,729	7,258	12,281	48,632	34,032
	<b>11,832</b>	<b>240,613</b>	<b>62,978</b>	<b>106,565</b>	<b>421,988</b>	<b>362,398</b>

## 7.1. Net (expenditure) / income

a) These are stated after charging:

	2024	2024
	£	£
Auditor's remuneration		
Audit	30,683	26,250
Operating lease premises	13,467	60,770
Depreciation	-	-
Operating lease premises	13,467	60,770

## Operating lease commitments

The minimum payments, which CFG is committed to make in the coming year under operating leases, are as follows:

	2025	2025
	£	£
<b>Group and Charity property</b>		
Leases which expire:	-	-
Within one year	-	-
	-	-

## b) Valuation of donated resources

Donated facilities are included at the value to CFG. These are largely made up of meeting and training venues, audio-visual equipment and refreshments.

	2025	2024
	£	£
Charitable activities		
Develop skills, learning, knowledge & practice	45,000	25,442
<b>Total</b>	<b>45,000</b>	<b>25,442</b>

## 7.2. Trustees and employee information

### a) Trustee information

No remuneration was paid to or waived by any Trustee during the year (2024: Nil).  
No expenses for travel and subsistence were reimbursed to trustees during the year (2024: Nil).

### b) Employee information

i) Employee numbers	2025	2024
	No.	No.
Full time equivalent number of staff employed during the year was:	20.4	16.6
Average headcount during the year was:	22.2	18.0
ii) Employee costs	£	£
Salaries	934,915	774,819
Social security	96,178	79,614
Pension	71,904	58,582
<b>Sub-total salaried staff</b>	<b>1,102,997</b>	<b>913,015</b>
Holiday pay accruals	2,033	(287)
Other	2,028	-
<b>Total employee costs</b>	<b>1,107,058</b>	<b>912,728</b>

## 7.2. continued...

iii) The number of employees whose total pay amounted to £60,000 or above for the year is as follows:	2025	2024
	No.	No.
£120,001 - £130,000	0	1
£110,000 - £120,000	1	0
£80,001 - £90,000	2	1
£60,001 - £70,000	0	2

Total pay for this purpose includes gross salary but excludes expenses. Systems are in place for the correct management of expenses.

### iv) Benefits

Three members of staff included in the above bandings for 2025 (2024: 4 employee) have benefits accruing under CFG's group pension arrangement. The employer contributions into the group personal pension scheme during the year on behalf of these members of staff amounted to £23,399 (2024: £25,464).

There were twenty three active members of staff in total accruing benefits under the group's personal pension schemes as at 31 March 2025 (2024: nineteen).

## c) Remuneration of Key Management Personnel

The total of employee benefits including pension contributions received by Key Management Personnel in 2025 is £298,664 (2024: £311,230). CFG's Board had defined that "key management personnel" would be based on our scheme of delegation where significant control had been delegated to the CEO and others; namely Directors or those making decisions of a significant nature. As a result, the following roles have been included; CEO, Director of Finance and Operations, Director of Commercial Services and Director of Policy and Engagement.

## d) Pensions

CFG offers an auto-enrolment compliant group personal pension scheme which is currently administered and managed by The Peoples Pension. For previously signed up employees CFG has a group pension scheme which is currently administered and managed by Aegon. New employees are enrolled at an employee contribution rate of 3%. CFG pays twice the percentage that the employee contributes up to a maximum of 10%. The amount of outstanding contributions as at 31 March 2025 was £10,156 (2024: £3,919).

## 8. Tangible and Intangible fixed assets - Group and Charity

	Office Furniture (Tangible fixed assets)	Computers (Tangible fixed assets)	Software (Intangible fixed assets)	Total
	£	£	£	£
<b>Cost</b>				
As at 1 April 2024	27,522	18,573	218,281	264,376
Additions	-	-	-	-
Disposals	(22,856)	-	-	(22,856)
<b>As at 31 March 2024</b>	<b>4,666</b>	<b>18,573</b>	<b>218,281</b>	<b>241,520</b>
<b>Depreciation/Amortisation</b>				
As at 1 April 2024	(27,522)	(18,573)	(218,281)	(264,376)
Charge for the year	-	-	-	-
Additions	-	-	-	-
Disposals	(22,856)	-	-	(22,856)
<b>As at 31 March 2025</b>	<b>(4,666)</b>	<b>(18,573)</b>	<b>(218,281)</b>	<b>(241,520)</b>
<b>Net book value</b>				
As at 31 March 2025	-	-	-	-
As at 31 March 2024	-	-	-	-

The above fixed assets are used to support all of CFG's activities. As at 31st March 2024, CFGD Trading Ltd had no fixed assets.

## 8.1. Investment

	Shares in No.	2025 Charity £	2024 £
At historic cost:			
Investment in Subsidiary-CFDG Trading Ltd	10,000	10,000	10,000
		<b>10,000</b>	<b>10,000</b>

Principal Subsidiary Undertakings	Registered in	Percentage	No. of £1
CFDG Trading Limited	England & Wales	100%	10,000

Company No: 06810640

Registered Office: 82 Tanner Street, London, England, SE1 3GN

## 9. Debtors

All amounts fall due within one year.

	2025		2024	
	£	£	£	£
	Charity	Group	Charity	Group
Trade debtors	169,759	289,143	228,927	378,175
Bad debt provision	(18,399)	(47,076)	(12,915)	(46,729)
Deposits	-	-	11,410	11,410
Amounts due from subsidiary undertakings	456,808	-	317,451	-
Prepayments	135,215	135,215	112,367	112,367
Accrued income	1,003	1,774	317,451	-
	<b>744,386</b>	<b>379,056</b>	<b>657,240</b>	<b>455,223</b>

## 10. Creditors

All deferred income brought forward at the beginning of the year was released to income during the year (2024: same). All deferred income relates to membership fees and event bookings in advance.

	2025		2024	
	£	£	£	£
	Charity	Group	Charity	Group
Trade creditors	36,942	36,942	53,870	57,585
Other creditors	35,062	42,779	71,315	78,665
Deferred income	605,205	955,044	629,665	972,788
Amounts due to subsidiary undertakings	465,853	-	306,292	-
Bank loan- Current portion	13,854	13,854	12,918	12,918
VAT Control Account	29,554	29,554	43,135	43,135
Net Salary	13,828	13,828	-	-
Pension Contributions	10,157	10,157	3,919	3,919
	<b>1,210,455</b>	<b>1,102,158</b>	<b>1,121,114</b>	<b>1,169,010</b>

### Creditors falling due after one year

The loan listed above (2025: value £17,239) was provided by Social Investment Business FM Ltd, under the UK Government's Coronavirus Business Interruption Loan Scheme (CBILS). The loan term is 5 years; interest rate in year 1 was 9% and 7% in subsequent years; there was a 12 month repayment holiday; there are no early repayment fees. £14,616 was repaid in 2024/25.

Bank loan	3,385	3,385	17,316	17,316
	<b>3,385</b>	<b>3,385</b>	<b>17,316</b>	<b>17,316</b>

# 11. Outline Summary of Fund Movements

	Balance at 01/04/2024	Income	Expenditure	Transfer between funds	Balance at 31/03/2025
	£	£	£	£	£
<b>Restricted funds:</b>					
Charity Investment Governance	33,524	20,500	41,586	-	12,438
Time to shine	10,333	10,662	23,167	2,172	(0)
Small Charities Programme	-	6,239	5,259	(980)	0
	<b>43,857</b>	<b>37,401</b>	<b>70,012</b>	<b>1,192</b>	<b>12,438</b>
<b>Designated funds:</b>					
IFL Training	27,070	36,177	18,445	-	44,802
Qualification Training Contracts	9,200	-	(1,450)	(10,650)	-
Future investment	100,000	-	70,808	(29,192)	(0)
	<b>136,270</b>	<b>36,177</b>	<b>87,803</b>	<b>(39,842)</b>	<b>44,802</b>
<b>Unrestricted fund:</b>					
General Funds	189,101	1,923,697	1,963,061	38,650	188,387
	<b>325,371</b>	<b>1,959,873</b>	<b>2,050,863</b>	<b>(1,192)</b>	<b>233,189</b>
<b>Total funds</b>	<b>369,228</b>	<b>1,997,274</b>	<b>2,120,875</b>	<b>-</b>	<b>245,627</b>

# 11. Continued...

Analysis of charitable funds - previous year

The only Restricted Fund continuing into 2025/6 financial year is for our Charity Investment Governance principles, where funders are supporting CFG's work that aims to bring charity leaders greater clarity and confidence when making decisions about their investments.

In March 2025 the Board agreed to release the balance of our Future Investment and Qualification Training Contracts (QTCs) designated funds into General Funds at year end 2024/5, as we are not currently supporting any staff on QTCs and the Future Investment fund was for our year of Digital Transformation, with these costs now in project budgets for 2025/6 and thereafter. The Inspiring Financial Leadership (IFL) training fund is co-hosted with Bayes Business School and Sayer Vincent, aimed to support those who have responsibility for leading the financial management of a charity or contributing to the charity's strategic development and planning.

	Balance at 2024	Income	Expenditure	Transfer between funds	Balance at 31/03/2025
	£	£	£	£	£
<b>Restricted funds:</b>					
Charity Investment Governance	-	60,000	26,476	26,476	33,524
Time to shine	-	15,991	5,658	5,658	10,333
Small Charities Programme	-	-	-	-	-
	<b>-</b>	<b>75,991</b>	<b>32,134</b>	<b>-</b>	<b>43,857</b>
<b>Designated funds:</b>					
IFL Training	26,757	40,031	12,718	(27,000)	27,070
Qualification Training Contracts	15,000	-	5,800	-	9,200
Future investment	50,000	-	-	50,000	100,000
	<b>91,757</b>	<b>40,031</b>	<b>18,518</b>	<b>23,000</b>	<b>136,270</b>
<b>Unrestricted fund:</b>					
General Funds	177,895	1,706,865	1,672,659	(23,000)	189,101
	<b>269,652</b>	<b>1,746,896</b>	<b>1,691,177</b>	<b>-</b>	<b>325,371</b>
<b>Total funds</b>	<b>269,652</b>	<b>1,822,887</b>	<b>1,723,311</b>	<b>-</b>	<b>369,228</b>

## 12. Related party transactions

During the year ending 31 March 2025, the charity charged its subsidiary £193,324 for management fees relating to CFDG Trading Ltd's activities (2024: £140,000). CFDG Trading Ltd donated £360,000 to CFG from its profits (2024: £300,000). There were no other related party transactions. As at 31 March, the balance due to CFDG Trading Ltd from CFG was £9,044 (2024: £11,159 balance due from CFDG Trading Ltd to CFG).

In addition, the following related party transactions are noted with the following trustees:

Angela Linton	Chief Operating Officer - The National Foundation for Youth Music (£1,283)
Anna Bennett	Director of Finance, IT and Facilities - London's Air Ambulance Charity (£1,986)
Kelly Ryder	Finance Manager, The Orchard Trust (£1,322)
Mwiza Mkandawire	Head of Finance, Transaid Worldwide Services (£335)
Tim Nicholls	Chief Operating Officer, The Arts Society (£115)
Tony Wells	Director, Emmaus UK (£455)
Caron Bradshaw	Member of the Audit and Risk Cttee British Asian Trust (£1,598)
Hugh Wallace	Chief Information Officer - Research Data Scotland (£886)

These transactions with trustees relate to charity membership and delegate fee payments made to CFG.

# 13. Summary of Assets and Liabilities by Fund

Current Year	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds
	£	£	£	£
Intangible Fixed Assets	-	-	-	-
Tangible Fixed Assets	-	-	-	-
Current Assets	1,293,930	44,802	12,438	1,351,170
Current Liabilities	(1,102,158)	-	-	(1,102,158)
Long-term Liabilities	(3,385)	-	-	(3,385)
<b>Totals</b>	<b>188,387</b>	<b>44,802</b>	<b>12,438</b>	<b>245,627</b>

Prior Year	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds
	£	£	£	£
Intangible Fixed Assets	-	-	-	-
Tangible Fixed Assets	-	-	-	-
Current Assets	1,375,427	136,270	43,857	1,555,554
Current Liabilities	(1,169,010)	-	-	(1,169,010)
Long-term Liabilities	(17,316)	-	-	(17,316)
<b>Totals</b>	<b>189,101</b>	<b>136,270</b>	<b>43,857</b>	<b>369,228</b>

# 14. Comparative statement of financial activities

For the year ended 31 March 2024  
(incorporating the income and expenditure account)

	2024		Total Funds £
	Unrestricted Funds £	Restricted Funds £	
<b>Income from:</b>			
<b>Donations and legacies</b>	<b>51,649</b>	75,991	<b>127,640</b>
<b>Charitable activities</b>			
Develop skills, learning, knowledge & practice	1,213,907	-	1,213,907
Inspire financial leadership	235,622	-	235,622
Encourage a supportive environment	106,660	-	106,660
<b>Other trading activities</b>			
Fundraising events	109,920	-	109,920
<b>Investments</b>	<b>15,479</b>	-	<b>15,479</b>
<b>Other</b>	<b>13,659</b>	-	<b>13,659</b>
<b>TOTAL INCOME</b>	<b>1,746,896</b>	<b>75,991</b>	<b>1,822,887</b>
<b>Expenditure on:</b>			
<b>Raising funds</b>	<b>108,419</b>	-	<b>108,419</b>
<b>Charitable activities</b>			
Develop skills, learning, knowledge & practice	1,114,613	-	1,114,613
Inspire financial leadership	203,419	-	203,419
Encourage a supportive environment	264,726	32,134	296,860
<b>TOTAL EXPENDITURE</b>	<b>1,691,177</b>	<b>32,134</b>	<b>1,723,311</b>
Transfer between funds	-	-	-
NET INCOME AFTER TRANSFER BETWEEN FUNDS	55,719	43,857	99,576
TOTAL FUNDS BROUGHT FORWARD AT 1 APRIL	269,652	-	269,652
<b>TOTAL FUNDS CARRIED FORWARD AT 31 MARCH</b>	<b>325,371</b>	<b>43,857</b>	<b>369,228</b>



Leading the way  
for charity finance

**Charity Finance Group (CFG)**

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Telephone: 0845 345 3192

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Registered charity in England and Wales no.: 1054914

Registered charity in Scotland no.: SC052037

Company no.: 3182826

**THE CHARITY FINANCE GROUP**

England & Wales - Charity number 1054914

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# Accounts

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# Survive to Thrive

Charity Finance Group  
Annual Report  
and  
Financial Statements 2023/24

Registered Company number: 03182826

**Charity Finance Group (CFG) is the charity and membership organisation that supports other charitable organisations to make the biggest difference possible.**

We do this by helping them to make their money and resources go further, by putting financial leadership at the heart of their decision-making.

Since CFG was founded in 1987, we have evolved to welcome all finance professionals working for charitable and social change organisations. We also welcome non-finance professionals who recognise that we deliver greater impact when we are financially confident, trustworthy and dynamic.

Today, CFG's vibrant community manages more than one third of the UK's entire charity income. We are a diverse, inclusive and growing community that's passionate about delivering impact through financial leadership.

Together, we lead the way for charity finance.

For more information, please visit our website:

**[www.cfg.org.uk](http://www.cfg.org.uk)**

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## What is our purpose?

CFG is passionately committed to supporting other charitable and social purpose organisations. We do this through our services, resources, information and communities.

We place finance at the heart of every organisation by championing best practice, nurturing leadership and influencing policy makers.

To achieve this, and to meet our charitable objects, our work is focused on achieving three main outcomes:

### **OUTCOME 1**

**Well-developed skills, learning, knowledge and practice**

### **OUTCOME 2**

**Effective governance and leadership, with finance at the heart of it**

### **OUTCOME 3**

**A supportive and understanding operating environment**

“Organisations that are financially confident are more effective at driving social change. When finance is well managed and placed at the heart of decision-making, it has the power to transform organisations and increase their impact.”

**- Caron Bradshaw OBE, CEO, CFG**

## A message from our Chair and CEO

**A very warm welcome to our 2023/24 annual report. You will notice that this message comes to you from Kevin O'Brien and Caron Bradshaw. In December 2023, Gary Forster stood down after his lengthy stint as chair, which was extended to provide continuity during the pandemic and the subsequent recovery.**

The theme of this year's annual report is *Survive to Thrive*. It feels very fitting to CFG's journey over the past 12 months. There has been a real sense in all we do that CFG has moved from survival mode into driving forward with courage, ambition and hope. As we said last year, constant change is just our state of being for the foreseeable future. Living with an unprecedented depth and pace of change has engendered in both CFG and the wider sector a shifting mindset: one that sees not just a challenge or problem to overcome, but an opportunity to do things differently.

At CFG, we haven't just turned a corner, we have embedded aspiration, flexibility, innovation and being progressive (elements of our dynamic value) into all that we do. We are delighted that the hard work of the staff team, with the support of charity members and corporate partners, generated sufficient surplus in 2023/24 to not only earmark a further £50,000 for systems transformation, but also to grow our team and expand capacity by welcoming five new members of staff.

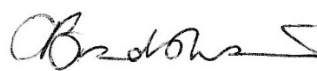
We were delighted to have secured generous grant funding during the year, to undertake a fantastic refresh of our highly successful Gift Aid Awareness Day work, and a significant gift in-kind through JP Morgan's Force for Good initiative, which will help us to develop our flagship learning and development tool, *The Finance Journey*.

Although not in the 2023/24 financial year, it would be strange not to mention the General Election. The change of government brings with it new opportunities to drive forward both CFG and the wider sector. Whilst the world remains a tricky place, there are signs that there will be a renewed energy and a resetting of the relationships between state and sector, which can only be welcomed.

Finally, we extend our heartfelt thanks to everyone involved with CFG during the course of the financial year. These include: the many foundations who gave us financial support and helped us towards recovery and 'thrivability'; our corporate partners who yet again shared their expertise and resources to ensure the quality and timeliness of our offer remains class-leading; our talented staff, volunteers and trustees who make it all possible. And to you, our members, who make up this vibrant and supportive community. Thank you.



Kevin O'Brien, Chair



Caron Bradshaw, CEO

## Strategic goals for 2023/24 and beyond

Our three strategic goals for the year 2023/24 and beyond are:

- 1. Be the ‘go-to’ body**
- 2. Promote and support financial leadership at all levels**
- 3. Use our position to convene powerful networks**

### **1. Be the go-to body**

Our priority is to maintain our position as a trusted and respected source of guidance across the UK charity sector on strong financial leadership, as well as governance and broader management issues, that will determine financial security.

We draw on our collective expertise and stature to be a bold, brave and confident advocate for the sector, both in partnership with other sector bodies and as an individual organisation. CFG also draws upon its learning and experience to continually improve.

We strive to be an ‘exemplar’ organisation and share, where relevant, our own knowledge and experience, recognising that we have common purposes and experiences with our members.

### **2. Promote and support financial leadership at all levels**

CFG promotes and supports the development of financial leadership skills of individuals working within the charity sector, irrespective of their background, aspirations or career stage.

We strive to be relevant to and inclusive of all those who wish to develop their financial skills, whether it be for the benefit of their organisation, their own professional development and/or the wider sector.

### **3. Use our position to convene powerful networks**

We use our position as a membership organisation to bring together different groups from within, and with, the sector. CFG connects individuals and organisations so that they can:

- support each other’s learning and knowledge, leading to great social impact.
- position finance at the heart of decision making, to drive effective governance and sustainable operations.
- inform, instigate and shape better policy (regulation and legislation) and enhance public understanding in order to nurture a supportive environment.

## Meeting and reporting on public benefit

The Trustees confirm they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

As volunteers, the Trustees do not receive any private benefit from being on the Board of CFG.

As of June 2024, there were 170,171 charities in England and Wales registered with the Charity Commission, plus many more exempted or excepted charities and a host of voluntary organisations, community organisations, social enterprises and faith groups which share a commitment to social purposes.

These charitable organisations work across a range of issues providing help to the vulnerable, delivering social change and making the world a better place to live, work and thrive.

To work effectively and achieve the greatest impact for their beneficiaries and communities, they need to be financially well-led and managed.

Through good financial leadership, management and performance, charitable organisations can make the best use of their resources.

It is accepted, across the charity sector and by regulators, that this enables them to better achieve their charitable purposes.

CFG provides public benefit by carrying out activities and providing services which improve financial management and leadership in the charity sector. We deliver a range of training, guidance and support for charity staff and trustees.

We also work to improve the operating and regulatory environment for charities so that they can carry out their missions effectively. And we inspire diversity in thinking about finance and its importance to charities' work.

CFG improves the effectiveness and work of charities and supports their sustainability in an often volatile and often unpredictable environment. In this way, we are supporting millions of beneficiaries in the UK and around the world.

This report shares many of CFG's activities and achievements during the year, as set against our strategic aims and our plans for 2023/24.

## Financials at a glance

<b>Outcome</b>	Total income (2024)	Total income (2023)	Total income (2022)	Total expenditure (2024)	Total expenditure (2023)	Total expenditure (2022)
<b>1</b> Well-developed skills, learning, knowledge and practice	1,213,907 (+43%)	849,627 (+15%)	735,786 (+21%)	1,114,613 (+20%)	931,532 (+23%)	759,975 (+6%)
<b>2</b> Effective governance and leadership, with finance at the heart of it	235,622 (-34%)	358,800 (+42%)	252,944 (-29%)	203,419 (-9%)	223,212 (-17%)	269,691 (-16%)
<b>3</b> A supportive and understanding operating environment	106,660 (+70%)	62,763 (-8%)	68,416 (+17%)	296,860 (-9%)	326,850 (+7%)	306,627 (-2%)

## Performance at a glance

### Charity membership

	2023/24	2022/23	2021/22	Difference
Number of charity members	1,415	1,466	1,499	-51
Number of individual member contacts	5,746	5,409	4,752	+337
Charities joined for the first time	132	146	Data not previously collected	-14
Number of helplines	7	7	7	-
Number of Special Interest Groups (SIGs)	7	7	5	-
Online discussion groups	2	2	2	-

In the months leading up to the spring 2024 renewal period, we had seen a slight decrease in the total number of our charity members. The majority of those choosing not to renew were small and micro charitable organisations (annual income < £1 million). This is likely due to the decision to provide more cost-free resources for smaller charities, following the closure of the Small Charities Coalition in March 2022 and the subsequent loss to small charities of the Foundation for Social Improvement in May 2023.

The trend of attracting more professionals from HR, IT and general charity leadership positions to CFG’s events and programmes continued in 2023/24. We have also seen an increase in the number of member contacts on our database and this trend is set to continue. This is due to our efforts during the past three years to communicate that CFG charity membership is accessible to every individual in each member charity, from new starters to trustees and those with no finance experience or responsibility. This approach helps the whole organisation improve their understanding of the importance and functioning of finance and operations. This supports our vision of a ‘world where financial excellence and leadership empowers every charitable and social purpose organisation and drives positive impact for the people and communities that they support’.

This year concluded the three-year phasing out of our regional pricing structure for membership fees. This meant that charity member organisations were moved onto a

‘rolling membership’. We continue to invest in our database, systems and workflows so that we can improve member sign-up and make the experience as simple and seamless as possible. Investment in our IT systems is crucial to this aim. As of Q3 2024, we had made significant progress in implementing a new finance system and, as of Q4 2024, will be mid-way through a process to select and implement a new CRM. By streamlining our systems, we will be able to increase staff time and capacity to focus on having more in-depth conversations with our charity members. This will help us to respond more rapidly to their evolving needs.

In 2024, we stepped up our efforts to engage with members, asking them what they needed from CFG and what they most valued. This work has helped us to shape our products and services, and we will continue this work in 2025. Read on to find out how we have worked to improve our systems to ‘get the basics right’.

### CORPORATE PARTNERSHIPS

	2023/24	2022/23	2021/22	Difference
Corporate partners	96	96	109	-
New corporate partners	13	20	25	-7
Exhibitors at events	98	63	8*	Not relevant

\* Online

We maintained the same number of corporate partners in 2023/24. We headed into the financial year with a strong plan for renewals and recruitment which meant that we welcomed new corporate partners into the CFG community.

### SHOWCASING EXPERTISE

There was great enthusiasm among our corporate partners to exhibit and showcase their expertise, services and products at our in-person and online events. We were delighted that so many joined us at our in-person Annual Conference in June 2023, and supported our full range of events, conferences and training programmes. This support is vital to the success of our conferences and events, and to CFG as a whole. At our Annual Conference 2023, we created more space to accommodate and welcome even more exhibitors.

### EVENTS AND TRAINING

	Year 2023/24	Year 2022/23	Year 2021/22	Year 2020/21	Difference
Total number of events (incl. Annual Fundraising Dinner)	69	86	30	29	-17
Number of	12	11	12	9	+1

conferences (paid-for)					
Number of training courses (paid-for)	22	Data not previously collected	Data not previously collected	Data not previously collected	Data not previously collected
Total free-to-attend events	34	40	Data not previously collected	Data not previously collected	Data not previously collected
Total paid-for events	35	46	Data not previously collected	Data not previously collected	Data not previously collected
All annual Conference attendees	667	597	422	417	+175
Total number of delegates at CFG events	4,827	4,870	2,860	1,848	-43

## A FOCUS ON TRAINING

CFG wants to ensure members gain as much access to our community’s collective knowledge as possible. The success of CFG’s trainings programme went from strength-to-strength in 2023/24 as we developed new training courses whilst continuing to support our flagship Inspiring Financial Leadership (IFL) course. Although we ran fewer events in total, we enjoyed welcoming more people than ever before. In 2023/24 we continued to run a hybrid programme of both in-person and online events. We remained conscious of the cost of living crisis and once again we were delighted to be able to offer half of the events free of charge.

## MEDIA AND OTHER SERVICES

	Year 2023/24	Year 2022/23	Year 2021/22	Difference
Twitter followers	11,925	11,935	11,573	-10
Greatest reach (Top tweet)	Data no longer provided by X (formerly Twitter)	Data no longer provided by X (formerly Twitter)	40,651	/
Website total page views	69,691	159,688	91,847	-89,997
Website unique page views	Data no longer provided by Google	120,890	68,279	/

	Analytics			
Linkedin followers	15,467*	15,050**	Data not previously collected	+417
Linkedin impressions	247,486 *	77,559**	Data not previously collected	+169,927
Number of media mentions and comments (online sector media only)	27	Data not previously collected	Data not previously collected	

\*Figure as of end of September 2024. Combines organic and sponsored impressions.

\*\*Figure as of December 2023.

The Communications Team refined CFG’s tone of voice as part of the brand refresh project, with the aim of further developing our voice as the ‘go-to body’ for charity finance. As a result, CFG is now recognised as a strong online influencer in the charity finance media space and a go-to for journalists requiring commentary on charity finance issues.

We renewed our partnership with Good Finance UK which means that we continue to serve additional data-rich and timely content to our social media followers, whilst benefiting from a new source of income.

Our social media strategy for 2023/24 continued to focus on informing, discussing and learning across all our platforms. We continued to see an increase in the number of professional audiences gravitating towards LinkedIn and we have grown the number of followers on the platform.

Some charitable organisations and individuals closed their X accounts in 2023/24 following changes to the platform. As a result, we have seen a slight fall in our number of followers. However, there has been no noticeable impact on our levels of reach and engagement. Like many other charitable organisations in 2024, we began to consider our longer-term use of X as a platform through which to engage, campaign and amplify.

We also continued to enjoy a good relationship with the sector press and were invited to comment on a wide range of news events and topics, several of which were non-finance related. For the first time, we are including data on our online media coverage. It’s important to note that this figure does not include any broadcast and print media mentions or appearances in our partners’ publications. We continue to contribute guest articles, including to *Charity Times* and the Association of Independent Museum’s magazine. Currently, we are unable to consistently and accurately track and measure all media mentions.

In late 2023, the Communications Team began laying the foundation for the development of a new website (CMS), alongside a new customer relationship management (CRM) system. We also began a project to digitise our learning and development tool, The Finance Journey. Read on to learn more about this work.

[View our 2022/23 Trustees' Annual Report](#)

# Report of the Board of Trustees

## 2023/24 AIMS – PROGRESS SUMMARY

The year 2023/24 presented a mixed picture of challenges and opportunities for CFG, our charity members, corporate partners and the wider sector. As the financial year began, many of the organisations we work with remained depleted of resources, whilst trying to manage an increase in demand for their services, coupled with a sharp rise in inflation. This picture continued throughout the year.

Although the rate of inflation started to fall back towards more historic levels during early 2024, this did not mean we saw prices falling to pre-crisis levels. We predict that the long tail of the cost of living crisis will be evident among people and communities for some years to come, and that demand for support from charities will continue to be high.

Alongside the economic challenges, it was clear that we would be heading into a general election during 2024 or at the very start of 2025. Charities campaigning for systemic change to alleviate hardship and improve living standards, health and housing faced the extra pressure of engaging not just with the government but with opposition parties in efforts to shape policy. CFG's policy work focused on shaping a more supportive operating environment for the charitable sector and relationship-building across the political spectrum.

Yet, despite the difficult economic and political outlook, there were many bright spots during the year. CFG's Board and staff team were energised by the Annual Conference in June 2023, along with a growing number of opportunities to meet our community in person and online. We have taken time to reflect on the challenges we face in sustaining and supporting our community of charity members and corporate partners, which feeds into our business model, while also making sure that our activities continued to help the wider charitable sector survive and thrive.

All our achievements have been underpinned by effective leadership, governance and sound financial management.

One of our main objectives for 2023/24 was to eliminate CFG's deficit. It is testament to the hard work of the leadership and staff teams that we can report that we have achieved this goal. We have again been most generously supported by five grantmakers, all of whom gave us the resources we needed to reach out to many more organisations and individuals during the year. Their belief in our purpose empowered us to deliver our high-quality programmes to members.

As reported in our 2022/23 Trustees' Annual Report, we continued to invest in our greatest resource – our people. The Board accepted the recommendations of our Remuneration Committee and increased staff pay by 6% in April 2023, recognising the significant impact inflation was having. Based on forecasts during the year, the Board

also accepted the Remuneration Committee's recommendations for a cost of living increase to staff salaries of 4.2% from April 2024, reflecting the continued upward pressure on living costs during 2023/24.

Pay is just one factor in sustaining an engaged and healthy workforce. Wellbeing breaks were taken again in August 2023 and January 2024, giving everyone a chance to pause and return refreshed. We have continued to invest in training Mental Health First Aiders and ensuring 24/7 mental health support is available for those staff members who need it. Personal development training continued, with staff undertaking a range of external courses and internal training sessions.

By investing in our digital tools and upskilling our people, the organisation continues to increase productivity and create new commercial opportunities, with a digital-first approach at the heart of it. Providing our teams with the digital tools and training they need helps them to work more efficiently and contributes to staff engagement; it also frees up time to focus on our strategic priorities and where we can make the most impact.

We took the decision in 2022 to move out of our permanent, London-based office where CFG had a home for more than a decade. Recognising that it is still important to have a place where the team can gather, but without the need for permanent desk spaces for the full staff team, we moved to a dedicated civil society workspace in November 2023. We are now part of a thriving community of over 50 charities, not-for-profits and social enterprises, including some of our charity members.

We were delighted to welcome new trustees during the year: Anna Bennett and Tony Wells. Hugh Wallace moved from being a co-opted trustee to being an appointed trustee. We also said thank you and farewell to Gary Forster, who had served as a trustee and chair. Through sharing his energy, skills and experiences so generously, Gary made tremendous contributions to CFG. We would also like to thank and acknowledge the long service and support from Stella Smith, who stood down as a trustee in July 2024.

As ever, we thank CFG's staff team, volunteers, charity members and corporate partners for providing so many highlights during the year. We are grateful to our funders and donors for their generosity, and our sector peers and external stakeholders who engage so willingly and supportively. The charity finance community is characterised by energy, professionalism and mutual support, and we are thankful that CFG contributes to that community, not only surviving but thriving.

# How did we do?

## BE THE GO-TO BODY

OUR STRATEGIC GOAL	KEY ACHIEVEMENTS/ OUTPUTS	WHAT WE LEARNED
<p><b>Be the go-to body:</b></p> <p>Our priority is to maintain our position as a trusted and respected source of guidance across the UK charity sector on strong financial leadership, as well as governance and broader management issues, that will determine financial security.</p> <p>We draw on our collective expertise and stature to be a bold, brave and confident advocate for the sector, both in partnership with other sector bodies and as an individual organisation. CFG also draws upon its learning and experience to continually improve.</p> <p>We strive to be an ‘exemplar’ organisation and share, where relevant, our own knowledge and experience, recognising that we have common purposes and experiences with our members.</p>	<p>Our knowledge hub, conferences and events, trainings, special interest groups and discussion forums have continued to grow in response to demand.</p> <p>Our staff have contributed to external conferences, events and publications to share CFG’s expertise and thought leadership. We responded to regular media enquiries and further developed relationships with sector and national journalists.</p> <p>We supported ongoing work on SORP engagement and contributed to the IFR4NPO project as the UK Country Champion.</p> <p>We listened to our members and partners, and used our expertise to submit responses to government consultations impacting charities and charity finance. We continued to work closely with sector partners, including through the Civil Society Group. This has strengthened the profile of our work and membership. Our campaigning on audit thresholds, banking and Gift Aid has been widely recognised.</p> <p>Ahead of the 2024 General Election, we collaborated with sector colleagues through the Civil Society Group and the Future Economy Alliance to engage across the political spectrum.</p> <p>We shared our own experiences and learning with our members and external audiences.</p>	<p>CFG’s voice is trusted. This was evident through the work we did with members, partners and peers to develop our brand.</p> <p>We benefited from our investment in helping external stakeholders understand charity finance, which we believe contributes to higher levels of trust in charitable organisations and the wider sector.</p> <p>Collaboration with a diverse range of organisations means that we have been able to share expertise and gain new insights, which benefits our members and partners, and the wider sector. We can achieve change more effectively when we speak with one voice. Collaboration leads to stronger results and more lasting impact.</p> <p>Our policy work is valued by many stakeholders including members, partners and other infrastructure bodies. The demand for our specialist knowledge remains high.</p>

## PROMOTE AND SUPPORT FINANCIAL LEADERSHIP AT ALL LEVELS

OUR STRATEGIC GOAL	KEY ACHIEVEMENTS/ OUTPUTS	WHAT WE LEARNED
<p><b>Promote and support financial leadership at all levels:</b></p> <p>CFG promotes and supports the development of financial leadership skills of individuals working within the charity sector, regardless of their background, aspirations or career stage.</p> <p>We strive to be relevant to and inclusive of all those who wish to develop their financial skills, whether it be for the benefit of their organisation, their own professional development and/or the wider sector.</p>	<p>Our Inspiring Financial Leadership and peer mentoring programmes continued to be over-subscribed, demonstrating a clear demand for skills development.</p> <p>Our network and discussion groups have continued to thrive, connecting people at every stage of their charity finance career for peer support, learning and leadership development.</p> <p>We renewed our successful partnership with the Association of Independent Museums, bringing more charities into membership from the cultural sector and supporting the development of financial leadership in this area.</p> <p>The content on our knowledge hub has grown significantly, bringing expertise and thought leadership to our audiences alongside technical know-how and practical advice.</p> <p>Developing The Finance Journey tool is an opportunity to understand our members and their needs in more depth, and to create a practical resource that helps charity finance to be used as a powerful, transformative lever.</p> <p>We have made additional progress on inclusion, including speaking out against racism and providing BSL interpreters for our Annual Conference.</p>	<p>There is an appetite for connection and community, and they can find this through CFG. There is a lot of interest in CFG supporting and facilitating discussion groups and peer communities, and this demand creates opportunities for volunteer engagement.</p> <p>Our digital first mindset has helped us support and develop networks for finance leaders at every stage of their career, but we can do more to understand our members and their needs with better data capture and analysis.</p> <p>Our digital transformation project for 2024/25 includes a new CRM which will significantly improve data capture and analysis, and in turn will shape our member offer. We will also be using data to evolve The Finance Journey.</p> <p>We will continue to strive to be inclusive and foster a sense of belonging across our whole community.</p>

## USE OUR POSITION TO CONVENE POWERFUL NETWORKS

OUR STRATEGIC GOAL	KEY ACHIEVEMENTS/ OUTPUTS	WHAT WE LEARNED
<p><b>Use our position to convene powerful networks:</b></p> <p>We use our position as a membership organisation to bring together different groups from within, and with, the sector. CFG connects individuals and organisations so that they can:</p> <p>Support each other's learning and knowledge, leading to great social impact.</p> <p>Position finance at the heart of decision making, to drive effective governance and sustainable operations.</p> <p>Inform, instigate and shape better policy (regulation and legislation) and enhance public understanding in order to nurture a supportive environment.</p>	<p>We have convened and contributed to many working groups and forums that cut across sectors and topics. Our networks mean we can easily reach out to a wide range of contacts for insight, support and engagement.</p> <p>We are a partner in the Civil Society Group (CSG), our CEO commenced as co-convenor for 12 months in February 2024. We work with infrastructure colleagues on engagement with policy makers and decision takers, as well as influencing the CSG's programme of work. We have contributed to thinking and discussions on a range of issues, including wider political and societal issues.</p> <p>We have supported a range of research, including work by Nottingham Trent University directed at understanding the current pressures on civil society.</p> <p>We continue to respond to media enquiries on a wide range of topics. Our reach through our newsletter, Finance Focus and website continues to grow. Our podcast relaunch has also been well received.</p>	<p>Our insight and member engagement means we are uniquely placed to shape policy in relation to charity finance. External stakeholders value our input and the chance to engage with our members and audiences.</p> <p>We have much information to share and stories to tell but have not been able to maximise this during 2023/24. Investing in our Policy and Communications teams in 2024/25 will mean we are better able to use opportunities to share our work.</p> <p>There is high demand for CFG's unique blend of technical information, shared learning and thought leadership. We need to balance the demands of our members and the support we provide for the wider sector (our beneficiaries), to ensure that we remain financially resilient and able to meet needs.</p>

## Fit for the future

**Caron Bradshaw OBE shares how CFG has turned a corner to a brighter future.**

*Good fortune has its roots in disaster, and disaster lurks in good fortune. Who knows how to separate the two since there is no clear dividing line between them. ~ Lao Tzu*

At the time of writing this piece, I am feeling an enormous sense of hope for the future, interspersed with some trepidation.

The country has just witnessed shocking scenes of numerous racist and Islamophobic riots in towns and cities across England. There's no excuse for the behaviour of those who set about to threaten the peace, safety and livelihoods of others. These scenes leave me dismayed and sad. Yet, as the theory goes, every action has an equal and opposite reaction.

Just hours later, thousands of people took to the same streets to push back, in every sense. It showed courage and hope, and those positive and peaceful scenes reminded us once again of the power of civil society and collective action. Such actions swell my sense of hope and positivity.

### THE CASE FOR CHANGE

One thing we can be certain of is that we continue to live in volatile and changing times. None of us knows, with any certainty, what the future holds. Last year, I spoke of the volume and frequency of change increasing.

We can now add another factor – complexity. Familiar models and theories of change can't always be neatly or easily applied to these challenges. I'm aware that I'm in danger of sounding like a broken record from one annual report to the next, but it cannot be overstated: change is difficult, even when it is necessary. And the roadmap to whole systems transformation demands even more from us.

I believe there is a shared sense across the sector that systemic transformation, agility and a new approach is needed – in our organisations, in our communities and in the corridors of power. It's the only thing that can breed resilience in the face of uncertainty.

Since the end of our financial year there has, of course, been a general election. Whilst early indications are that the tone and approach is very different, we will need to ensure that warm words are matched by substantive action.

## TRANSFORMING FUTURES

This annual report presents a positive year for CFG. We didn't just turn a corner in 2023/24 – we accelerated out of the bend! We did this because we tackled change head-on, transforming how we do things.

We eliminated the structural deficit – one of our operational objectives for the year – and we ended the year with a surplus. This means that we've not only been able to bring our reserves back into range but also invest more in our essential resources, including our digital systems and staff team.

Readers of our previous annual reports will know that many of our planned activities were paused or scaled back when we entered the pandemic and cost of living crisis. It was frustrating because we know that these activities – some of which are entirely new products, and others that involve a significant scaling up of existing programmes – will support our charity members during difficult times.

For the first time in a long time, we can now set our sights on the future and make far greater strides towards our longer-term vision and goals. By ending the year with more financial confidence, and a strong sense of what we want to achieve in the next three to five years, we're setting out a realistic roadmap.

Of course, within this optimism we also need to keep in mind the current financial fragility of the sector and how we respond to that, to ensure that we continue to provide support.

It remains tough out there. Individuals are leaving the sector because they cannot afford to stay, some significant charities have closed, and financial difficulties are exercising charities too.

In the face of this adversity, it could be tempting to batten down the hatches in anticipation of another storm. But CFG is taking a different approach. By looking for the opportunity in risk, by turning a problem on its head to find a positive, we've been able to shift our mindset.

## FIT FOR THE FUTURE

I believe, either by coincidence or by design, that this mindset is summed up by this report's theme and that of our 2023 Annual Conference – *Survive to Thrive*. By focusing on our operational objectives of eliminating the structural deficit, getting the basics right, and adopting a 'digital first' approach to everything we do, we've survived the worst the pandemic and cost of living crisis threw at us.

We did not do this alone, far from it. We did it with the ongoing support of those who share our vision, whether they're our charity members and volunteers, our corporate partners or our generous grant makers.

As we head into 2024/25, we are asking ourselves, how can we now *thrive* so that we can support others to thrive too? In 2024, we adjusted our operational objectives to build in more resilience. We've replaced our 'digital first' objective as we've successfully embedded a digital first mindset and approach in CFG's culture. This doesn't mean that the work on digital transformation stops here!

We're now able to invest in improved digital systems so that we can maximise our members' experiences and provide more opportunity for digital engagement, connection and learning. These systems will require buy-in, learning and adjustment, so one of our new objectives is to support our people through change.

I believe that if you give people the support and space they need to grow, we will help them to become more resilient, agile, progressive, flexible and innovative, reflecting CFG's value of dynamism – a value and practice I see every single day at CFG.

As part of our continuing focus on getting the basics right in summer 2023, we started to take a closer look at CFG's identity and asked our members, volunteers and others how they viewed the CFG brand, our community and the work we do. The message that came through loudest was that we needed to be bolder and louder.

Our visual identity, language and strapline have therefore evolved. It deliberately aims to capture how we 'lead the way' on charity finance issues. But it's even more than that: it clearly demonstrates something we've always known – that a community that is inclusive and diverse is also strong and resilient. By giving everyone the opportunity to learn, grow and innovate, we are ensuring that the financial health of our sector continues to improve.

Finally, we know that we must continue to generate sufficient income to continue investing in the services, support and representation that we provide our diverse community of finance professionals. So, we've made generating sufficient income to meet that growing need an area of operational focus.

## GRATITUDE AND OPTIMISM

I'm extremely proud of the work of the leadership team and our Board of Trustees, the achievements of our staff team, and of the incredible support that we continue to enjoy from our members, volunteers, partners, grant makers and many others within the sector. My thanks go to you all.

I hope you enjoy reading about the highlights and challenges within this annual report. They show that from the crisis and potential disaster we've faced that success really can flow. While we remain alert to potential dangers, I have an enormous sense of hope and optimism about what is yet to come.

## Member voice

### In times of crisis

**Iain McSeveny, Director of Finance and Operations at Medical Aid for Palestinians (MAP), explains how he is steering the charity's work on the front line of humanitarian crisis and why the CFG community is important to him and his team.**

These are challenging times for overseas charities, but for those with operations in volatile regions and conflict zones, there's rarely any let-up. When the siege and assault on Gaza intensified in late 2023, Medical Aid for Palestinians (MAP) began scaling up its operations in Gaza, West Bank, and Lebanon, as well as in the UK.

The charity works in collaboration with Palestinian communities, local partners, UN agencies and hospitals for the health and dignity of Palestinians living under occupation and as refugees.

As a non-political charity, it delivers medical and humanitarian aid in an impartial manner to those most vulnerable and at risk. In recent years, the charity's projects and programmes have focused on emergency response, disability, women's and children's health, mental health and psychosocial support, and advocacy.

#### AN EMERGENCY FOOTING

Iain McSeveny joined MAP in 2014 to lead its finance and operations. During the past decade, he has stepped twice into the role of interim CEO. His most

recent stint began shortly before MAP's CEO Melanie Ward was elected to UK Parliament in May 2024.

"This year, MAP has moved very rapidly from being a development organisation to a humanitarian one," explains Iain. "We've had to put most of our development and community health programmes in Gaza on hold and we're doing a lot of things we've never done before, such as work in infection control, malnutrition, and supporting the recent polio vaccination programme in Gaza.

"At the same time, development work with local partners in Gaza and West Bank has been severely hampered, and many have had their premises damaged or destroyed. We have been unable to get to our own office in Gaza city for some time now. We know it is damaged, but not how badly.

"Almost all our local staff have been displaced from their homes. And we're just trying to get supplies from wherever we can. Right now, I'm working with the team to procure assistive devices for the horrendous number of children who have lost limbs."

Between 2022 and 2024, MAP increased its income from £8m to £40m, mainly due to increased donations, and the number of staff has trebled, from 80 to more than 240. At the time of writing, Iain had just signed another seven contracts for staff working in MAP's 20 medical points in Gaza.

Now back in his role of Director of Finance and Operations, Iain is

focusing on numerous strands of work, including recruitment, retention, wellbeing and safety. Alongside the finance and HR functions, Iain is also responsible for IT, internal audit and legal. Iain says he is looking forward to supporting his team more closely and getting stuck into the work.

“We’ve been through a huge transformation and the area of operations that will need to change the most is probably mine because we’re the support function for everything else,” states Iain.

“We’ll be recruiting to the finance team and supporting the team’s growth, as well as focusing on sustaining the HR team because of the large increase in staff.

“We also need to develop the IT team with a need for more support staff on the ground in Gaza. Another priority will be rationalising, working out the gaps and converting temporary contracts to permanent ones.”

### LOOKING TO THE FUTURE

MAP’s growth isn’t stopping any time soon and the charity was fortunate enough to receive pro bono advice from a well-known consultancy firm recently. Iain says he is feeling positive about the future but finding the right external support in all forms will continue to be vitally important.

“We have a plan, and we all know the things we have to do. We’re now trying to carefully prioritise. We’ve got a really good team of people, and we just need to keep adding to them, slotting in new people to support us.”

Iain admits that, in many ways, these are exciting times for him and the MAP team but, as he says, soberingly, “for all the wrong reasons.”

### FINDING THE RIGHT SUPPORT

Iain became a CFG member in 2007 when he worked for Greenpeace UK. Today, he’s a board member for his former employer and is currently involved in the charity’s governance review. He says he’s hoping to find support not only for his day job, but for that role too.

In the coming year, Iain plans to step up his participation in CFG programmes and says he’s keen to see his growing team take advantage of membership too. He explains: “CFG helps me to scan the horizon and find where the gaps are. It highlights the things that I don’t know and has helped me to keep up to date on the technical side. The events themselves, the topics and learning, are so useful.

“But for me, just being in a room with people, having conversations, making new contacts, that’s the really good bit! I’ll be going along to CFG’s OSSIG (Overseas Special Interest Group) meeting with three HR colleagues soon. I’m keen to make it everyone’s membership. It’s not just mine.”

## CFG NEWS AND HIGHLIGHTS SPRING/SUMMER 2023

### [CFG collaborates on CC14 updates](#)

CFG's policy team were invited by the Charity Commission to collaborate on its proposed updates to CC14. Richard Sagar, Head of Policy, CFG, said: "CFG has long argued that CC14 needed to be updated, to provide greater clarity on investment approaches. We're pleased to be invited by the Charity Commission to work with them."

### [CFG responds to HMRC consultation on VAT relief](#)

CFG calls on the government to reinstate VAT energy saving materials relief following member consultation. Richard Sagar, Head of Policy, CFG, comments: "At a time of persistent high inflation, stagnating income and increased demand for their services, any tax relief is to be welcome. We found that for many of our member charities, any additional financial incentive could encourage them to install ESMs (energy saving materials) that they otherwise wouldn't. In other cases, it would speed up a charity's ability to install ESMs by reducing the amount of expenditure needed."

### [CFG comments on Children England's closure](#)

CFG's CEO, Caron Bradshaw OBE, writes: "Different political choices, longer-term thinking, and root and branch redesign is required from all

political colours. What Children England and CFG have in common is that we're infrastructure bodies. We know from personal experience that demonstrating our contributions to the economy and society is even more difficult than for frontline charities because we exist to support and facilitate the work of others."

### [CFG responds to government's business rates avoidance and evasion consultation](#)

The government's consultation acknowledges that the 'vast majority of those who engage with the business rates system do so honestly and transparently' and says there is a 'small minority' exploiting the business rates system. In response, CFG says that the proposal could be like using a 'sledgehammer to crack a nut', adding: "there is a likelihood that charities and CASCs making genuine use of the 'next in use' exemption would be adversely affected and hit with additional business rate costs, should the exemption be removed and no mitigating arrangements put in place. It could penalise those genuinely making use of measures such as the EPR 'next in use' exemption."

### [CFG publishes sector's 'asks' ahead of Autumn Statement](#)

As part of the Civil Society Group, CFG urges the Chancellor to support the charitable sector and the vulnerable people and communities it exists to serve. CFG asks the Chancellor to introduce an 'Essentials Guarantee' in

the social security system, ensure public bodies have the resources they need to deliver public services and streamline and review the charity tax and compliance systems.

#### **IN THE PRESS**

[Government urged to reinstate energy saving materials tax relief for charities \(civilsociety.co.uk\)](https://www.civilsociety.co.uk)

[Regulators urge banks to improve 'inadequate' services for charities \(civilsociety.co.uk\)](https://www.civilsociety.co.uk)

## Turning a corner towards recovery

By Rui Domingues, Director of Finance and Operations, CFG

After a few years that were certainly extremely challenging, CFG has weathered the storms of the pandemic and cost of living crisis, and we have emerged with a robust financial foundation. Whilst challenges remain, for us as an organisation and for the wider charity sector, we are increasingly optimistic about the future.

During the pandemic years, we adopted [Gartner's three stage recovery model](#) as a framework to guide our response. Whilst the boundaries between the phases of respond, recover and renew are fluid, and it's certainly possible to be in two stages at once, the stages can be useful to highlight the progress we have made.

### EXITING SURVIVAL MODE

People say that reserves are there for a rainy day, and during Covid it was pouring. Initially, we focused on immediate survival tactics, pivoting our operations to adapt to the new reality and these challenges are reflected in previous reports.

Utilising our reserves has also been crucial in our response to challenges. Whilst we went below our reserves target range during the pandemic, we're now looking at our changing risk profile and our reduced costs to calculate what our reserves need to be going forward.

We've been working towards recovery, by rebuilding and stabilising our operations. Our latest financial results show a significant milestone as we transition from deficit to surplus. This financial health provides a strong foundation for the next stage of our journey.

The loyalty of our members and corporate partners has been essential. They've really grasped the value of the support, information and knowledge we provide, and we're very thankful that our members have stayed with us.

We are also incredibly grateful to our grant funders who supported us throughout the pandemic. Grants for infrastructure bodies like us were always difficult to come by, but the funding we received from grant makers during those years has been essential.

Though we are seeing a move back to those traditional funding streams, with less support for our core activity, we still received £123,491 worth of grants throughout the financial year. We are thankful that there has been investment in projects such as our Charity Investment Governance Principles (CIGP), which will develop a set of principles for trustees to use when making decisions about their charity investments.

Another vital aspect of our recovery has been the decision made last year to close our London office and move to remote-first working. Whilst we are still renting three

desks from a co-working social enterprise, we have been able to save £80-90,000 annually by removing the fixed cost of our old White Lion Street office.

We're also continuing to see the outsourcing of part of our finance function really pay dividends. SKS have provided a great service, and it has also been key for us to have strong dialogue with them, understanding what's on the horizon and what we need them to support us with.

A key focus across our commercial services has been to enhance operational flexibility. By adopting a more agile approach, we aim to align our cost base with growth, avoiding disproportionate increases in expenditure. This strategy has been successfully implemented within finance, property, and other departments. We are actively working to introduce similar flexibility within other areas of operations.

### **GETTING THE BASICS RIGHT**

Another essential part of our recovery has been our focus on 'getting the basics right', and this covers every aspect of what we do. For example, on the governance side, we have brought in a flexible resource to help with our capacity. This approach has enabled us to address fluctuating workloads efficiently.

Concurrently, we have initiated a comprehensive evaluation of our digital infrastructure, including Teams and SharePoint, to identify necessary enhancements. The timing of these upgrades is being carefully considered to avoid overburdening our team during core system implementations.

One of the challenges for the team and for me this year was our IT manager Chris Brown retiring at the end of 2023. Chris has been a wonderful colleague for so many years. We were delighted that Chris is able to assist us with our transition to new customer relationship management (CRM) and content management (CMS) systems.

Building on our recovery, we're investing in our team and exploring the technological changes which will allow us to grow. We are undertaking a major systems upgrade, transitioning to a dedicated finance system, CRM platform, and our new CMS. This strategic investment will optimise our operations, strengthen customer relationships, and position us to capitalise on new opportunities within the sector.

We're concentrating on making focused improvements where they're needed most. This means carefully choosing which projects to tackle first and making sure we have the right people in place to get the job done. We also recognise the importance of being open about our reward and benefits packages, and we're working hard to improve this area.

### **OUR PEOPLE**

Since the move to remote-working we have implemented quarterly away days to foster collaboration and team building and we have certainly witnessed the value of in-person interaction. These dedicated periods have proven effective in facilitating

creative problem-solving and strategic thinking. By combining focused work sessions with opportunities for social interaction, we have created a dynamic environment that encourages innovation and strengthens employee relationships.

We have found that people have really enjoyed these away days, and it's been great to see people in a different light, watching staff throw a dart at a dartboard rather than just tapping away at a computer.

A recent staff away day provided an opportunity to reflect on the strength of our organisation. A room filled with colleagues engaged in lively discussion, served as a powerful reminder of the exceptional talent within CFG.

The quality and dedication of our team is our greatest asset, driving our ability to deliver exceptional results for the sector. While strategic initiatives such as our new finance system are important, it is the strength of our people that truly defines our organisation.

We are pleased to report significant progress in addressing longstanding capacity challenges across several teams. Strategic recruitment in 2023/24 has allowed us to strengthen our workforce and enhance our ability to meet the growing demands of our organisation. The successful onboarding of new talent positions CFG for continued growth and success.

There is certainly more we would like to do, and we are confident that our reserves can enable us to do some more strategic work in terms of the investments in our people and technology.

## MESSAGE TO MEMBERS

To our members, I encourage you to explore everything CFG can do to support you. I've been a member of CFG for more than 20 years, so was an active part of the CFG community long before joining as an employee.

Every step of the way there's been something that has either supported me or made me aware of something I wasn't before, that I needed to cover as part of my role.

So, I urge all charity members, and even non-members, to utilise all the valuable support available to you in your role, and the safety net that CFG can provide.

**CFG would like to thank Rui for his incredible energy and commitment to CFG during his time as Director of Finance and Operations. In September 2024, Rui moved to London City Mission as their new Director of Finance, Property and IT. We wish him all the very best in his new role.**

## CFG NEWS AND HIGHLIGHTS: AUTUMN/WINTER 2023

### [CFG briefing on Autumn statement](#)

Richard Sagar, Head of Policy, CFG, takes an in-depth look at what the Chancellor's statement means for the charity sector. Richard commented: "For charities, and more importantly, beneficiaries, additional funding is urgently needed in order to put services on a sustainable footing, prevent the closure of services and those who rely on services from falling through the cracks. It is just not sustainable for charities to continuously subsidise government funding shortfalls."

### [Charity bodies call on Hunt to act after 'no improvement' since autumn statement](#)

CFG says... "Charitable and voluntary sector organisations continue to work harder than ever to support their communities, particularly those that remain hardest hit by ongoing economic pressures. At the same time, we have seen very few real improvements in the sector's operating environment; very little has changed economically or politically since chancellor Jeremy Hunt presented his autumn statement in November 2023. The Civil Society Group is calling upon the government to do more to ensure the most vulnerable and disadvantaged people are better protected, and that charities can continue to provide their

critical services."

### [CFG appoints two new Trustees](#)

CFG is delighted to announce the appointment of two new trustees to the Board – Anna Bennett and Tony Wells. Gary Forster, CFG's Chair of the Board of Trustees, comments: "We're delighted to have appointed Anna and Tony as CFG's new trustees. Their clear passion for excellence in charity governance and financial management will be a real asset to CFG, as will their experiences of being CFG members."

### [CFG's finance development tool celebrates its tenth birthday](#)

One decade ago, CFG officially launched its development tool The Finance Journey. Its author, Simon Hopkins, comments: "Ten years on, the need for a development tool for finance professionals that helps them break the tired old mould of the 'back office' has never been greater. Today, The Finance Journey is more relevant than ever."

### **IN THE PRESS**

### [Cost of living crisis 'catalyst' for fraud risk as more charities fall victim of fraud](#)

CFG comments...there are "more and more attempts and creative ways to extract money from people" during the cost of living crisis. "I'm surprised it's only 67% who identified the economic downturn and cost of living crisis as a catalyst for increased risk. It's a major

risk the whole sector needs to be cognizant of and fighting against.”

**[Charity sector experts launch project to develop investment principles for trustees](#)**

CFG comments... “The steering group is delighted to launch the Charity Investment Governance Principles project. By convening investment and legal experts, charity sector bodies and leaders, we’re working together to develop a set of universal principles that will increase confidence in the governance of charity investments.”

## Member voice

# Navigating the charity finance landscape

**Sam Husband has been Director of Finance at North Devon Hospice for 20 years. Here, she shares how CFG membership has helped her to deal with the constantly shifting landscape of charity finance.**

For over two decades now, I've had the privilege of serving as the Director of Finance at North Devon Hospice. This year marks a significant milestone: both the hospice's 40th anniversary and my 20th year with the organisation.

As the hospice has grown from a small operation to a thriving institution, I've played a role in navigating the unique challenges faced by healthcare providers in our rural community.

### LOCAL CHALLENGES

As a hospice, our main task is to generate just over £5m per year from our local community. With one of the smallest population sizes of roughly 170,000 and one of the largest areas to cover of any hospice in the country at over 800 square miles, this poses many challenges for us.

Additionally, as with most hospices, we care for the majority of our patients within their own homes. Given the large geographical area and rural spread of the population the cost per visit is especially high for us.

Throughout the ongoing cost of living crisis, we are seeing the level of sponsorship and donations reducing on

a daily basis yet demand for our services is going up.

The area is also one of significant economic deprivation which often makes fundraising problematic, and, throughout the ongoing cost of living crisis, we are seeing the level of sponsorship and donations reducing on a daily basis, yet demand for our services going up – an issue many charities will be dealing with. These challenges can certainly make a finance director's job difficult at times.

My personal journey with North Devon Hospice initially began with a part-time finance role. Previously, I had worked as a finance director for manufacturing firms, but my desire to balance work and family life led me down this new path. It was during this time that I turned to CFG for support and guidance to aid me in my transition into the charity sector.

### VALUABLE SUPPORT SYSTEM

CFG membership has been invaluable to me and the hospice. The conferences, regional meetings, and resources have provided key insights into the financial landscape of the charity sector. The network of professionals has also offered a valuable support system for sharing best practices and addressing common challenges.

My role at the hospice soon grew, initially taking on the technology team

and, over the years, my area of responsibility grew too. Now I have responsibility for finance, technology, estates and support services, as well as retail. With that in mind, the breadth of advice and insight covered by CFG resources and in materials such as *Finance Focus* has been hugely beneficial, providing me with a range of knowledge and enabling me to manage all these areas of my role.

By adopting a new approach based on CFG's guidance, we were able to strengthen our financial sustainability.

One of the most significant benefits of CFG membership for me has been the access to information on risk-based reserves. By adopting a new approach based on CFG's guidance, we were able to strengthen our financial sustainability which has been key for us in navigating the challenges of the current economy.

I've always emphasised the importance of financial accountability and transparency to our donors and stakeholders. CFG's resources on best practices, good governance, and regulatory compliance have played a crucial role in ensuring we meet these standards.

The evolving financial landscape of the charity sector necessitates continuous learning and adaptation. CFG events have provided me with the latest updates and insights, enabling us to stay ahead of the curve. The policy work of CFG is also important to

mention, not only in keeping me aware of potential legislative changes, but also influence policy to benefit the sector.

## **PARTNERSHIP AND COLLABORATION**

Networking at CFG events has also led to valuable partnerships and collaborations. My involvement in mentoring other hospice finance directors has not only benefited the mentees but also fostered personal growth and reflection, helping to make me a better leader.

Furthermore, CFG's network facilitated connections with other hospices and healthcare providers, allowing for the exchange of ideas and experiences. This collaboration has been instrumental in improving the efficiency and effectiveness of our organisation.

For hospices considering CFG membership, I wholeheartedly recommend joining. The wealth of knowledge, support and networking opportunities that CFG offers are so important, not only to myself but to my whole team.

The organisation's resources have been instrumental in building a strong financial foundation for North Devon Hospice, enabling us to continue providing vital care and support to our community.

## Investing in our people

**By Laura Millar Assoc CIPD, Head of HR, CFG**

As Head of HR, I've had the privilege of leading our team through a year of significant growth and achievement. Our focus on creating a supportive and inclusive workplace culture has been instrumental in driving our success.

### RECRUITMENT AND TRAINING

In 2023/24, one of our key priorities was to enhance our recruitment processes. We've made substantial progress in attracting and onboarding top talent. By streamlining our application process and emphasising the benefits of working at CFG, we've successfully grown the team in a short space of time. The next step is to review the process internally, to make sure it works as seamlessly for everyone involved in recruitment as for applicants.

At CFG, we believe firmly in supporting our staff to achieve their career aspirations and ensuring employees have the necessary training available to develop professionally is a vital part of this. Rolling out LinkedIn Learning for all our staff was another key piece of work and we invested in team development through Insights Discovery profiling and workshops, thanks to a generous offer from Blue Gnu Consulting.

This has helped us to improve communication, reduce conflict, and foster a more collaborative workplace. By understanding our own and others' communication styles, we can build on each other's diverse strengths and increase psychological safety, leading to improved efficiency, productivity, and impact for our stakeholders.

### WELLBEING

We've been proactive in addressing employee burnout and promoting mental health by implementing annual wellbeing weeks. Inspired by Mental Health First Aid England, these weeks provide all staff with a much-needed break from work and the opportunity to focus on their personal well-being, without the worry of what's going on 'back at the office'.

Data and anecdotal evidence from CFG's annual staff surveys revealed a growing sense of fatigue and stress following the challenges of the pandemic. A compelling proposal was presented to the Board of Trustees, outlining the benefits of implementing two annual wellbeing weeks in 2022/23. The proposal emphasised the positive impact on employee morale, engagement and overall job satisfaction. The Board unanimously approved the initiative, recognising its importance in creating a supportive and sustainable workplace.

The wellbeing weeks have been met with enthusiasm and gratitude and feedback shows that the initiative has been particularly beneficial for parents, caregivers, and those feeling more vulnerable to burnout.

In addition to wellbeing weeks, CFG has invested in other mental health support initiatives. We have trained two members of staff as mental health first aiders, providing a valuable resource for colleagues who may need support. We've also partnered with Plumm Health, a comprehensive platform offering counselling, coaching and other mental health resources. We also produced a podcast episode to mark Suicide Prevention Day and spotlight the incredible work in this area of one of our mental health first aiders.

By prioritising employee wellbeing, CFG has demonstrated its commitment to creating a supportive and inclusive workplace. These initiatives contribute to the overall health and happiness of employees and have a positive impact on productivity, recruitment and retention.

### **WORKING REMOTELY**

The transition to remote working has presented both challenges and opportunities. While maintaining strong communication and fostering a sense of community has been essential, it has also enabled us to attract a wider pool of talent. By offering flexibility and work-life balance, we've been able to retain our top performers.

We want to feel like one team, so have been very intentional and mindful about our internal communications and how we spend time together. Working remotely can be challenging when first joining an organisation, so we implemented a buddy system for new starters. This enables those who have joined to ask questions, get advice and connect with colleagues who are not in their own team.

We always try to take some time at the start or end of meetings to check in and ask how people are doing, and, on Teams, we have created a 'virtual water cooler' chat where people can share stories from their evenings, weekends or holiday – sharing photos of pets is greatly encouraged!

We've found that it has been really important to have face-to-face contact, so we organise at least six days a year where staff can meet. Our quarterly away days give us the chance to focus more creatively on the bigger projects and meet in a non-work environment. Our Annual Conference and Annual Fundraising Dinner are also great opportunities to catch up, not only with our team, but with members and partners.

### **DIVERSITY AND INCLUSION**

The research is clear: diverse teams are more effective at achieving ambitious goals. People with different backgrounds and experiences bring new perspectives to the team. Our focus is on reaching a diverse group of candidates, strengthening our team to be truly representative of all groups within society.

We implement gender decoding in our job adverts, use anonymous shortlisting in our hiring process and now advertise all our vacancies on Diverse Jobs Matter. We emphasise that non-graduates are welcome, whilst shortlisted candidates are provided with interview questions in advance to help level the playing field. We want interviews to be a two-way conversation and ensure candidates have a respectful and inclusive experience, to see if CFG is right for them!

A feeling of belonging is the outcome we want for everyone at CFG. We want every member of our team to feel accepted and understood, to fundamentally feel that each of us can bring as much of our authentic selves to work as we choose. We therefore have a zero-tolerance approach to any kind of discrimination and actively encourage feedback from our staff so we can improve what we do, and how we do it.

Our commitment to diversity and inclusion is reflected in our comprehensive HR policies. From our period and menopause policies to our sabbatical and breastfeeding at work policies, we strive to create an equitable and supportive environment for all employees.

## LOOKING AHEAD

As we look ahead to 2024/25, I'm excited about the opportunities to further strengthen our HR function. Our focus will be to support our team through organisational changes, such as our digital transformation, retain our incredibly talented group of staff, and formalise our people strategy.

HR and the Leadership Team are committed to making sure the whole team understands CFG's values of integrity, dynamism and support, embedding them in our culture, systems and processes from the start of recruitment and through the employee lifecycle. All our staff interactions, performance reviews, one-to-one meetings and our HR policies will continue to be centred around our values.

By sustaining our investment in professional development, prioritising wellbeing, and fostering a diverse culture, we are confident in our ability to achieve even greater success in the years to come. We'll continue to strengthen CFG as a thriving and inclusive workplace.

## A year of resilience and growth

**By Sarah Lomax, Deputy CEO and Director of Commercial Services & Marketing, Charity Finance Group**

While the year has been marked by significant achievements, it hasn't been without its challenges. The cost of living crisis has impacted our members, and the tight labour market has, at times, made recruitment more difficult. However, our team has risen to the occasion, demonstrating resilience and adaptability.

### EVENTS AND TRAINING

The pandemic was such a difficult time for so many people, and came with enormous human cost, though one of the positives was the shift to virtual events. We know that for some of our members, attending events virtually enables them to fit participation around caring responsibilities, their own access needs, time and distance constraints.

However, we also know that our members and corporate partners highly value face-to-face events, so during the year we looked to maintain a balance of both virtual and in-person events during the year.

A cornerstone of CFG's success has been the expansion of our events programme. CFG's Annual Conference in 2023 was a watershed moment, selling out for the first time and reaching 107% of our attendance target. This is testament to the value our members place on networking, learning and staying informed about the latest industry trends and developments.

We introduced new training modules in 2023/24 to address the evolving needs of charity finance teams during the cost of living crisis. These included sessions on procurement, reporting, long-term strategy, finance for trustees and fraud, bribery and corruption. These modules were very well attended and received.

Building on this momentum, we introduced new events such as the Technical Update Conference in Scotland and an investment conference. These events are now fully integrated into our event programming. Our training programme has flourished, achieving 147% of our target for participation.

We've seen a remarkable increase in engagement from both our charity members and corporate supporters. Our marketing team were incredible in promoting our events throughout the year, and their efforts can be seen through the strong success of our events and training programmes.

### SHARING KNOWLEDGE

Our corporate partners provide such a wealth of expertise, and we want our charity members to be aware of all this help and knowledge, which is only a click away. Our

online knowledge hub continues to be a place for corporate partners to share expertise, thought leadership and market knowledge with our members.

Towards the end of 2023, we asked some partners to form our Supporting Scotland Network, with a donation to help us pump-prime our work there. This was a new, time-limited development that is Scotland-specific, and we are grateful to those partners who have supported the initiative.

## **OUR CHARITY MEMBERS**

CFG's community has continued to strengthen. We've refined our automated renewal process, resulting in an impressive 90% membership retention rate. Our mentoring programme, special interest groups and discussion groups have all been instrumental in fostering a supportive community. However, we know that times remain tough, and we expect member recruitment and retention to be a challenge in the current environment.

We know that small charities are facing a particularly difficult time. With that in mind, we ensure that all our information that helps small charities is freely available on our website and not behind our member paywall. We want any charity or social purpose organisation to be able to benefit from that support and expertise, regardless of whether they are a paying member or not.

## **LOOKING AHEAD**

Looking ahead, we are excited about the opportunities to expand our reach and deepen our impact. We are investing in our team and have made several new appointments during the year, including welcoming a new Head of Membership to further strengthen our connections with charities (see Milly Durrant's article on page 40).

Additionally, we are expanding our presence in Scotland and building on our successful corporate partnerships. Our goal is to bring more charities and corporate partners together across the UK.

This year has been one of growth, collaboration, and resilience. As we look to the future, we're excited about our plans to support our members and drive positive change in the charity sector.

## Member voice

# A vital resource for charity finance

**CFG has played a pivotal role in supporting the professional development and success of countless charity finance professionals. Two dedicated members, Sue Hall and Kath Qualtrough, share their experiences and the positive impact CFG has had on their careers and the charities they've worked with.**

Sue Hall, a long-standing member of CFG, joined the organisation as a member after starting her role as Finance Director at Historic Royal Palaces. She immediately recognised the value of CFG's resources and support network, particularly as a newcomer to the charity sector. Sue has leveraged CFG's training, helplines, and networking opportunities to address challenges and enhance her skills.

Sue says: "CFG has provided the missing links for many staff in getting assurance over tricky finance issues and helping provide the knowledge that is not easily found via our professional organisations.

"It's a fundamental support arrangement for any charity, regardless of size, and the benefits outweigh the costs of membership many times over."

Kath Qualtrough, another dedicated CFG member, has worked for both large and small charities throughout her career, including Greenpeace, the

Wellcome Trust, Safe Passage International and as a trustee with the Blue Cross.

She has also found great benefit from different services that CFG provides, noting the helplines "have been invaluable in getting quick, expert advice on complex matters. We've used them for legal and tax challenges at work – for small charities I've always found CFG's helplines particularly useful."

Both Sue and Kath emphasise the importance of CFG's community in providing a supportive and collaborative environment. The opportunity to connect with other finance professionals, share best practices, and seek advice has been invaluable.

As Sue explains: "The networks that CFG helps build are fundamental to my success as an FD and Chief Operating Officer (COO) in the organisations I've been in so far. The sector relies on networks and knowing who to go to for help."

"I love attending CFG's Annual Conference. There are always incredibly inspiring speakers, and I always come away with a list of new contacts and a list of helpful things that I can implement in my organisations.

"They help to invigorate the sector and create innovation, debate and challenge to our roles – which is needed and not available elsewhere."

“Everyone related to CFG is passionate about the sector and ensuring the charities are doing the right thing in the right way. Whenever I have reached out to any peers for help, or from within CFG itself, I have always had a positive and helpful response.”

Kath adds: “I’ve been a long-time attendee of CFG’s annual conferences, for at least 15 years. Each time I go it’s lovely to reconnect with people I’ve worked with in the sector and share knowledge together.

“I’ve learnt a lot from the conference sessions and have particularly welcomed recent ones on HR, technology and leadership matters as these are areas that finance directors often end up covering at smaller charities.”

Sue also highlights that CFG has helped her stay updated on the latest trends and challenges in the charity sector, noting: “The regular updates that follow any major announcement are always spot on with tone, information and timing. For example, I always know that after the government delivers the budget a swift summary will be produced pulling out all the relevant sector-related impacts, and I always share these with my colleagues and board.”

CFG’s commitment to providing relevant and up to date training and resources has been instrumental in helping members stay informed about the latest trends and challenges in the charity sector. Whether it’s navigating complex financial matters or developing new skills, CFG has proven to be a reliable and indispensable resource for finance professionals.

As Kath explained: “To anyone considering joining, I would say that CFG is a valuable investment, for support and developing knowledge in the charity sector, for anyone who needs an awareness of finance for their job. It’s not just for FDs!”

**In August 2024, Sue Hall and Kath Qualtrough joined the CFG Interim Digital Transformation Director and Interim Finance Director respectively, following the departure of Rui Domingues. We warmly welcome Sue and Kath to the team.**

## Growing our community

**By Milly Durrant, Head of Membership, CFG**

I'm thrilled to be joining CFG at such an exciting time. I was appointed to my role in June 2024, just three weeks before CFG's Annual Conference, so I was delighted to attend.

I was so impressed with the CFG team, and all that they delivered as a relatively small staff group. The event was extremely well organised, with an energy and enthusiasm that was infectious.

Seeing firsthand the passion and dedication of CFG members and corporate partners was inspiring. It's clear that CFG has a thriving community, and I can't wait to be a part of its continued growth.

With a background spanning 20 years in professional associations, including a 12-year stint as Director of Membership, Marketing and Communications at the British Dietetic Association, I'm passionate about building and nurturing strong and valued membership communities.

My focus for the year ahead is twofold: to enhance the member experience and to expand our community. I want to ensure that every member feels valued and supported, and that they're making the most of their CFG membership. This means providing exceptional benefits, fostering a sense of belonging, and actively seeking member feedback.

For CFG, membership is about the whole organisation, not just one individual. It's for finance teams, trustees, new starters, it's for everyone – so for me it's about making CFG a 'must-have', growing our reach and ensuring all charity professionals and leaders can benefit.

Growing our membership is also crucial to amplifying the collective voice of the charity sector. By increasing our numbers, we can strengthen our influence and further our reputation as the go-to body for charity finance, thus securing greater impact, and enabling us to continue representing the needs of our members.

I'm eager to build on CFG's strong foundations and create an even more dynamic and impactful membership programme, led by members. I'm keen to see the feedback we'll receive through our formal surveys but, more so, I'm looking forward to having many more conversations and meeting you at a future CFG event.

Together, we'll shape the future and lead the way for charity finance.

## CFG NEWS AND HIGHLIGHTS WINTER/SPRING 2024

### [Charity Commission launches new five-year strategy](#)

The charity regulator for England and Wales published a new strategy on 26 February. Attending the strategy launch, CFG's Head of Policy, Richard Sagar said: "Overall, the sector has welcomed the new strategy. However, with a spending review expected later in the year, and a general election, it is hoped the Commission will have the funding and resources it needs to fulfil its ambitions. Charities depend on a strong, effective and independent Commission to provide trust and confidence, as do donors, beneficiaries and the general public."

### [The Charity Commission publishes new donation guidance for charities](#)

CFG considers the Charity Commission's new guidance that sets out the latest legal rules for trustees when deciding to accept, refuse or return a donation. Clare Mills, Director of Policy and Communications at CFG, comments: "CFG would recommend that all charities familiarise themselves with the new guidance and set out a policy on the acceptance, refusal and return of donations."

### [Spring budget fails to address critical issues](#)

On Wednesday 6 March, the Chancellor, Jeremy Hunt, set out a raft of measures in his spring budget. Richard Sagar, Head of Policy at CFG, commented: "On the whole, there were a few positives, but a lot of crucial issues remain unaddressed, and the announcements will do little to increase confidence and certainty."

### IN THE PRESS

#### [Charities urged to support menopausal employees](#)

CFG comments... "CFG's employee handbook has included a menopause policy since 2021 and we've found this to be a good first step to providing the right support. Training is important because line managers must feel confident having conversations with team members to truly understand their individual needs. Reasonable adjustments can be made, and these can include remote working, covering the cost of a fan or cooling system, and reducing hours and duties.

#### [Banks criticised by regulator as 42% of charities report experiencing poor service](#)

CFG comments... "When banking services are inaccessible or fall short, people are forced to find alternative ways to manage money. This can fly in the face of good governance and financial management and increase risk for the organisation and the individual

trustees. Widespread use of workarounds can go wrong. When that happens public trust in the charity sector as a whole can be eroded. We'll continue working together with all parties, including the Charity Commission and UK Finance, to do all we can to ensure public trust remains high whilst finding the right solutions."

## Leading the way in policy and communications

### **An interview with Dr Clare Mills, Deputy CEO and Director of Policy & Communications, CFG**

#### **What policy wins or areas of impact stood out in 2023/24?**

When it comes to policy, CFG's team focuses on making a positive difference for charities, voluntary organisations, community and faith groups by shaping a more supportive operating environment for them. It doesn't matter if their purpose is poverty relief or protecting a heritage railway – we want to make sure that policy on accounting and reporting, tax and VAT, business rates and a host of other issues understands their needs.

We've worked across so many policy areas this year. Three that come to mind are reserves, business rates and digital markets. Charity reserves have continued to be a hot topic, and I am pleased we were able to help shape the latest version of CC14, the Charity Commission guidance on charities' investments. It has been welcomed by many organisations as it gives them more freedom to align income generation from investments with their charitable purpose.

Following the publication of CC14, we gathered insights from our members. Our research showed that, although CC14 is a good starting point, there's a gap in terms of information and support for trustees when they are making decisions about investment. We subsequently worked with some of those members and secured funding to develop the Charity Investment Governance Principles – a practical tool for charities and trustees. They are expected to launch in late 2024.

We spoke out for continuation of the 'next in use' exemption for charities, in response to the consultation on business rates avoidance and evasion. Discussion around the removal of the exemption focused on it being used by fraudsters, either by setting up 'fake' charities or manipulating existing charities. We argued that a better approach would be to give local authorities more power (and resources) to investigate applications for business rates exemptions and verify the identity and intentions of the applicants.

We've also done a significant amount of work on the Digital Markets, Consumers and Competition Act which started life in April 2023 as a bill before parliament. This really is a case of spotting a well-intentioned piece of legislation which would have unintended and potentially negative consequences for charities. Introducing stronger rights to a cooling off period and the ability to cancel a subscription make sense for digital products, but for charities offering a subscription model, this potentially

created a series of financial headaches. There was also a concern that subscriptions purchased digitally might be taken out of the Gift Aid scheme, hitting charity finances. We're continuing to work with the Department for Business and Trade, HM Treasury and HMRC as implementation guidance is developed.

### **Who has CFG engaged with to develop this policy work?**

In political terms, we knew that there would be a general election by January 2025 at the absolute latest, so during 2023/24 we adopted a strategy of continuing to work with the then-government, while also building relationships and sharing insight with the opposition parties.

In November 2023, we waited to learn if any of our 'asks' had made it into Autumn Statement. We welcomed the announcement to expand VAT relief on the installation of energy-saving materials in buildings used solely for charitable purposes – a measure CFG had called for. We then had an early Spring Budget in March 2024, which had a few positives for the sector, but overall was a missed opportunity to address systemic issues, such as the instability of local government funding.

We also took opportunities to share insight and sector knowledge with the Labour Party, as it seemed likely that Labour would form the next government. One issue we're keen to promote is the challenges in the audit market. We've been in conversations with DCMS about this issue, as well as the Scottish Government, as raising the threshold at which audit is required might be one part of the answer.

Politics aside but still policy focused, we've continued to strengthen our relationships with key external stakeholders including the Charity Commission for England and Wales, and the Office of the Scottish Charity Regulator. The regulators have been heavily involved in our work to improve access to banking services for charities, and we have also been able to engage with the Financial Conduct Authority on this issue.

Sector infrastructure bodies started to work more closely together during the pandemic and collaboration has continued. CFG takes a lead on finance, such as developing submissions to the government ahead of fiscal events like the budget. Together with NCVO, NAVCA, ACRE and several other sector infrastructure bodies, we've spent a considerable amount of time on banking, developing better direct relationships with the retail banks, as well as UK Finance, the trade association for financial services organisations. There's still a great deal of work to do, by banks and some charities, to better understand each other's needs and priorities. This isn't going to be 'fixed' any time soon, but we will continue to speak up for the charitable sector.

### **There's a lot to share. How have CFG's communications adapted?**

Our knowledge hub, which we launched in 2022/23, has gone from strength to strength. We've published nearly 100 articles during the year, covering every charity finance topic. We are very grateful to our corporate partners who share their

expertise and our charity members are so open about their experiences and learning, providing us with case studies and best practice.

With so much brilliant content to share with our members, we have evolved *Finance Focus* from being a printed magazine pre-Covid, through its pandemic incarnation as a downloadable PDF, to a fully digital magazine. We've had fantastic feedback and it has strengthened our offering and boosted engagement. Alongside *Finance Focus*, our fortnightly newsletter and our events and CPD mailing give our members regular reminders that we are here for them, their colleagues, and their trustees – with resources and support to help them make the most impact for their beneficiaries. We've also relaunched the CFG podcast and that's had a fantastic response too.

### **What about CFG's social media presence?**

We continued to use our social media channels of X, Facebook and LinkedIn, and flirted with Instagram. Our influencer partnership with Good Finance continues to be a success. We are seeing growth on LinkedIn, where the general tone is more professional than on some other platforms. X has changed the way it captures and shares metrics and tracking analytics, which is a challenge. The debate between charities and sector infrastructure bodies about continuing to use X rolls on too. Exposure to, and promotion of, toxic content is not unique to X and all platforms could improve their controls. Ultimately, we want to meet our members, partners and wider stakeholders where they are, and not invest time in platforms that are of little interest or use to them – or worse, damaging.

### **What's next for CFG's 'digital first' mindset?**

First, I think we need to say what 'digital first' isn't! We don't want to move everything we do to the digital world because that way, we risk losing touch with many people who value the connections and interactions that happen in person.

Our digital first approach is about thinking about everything we do, across the whole organisation, and considering whether efficiency, value and impact can be increased or maximized through the use of digital tools.

We've spent time this year investing in our processes and supporting our staff to work 'smarter, not harder' and using shared digital tools has been a core part of that. We've also taken the lead on conversations around AI and this was a topic of one of our recent podcasts.

During 2023/24 we started the work on our digital transformation programme. The vision is to significantly improve user experiences both internally and externally. Behind all those user journeys, we'll be able to make much better use of data to strengthen our engagement and understand what our members and audiences are looking for, what matters to them, and what they find helpful. Exciting times!

## There's a lot going on! How are you keeping people engaged and connected?

We've continued to develop our use of in-person all staff days. Some of our teams have also been taking the opportunity to meet up regularly. We have set out and started to implement our new internal communications charter too. When we look at our staff engagement data, comparing 2022/23 to 2023/24, we can see that our scores for 'effective internal communication' have risen by a massive 47%. There's still more to do, but I feel we've made huge strides in this area.

Although it feels like an outward-facing piece of work, I'm also going to mention our brand refresh which has been a brilliant project. It brought staff, members and partners together to sharpen our messaging, tone of voice and visual identity. It gave us the chance to think more clearly about how we talk about ourselves, and how we are perceived. The clarity we've gained from the project helps all of us to communicate better and it is cementing awareness of what CFG does and how. (See page 48 for more about CFG's brand refresh).

## What are your top priorities or areas of focus for the coming year?

Within the policy and communications directorate, we're growing in number. Our gift aid project officer joined us in January 2024, and later in the year we recruited a communications officer and a policy officer. The team has doubled in size, and we're immediately feeling the benefit of new talent and extra capacity. We're spending time with our new colleagues, to give them the tools, confidence and support they need to excel.

Our work on access to banking services continues to gain traction. We're working with infrastructure colleagues to maintain good relationships with the retail banks while encouraging and supporting the banks' understanding of the charitable sector.

The challenges come mostly from communication on both sides: charities don't always explain well what they do or how they are governed, or what their needs are, and the banks often try to use the language of their corporate products for the charitable sector, so there is confusion. We'll keep working on this to help banks provide the services that meet the needs of the sector.

When it comes to projects, I have three clear priorities. We've been supported by the Rank Foundation's excellent Time to Shine programme, which funds a full-time member of staff for a year, to work on a project: we've set on gift aid. Since January 2024, we've been gathering more data and developing a much bigger Gift Aid Awareness Day campaign. We hope the project's impact will be more charities registering for and claiming Gift Aid and finding the right support.

The second project is the Charity Investment Governance Principles, which I've already talked about. This is going to help many sector organisations to make considered decisions. The third project has been on the cards for several years.

Thanks to the generous support of J P Morgan's Force for Good scheme, we are now developing *The Finance Journey*, kindly gifted to CFG by its creator Simon Hopkins. *The Finance Journey* can be used to develop charity finance teams and individuals, moving the finance function from being transactional to transformational. We are so excited about the potential of this project and the benefits it could bring. We will be actively seeking financial support for this work, and I'd welcome conversations with any potential funders reading this report.

### **What are you most optimistic about?**

Our colleagues across CFG are the best people I have ever worked with for their expertise, enthusiasm, drive and commitment. It's an absolute privilege to work alongside these talented people every day.

The collaboration we're seeing between infrastructure bodies is a huge source of optimism too. This is really helping in advocacy for the sector and reducing duplication of effort across charities that are supporting each other's expertise rather than competing.

The other thing that keeps me focused is seeing how well we can support charitable organisations across the UK. Charities are under massive pressure every day. Contributing to their impact is humbling.

### **Any final messages for our charity members and corporate partners?**

Thank you for being a part of this amazing community, for working with us and sharing your pain points, your challenges, your learning and your stories.

Thank you for coming with us as we develop, for bringing your energy and expertise to our Annual Conference and other events, and for making use of *Finance Focus*, the CFG podcast and our knowledge hub.

Thank you for your ongoing support and for being a part of all this.

## Fresh thinking for CFG's brand

During 2023/24 we were able to complete a project that had been on our wish-list for some time: a refresh of our brand identity. This exciting evolution reflects CFG's commitment to supporting a diverse, vibrant and growing community in a changing world.

### A BOLDER, STRONGER IDENTITY

The new logo, with its complete circle and central initials, signifies CFG's collective strength. The new strapline – 'Leading the way for charity finance' – captures CFG's mission to be the leading voice and go-to body for charity finance, and empowering all charitable organisations to grow their impact through excellent financial leadership. New imagery strengthens CFG's visual identity by drawing on familiar data and finance imagery, whilst spotlighting CFG's diverse community – emphasising that people are at the heart of all we do.

### A NEW COLOUR PALETTE

With a brighter pink and the addition of new colours, including energetic blue and creative green, the new colour palette reflects the vibrancy of CFG's membership and conveys our commitment to innovation and growth. We were never losing the pink!

### A BRAND GUIDELINES DOCUMENT

Our guidance document sets out CFG's brand, mission and how to use our new brand assets. With detailed information on logo placement and safe areas, colour codes and image use, as well as sections on our tone of voice and style, the guidance supports everyone at CFG, and those we partner with for design and production, to achieve and strengthen our cohesive identity.

We predicted a strong surplus as we headed towards the end of 2023/24 so we felt it was the right time to do this work, ahead of major projects such as the development of a new website. We shortlisted three design agencies in 2023 and selected design agency Steers McGillan Eves (SME) who worked with us over a period of nine months to capture the charity's core values and community strength.

SME clearly understood our vision and mission and shared our ambitions. We set a budget of £10,000 which was kindly match-funded by SME. Thanks to their generous support we were able to do a comprehensive refresh that included a three-month long consultation with CFG's stakeholders, to really get under the skin of our brand. The project came in on budget, despite the impact of inflation during that period. We were delighted with the process and final results, and the insights we gained continue to inform us on how we connect and engage with our stakeholders.

## Member voice

# Supporting entire career journeys

### **Rohan Hewavisenti shares his journey in the charity sector and the role CFG has played throughout his career.**

As a seasoned charity finance professional with nearly 30 years of experience in the sector, I've found the CFG to be an invaluable asset in my career. From my early days as an auditor to my current role as Chief Financial Officer at Amnesty International, CFG has consistently provided me with the resources, support, and networking opportunities I need to excel in my field.

#### **WHERE IT ALL BEGAN**

My journey in the charity sector began in 1995 with VSO in China. Since then, I have held senior finance positions at organisations like Action Aid, Breast Cancer Care (since merged and part of Breast Cancer Now), British Red Cross, WWF-UK, and The Fairtrade Foundation. My current role at Amnesty International involves overseeing the financial health of the organisation's global operations, supporting human rights defenders worldwide.

Amnesty International supports people around the world to have better access to human rights, and also provides direct help to individuals who are human rights defenders, campaigners and protesters.

My journey with CFG began decades ago. I used to attend events even before

I was a CFG member when I worked for Action Aid. When I moved to Breast Cancer Care, the organisation was a member of CFG, so I got to fully experience all the benefits of CFG membership. Since then, every organisation I have worked with has been or became a member of CFG.

From 2006 to 2012, I was also a CFG trustee, a position I greatly enjoyed. Back in the day, CFG was actually Charity Finance Directors' Group (CFDG) and I was a very keen proponent of that being changed. Before I became a finance director, I felt somewhat of an intruder into the group, so I am glad that the organisation has become much more inclusive. The benefits of membership are not just for finance directors but are useful for the whole finance team and those in non-finance roles, including trustees.

In terms of the content and advice CFG provides, this has become much broader over time as well. The role of the finance director or CFO often involves a whole range of areas such as legal, governance, strategy and property management so I am grateful that CFG covers all these areas at their events and within the content they provide in newsletters and on the knowledge hub.

#### **SHARING KNOWLEDGE**

One of the most significant benefits of CFG membership has been the

opportunity to connect with other charity finance professionals. Sharing experiences, best practices, and challenges has been incredibly enlightening and has helped me to approach my work with a broader perspective. For instance, when I was tasked with a major property refurbishment project, I was able to leverage the insights of other CFG members who had gone through similar experiences.

I first joined the Large Charities' Special Interest Group in 2008/9 when I became the finance director at the British Red Cross. This group was particularly valuable for leaders of larger charities, as it allowed me to connect with other similar organisations. I chaired the group for six years and found it especially helpful in areas like strategic planning, financial planning, and managing larger, more complex teams.

Through my involvement in the group, I gained valuable insights that directly impacted my work at the British Red Cross such as the importance of investing in the organisation's brand to enhance fundraising efforts. This led to increased fundraising income and stronger legacy giving programmes.

## LEARNING AND DEVELOPMENT

CFG has also been instrumental in helping me stay up to date on the latest trends and challenges in the charity sector. Through webinars, conferences, and networking events, I've been able to learn about new regulations, emerging technologies, and best practices in areas such as financial reporting, risk management, and fundraising.

In addition to its professional development resources, CFG has provided valuable networking opportunities. Connecting with colleagues from other charities has allowed me to build strong relationships, and collaborate on projects.

If you're a charity finance professional looking to enhance your career, I highly recommend joining CFG. The organisation offers a wealth of benefits, including professional development, knowledge sharing, networking and career advancement.

I've personally benefited greatly from my involvement in CFG, and I believe it is an invaluable asset for any charity finance professional.

## Celebrating the CFG community

### Our volunteers

**CFG would simply not be able to achieve all that we do for the charity sector without the immense efforts of our wonderful volunteers.**

#### CONFERENCES AND EVENTS

We are fortunate to have so many volunteers assisting with our events throughout the year. The exceptional work and leadership of our conference chairpersons ensure the success and high quality of all our online and in-person events.

#### PEER MENTORING SCHEME

CFG's Peer Mentoring Scheme gives participants the opportunity to benefit from being both a mentor and a mentee. This programme has been developed with Nicki Deeson, a leadership coach, executive mentor and experienced charity finance director. Nicki's unique blend of experience means she's perfectly placed to understand the needs of the scheme's participants.

"I am really proud of the peer mentoring scheme, and I hope CFG is as well," says Nicki Deeson. "Through sheer hard work by staff, it remains free to CFG members, which even the most stringent finance director will admit means excellent value for money!"

#### SPECIAL INTEREST GROUPS AND DISCUSSION FORUMS

We are grateful for the dedicated individuals who volunteer with our Special Interest Groups (SIGs) and discussion forums. Their expertise, enthusiasm, and commitment to fostering meaningful discussion have been invaluable.

By creating safe and welcoming spaces for people to share their experiences and ask for support, these groups contribute significantly to the professional development and success of our members. A special mention to Alan Sharpe, Rajit Gholap, Stuart Fox and Jon King who have dedicated countless hours this year to provide support to their fellow members through these groups.

As one member of a discussion group explained: "The value of the group is in individuals facing similar challenges at different times – usually there is someone who can provide at least part of the answer and the result is a better solution helping charitable funds go further in these difficult times."

Another member said: "The group has been very important to me both personally and professionally since I joined the charity sector in 2016. Being a finance director in the charity world can often mean you are faced with different scenarios that are unique to the sector, and it's not always easy to find answers from within your own organisation, so having access to a wealth of experienced peers is invaluable."

One member commented that they have received “sage counsel” and found “trusted friends” within the group. They also stated that “our skillsets go beyond the finance function, and we’ve seen that in what we do, making the impact of the group much more than it might seem. I have personally benefited in so many ways.”

Alan Sharpe explained how the large charities’ discussion group was formed and the value it provides for members: “In 2017, a CFG member suggested creating a forum for sharing knowledge and experience. This led to the formation of a discussion group, reviving a similar initiative from years past. The group's first topic focused on payment technologies and since then we have covered a wide range of issues, including finance restructuring, investment advice, and audit fees.”

The large charities’ discussion group was established to service our larger charity members and continues to grow and welcome new members. Alan adds: “The group has been valuable for members seeking advice and sharing insights. For my part, I am grateful to CFG for having given me the opportunity to stay involved in the sector and attend events.”

## **STUDENT VOLUNTEERS**

During 2023/24, CFG partnered with the University of Nottingham to offer remote volunteering placements for four students. Shakana Sheppard, Daniella Taiwo, Lily Bristow, and Tiya Singh gained valuable experience in policy, communications and digital marketing.

These students contributed to CFG's work by researching policy, drafting social media posts and assisting with newsletters. Reflecting on her time at CFG, Tiya Singh said: “Volunteering at CFG was truly an amazing experience. I learned so much about a sector I knew very little about, and the skills I’ve obtained are helping me every day more than I could’ve imagined!”

Daniella Taiwo says she had a similar experience: “CFG has not only aided me in developing my digital marketing career, but they have also gone above and beyond to support my personal growth. I am incredibly grateful for their support and delighted to have worked with so many people who were eager to assist me advance in my career.”

Finally, Lily Bristow who worked closely with the policy team, commented: “I want to extend my sincere thanks to everyone at CFG for all their support and guidance, especially in helping to shape my understanding of the charity sector. It has been an invaluable insight and set me up so well for entering the world of work.”

## Celebrating the CFG community

# Our corporate partners

We extend our gratitude to our corporate partners for their support throughout the year. Our shared vision has a huge impact on the charities we serve.

AAB	Gerald Eve	PIB Insurance Brokers
Abrdn	Goodman Jones	PKF Littlejohn
Access Insurance	Goodman Masson	PMCL Consulting
Account 2 Grow	Grant Thornton	Price Bailey
Accounts IQ	Hays Senior Finance	Price Waterhouse
Adapta Consulting	Haysmacintyre	Coopers
Allen Lane	HCR Hewitsons	Provantage
Altum Partners	Hempsons	Procurement
Anthony Collins	HSBC	Quantum Advisory
Auditel	HSF	Quilter Cheviot
Barclays Corporate	HW Fisher	Rathbones Investment
Bates Wells	Infor	Management
BDO LLP	IPlicit	RBC Brewin Dolphin
Beever and Struthers	IRIS	RSM
Bellevue Partners	ISIO	Russell Cooke
BHP	Ivy Rock	Saffery Champness
Bishop Fleming	James Hambro &	LLP
Blackrock	Partners	Sage Intacct
Brown Advisory	JSS	Sarasin
Buzzacott	Lake Financial Systems	Sayer Vincent
CAF	LCP LLP	Scrutton Bland
Canada Life	Lloyds Bank PLC	SKS
Cazenove Charities	Mackie Myers	Smartdesc
CCLA	Marble Mayne	Spence & Partners
Charity Bank	Recruitment	Stuart Davis
Charles Russell	Forvis Mazars LLP	Third Sector Property
Speechlys LLP	Menzies	UHY Hacker Young LLP
Charles Stanley	MHA MacIntyre	Unit4 Business
Cloud Doing Good	Hudson	Software Limited
Crowe	m-hance	Unity Trust
Crown Agents Bank	Mills & Reeve	Utility Aid
Downing	Moore Kingston Smith	Waverton Investment
Ebury	Natwest Corporate	Management
Ecclesiastical	Banking Services	Wrigleys
Insurance	Newton Investment	Xledger
Edentree Investment	Management	Zippen
Management	Octopus	
Farrer and Co	PEM	

A special mention to our partner organisation the **Association of Independent Museums (AIM)**.

“CFG has worked hard to support the sector in these challenging times and we have appreciated all the help and advice they have produced” - Timothy Asberywood, Chief Accountant, York Museums Trust.

## Review of financial position

### CFG's Business model

CFG has a history of working in partnership and through collaboration. This means that CFG will avoid duplication where others are meeting needs in a cost-effective way. But during and since the pandemic working together developed not just to achieve efficiency - it also drove efficacy. The sector needed to work together to address sector-wide and profound challenges. CFG's business model was perfectly positioned to lean into a new appetite for collaboration across the sector and continues to do so now.

CFG currently earns nearly all income through membership fees, sponsorship and delegate fees, supplemented by modest grant income. The brilliant core support received from the Paul Hamlyn Foundation over five years from 2018 was due to come to an end in this financial year but was generously extended for a further two years.

Additionally, grant funding support was received from the City Bridge Trust (£12.5k), Rank Foundation (£16k), Aurora Trust (£23k), Joseph Rowntree Foundation (£5k), Barrow Cadbury Trust (£10k), and The Access Group (£22k) during this year. This recognition of the importance of not only supporting the work of CFG with project-based and core funding, but also the role of infrastructure in the ecosystem of the sector, is hugely appreciated and we are very grateful.

Our funding model is predicated on the fact that corporate partners want to engage with us for two main purposes; to connect with not-for-profit organisations that may purchase their products and services, and to support the wider sector through sharing their expertise, financially supporting CFG's provision of services and hosting our activities.

We were delighted to be able to return to the face-to-face element of our model with such success. The pandemic fast-tracked our ability to deliver content and activities through digital media and we intend to continue to do so (following a digital first mindset).

However, we believe that a blend of channels and approaches is necessary to ensure that our beneficiaries can access CFG services in a manner most suitable to their needs. This has not fundamentally changed our business model but has evolved our methods of delivery.

Corporate support subsidises the cost of services to our charity members. Without corporate partners' support CFG could not effectively deliver to the sector without changing our business model. This continues to be a core part of our sustainability.

This year has also seen a rise in our training and event income as more professionals have come to appreciate the value that bring.

## Results for the year

For the financial year 2023/24 the Trustees had planned a breakeven budget for CFG, and the year ended with a surplus of £99,576 across all funds and surplus of £55,719 on just unrestricted funds (2023: deficits of £4,166 on all funds and surplus of £2,881 on unrestricted funds).

Income improved significantly in 2023/24, £1,822,887 compared to £1,514,685, in 2022/23. Expenditure of £1,723,311 was correspondingly higher than £1,518,850 spent in 2022/23, an increase of 13%, reflecting the recovery from the effect of the pandemic on CFG's operations.

CFG's target unrestricted reserves range is from £175,000 to £280,000. Free reserves at the end of 2023/24 stand at £189,101 compared to £177,895 for 2022/23. CFG's unrestricted reserves are just within the lower end of the acceptable reserves policy level. To offset this, another breakeven budget is planned for 2024/25.

Designated funds have been retained to continue to support employees at CFG who are undertaking long-term professional courses, so that CFG can continue to stand behind personal development goals. A future development fund has been set up to continue our digital first journey.

## Reserves policy

As part of the annual budget setting process, CFG's Finance and Audit Committee reviewed CFG's Reserves Policy. It was confirmed that the policy agreed previously was still valid and that CFG maintained free reserves to:

- provide a sustainable and appropriate level of working capital;
- allow for periods of unexpected drops in planned income;
- cope with sudden short-term increases in planned expenditure;
- provide cover for other risks, contingencies or unforeseen events (these would have a low likelihood of occurring but, if they did, would have a significant effect on CFG).

After a review of our reserves, and following our move away from our office in Islington, the agreed reserves range changed to £179,000 to £197,000. Our available free reserves as at 31 March 2024 were £189,101 (2023: £177,895) within the current agreed range. The Board will at times designate funds from free reserves for specific costs that fall outside the normal business as usual expenditure, or back into free reserves to withstand other pressures. Any funds received that can only be lawfully used for a specific charitable purpose will be held as restricted funds.

## Investment policy

CFG receives income on an annual basis through membership subscriptions, sponsorship, grants and other sources. We plan activities on a rolling three-year basis and budget to expend all anticipated income, except for retaining a prudent amount in reserves. We have no permanent endowment and provide for capital expenditure within the budget. The only funds of CFG that are not expendable within 12 months of receipt are reserves and any grants or contracts for activities over a longer period.

Consequently, the Board of Trustees does not consider that it is prudent to invest income for the longer-term. Our policy is therefore to retain funds as cash and place them on bank deposit at the best rate obtainable. As a result, the Board of Trustees considers that it is not appropriate for CFG to adopt an ethical investment policy at this time.

# Structure, management and governance

## Structure

Charity Finance Group (CFG) was incorporated by guarantee on 29 March 1996 and registered in England and Wales, changing our name from the Charity Finance Directors' Group on 20 March 2015. The charity has been trading as CFG since 2012.

We have no share capital and the guarantee is limited to £1 per member. The governing document is the Memorandum and Articles of Association of the company, which was amended on 6 November 2014 by Group Members' special resolution and on 5 October 2017 following a Company Member Resolution.

The Board of Trustees are the directors of the company, and we have one wholly-owned trading subsidiary, CFGD Trading Limited, which carries out all trading activities for CFG. See note 1 to the financial statements.

## The Board

The Board consists of up to ten Trustees, all able to serve two terms of three years. Up to seven are required to be elected from CFG's membership, and the Board may appoint three non-member Trustees to bring in wider necessary skills and experiences.

Member Trustees are elected by their fellow members. The Office Holders are allowed a further period of appointment if they would have less than two years in the role due to their appointment date, subject to a maximum period of service as Trustee of eight years. Non-member Trustees are appointed after an open recruitment process. The Chair and Office Holders of the Board are appointed by the Trustees from among their number. The Board meets four times a year and holds additional strategy planning sessions and away days in order to closely engage with the work CFG delivers.

The Board receives regular updates on day-to-day activities, new risks and progress against key objectives. This provides the Board with regular and valuable information in order to carry out their duties and responsibilities. Sub-committees and task and finish sub-groups of the Board are convened to expedite the execution of duties.

Sub-committees, currently: Nominations Committee; Remuneration Committee; and Finance & Audit Committee. They are governed by their own terms of reference and delegated duties are approved by the full Board. Sub-committees are served by Trustees and co-opted independent appointees. A special advisor and expert forums/ad hoc working groups provide support and advice to the Board and staff.

## Board induction and conduct

Trustees sign a code of conduct and complete a register of interests, which is reviewed annually. Induction support and a Trustee handbook are provided to new Trustees by the staff team and Chair. The handbook includes a copy of relevant policies, procedures, governance information and role descriptions.

## Management

Day-to-day management of CFG is delegated to the CEO and senior staff in accordance with an agreed Scheme of Delegation. Performance and risk are monitored against strategic objectives. CFG's average headcount during the year to 31 March 2024 was 18 members of permanent staff.

## Risk management

CFG's strategic risks are defined as those matters which could inhibit or, if managed appropriately, advance the achievement of our charitable objects as articulated in our rolling strategy and supporting decision making framework (we refer to this as 'CFG Essentials'). Trustees do not fix whether something is a strategic risk by category or by nature, but rather have adopted a dynamic approach which considers the appropriate risk response to a wide range of variables.

The major risk elements have been reviewed and systems or procedures have been established to manage them. The Board of Trustees are satisfied that reasonable steps are being taken to limit the probability and the impact of risk.

CFG continues to view active risk management as a day-to-day aspect of running the organisation. Risk is the responsibility of every member of staff and all Trustees. It has been embedded into staff activities, reporting and Board meetings ensuring CFG has the best opportunity to prevent issues arising, minimise risks and maximise opportunities.

The leadership team review risk on a regular basis, especially when considering changes to plans or new opportunities. The Trustees review a 'risk issues' log at Finance & Audit Committee (twice a year) and Board meetings (once a year) in order to monitor the effectiveness of CFG's risk management. A register of Risk Controls records the major processes, policies, procedures and controls that are in place. Key changes in risk are reported to the Board as required and it is a standing agenda item at every Board meeting.

Reflecting on the challenges of the last financial year in terms of our shift from surviving to thriving, supporting our people and amending our systems, policies and procedures and dealing with increased risks of fraud, the top three risks faced were in the following categories:

- People and development

- Reputation
- Systems, policies and procedures

We were pretty accurate in predicting the areas of significant risk we would face during the financial period. We anticipated people and development, systems, policies and procedures and financial and resource management would be our top three topics.

Going forward, for 2024/25 we anticipate our major risks will continue to be related to financial and resource management, people and development and systems, policies and procedures.

### **Risk: Financial and resource management**

Financial and Resource Management accounted for the fourth greatest number of risk issues logged in the financial period. We have turned a corner in terms of our business model and removed the structural deficit. However, as the financial environment is still immensely tough for our members it is possible that income will be challenging to come by in the next financial period. In particular, we are seeing charity closures and some charities putting a blanket moratorium on membership subscriptions.

### **Risk: People and development**

The next 12 months mark a period of intense change at CFG; systems, working practices and the expansion or development of CFG products and services across the nations of the UK will place significant demands on our team. We will maintain a relentless focus on our people and manage this risk to delivery of our charitable activities carefully.

### **Risk: Systems, policies and procedures**

With major tech projects and change within CFG during the next 12 months it is also likely that systems, policies and procedures will be a significant risk to manage. This will require significant resource as we replace three operating systems, highlight opportunities to more effective use of resources, and introduce new procedures and approaches.

### **Financial and resource management**

This report is produced for the performance of the charity up to the 31 March 2024. For this year, the on-going impact of Covid-19 pandemic followed by the cost of living

crisis have had a major impact on individuals, companies and charities. CFG was not isolated from that.

CFG's key income lines are membership (charities and corporate entities), our Annual Conference and our Annual Fundraising Dinner. As our income for 2023/24 is due to renewals that commence predominantly in February and March (for an April membership year) and on a rolling basis throughout the year. This again held up for the year. However, the longer-term impact of high inflation and the cost of living is yet to be fully felt by the charity sector and could therefore impact our income streams in the future.

This impact on our incoming financial resources has again been mitigated in 2023/24 through the generosity of funders and through reducing our spend on different areas. It is a testament to our team at CFG that we have continued to deliver high levels of support, including being a strong voice for the sector.

Current estimates of our net income for the 2024/25 financial year show a continuation of positive movement, which will mean that instead of a further rebuilding of reserves, we will be investing in increasing capacity within the team at CFG and in initiating digital projects that should transform our operations, both internally and to members.

Pre-pandemic plans included a potential deficit as part of a spend down of reserves. Running deficits every year is not sustainable, so the Trustees have set an expectation that we should return, as soon as possible, to a breakeven annual financial position and have stated the following principles for CFG going forward:

- We will continue to trade our way through the turbulent global scene, pivoting services where necessary to continue our support to the sector.
- The Trustees are determined that CFG will continue to avoid redundancies (and at the time of this report, none have been made at CFG as a result of the pandemic or cost of living crisis, and none are planned).
- We will continue to advocate on behalf of the sector for more support for the vital work charities do. Therefore, at the time of producing this report, on the basis of current financial information, the Trustees consider it is appropriate for the going concern basis to be adopted in preparing the financial statements in this report.

### **Remuneration: How we decide to pay staff**

CFG is an accredited Living Wage employer and we are committed to ensuring that we pay our staff fairly and in a way which ensures we attract and retain the right skills to have the greatest impact in delivering our charitable objectives.

In accordance with the Statement of Recommended Practice (SORP) CFG discloses:

- all payments to trustees (no trustees receive 'pay')
- the number of staff in receipt of more than £60,000 and above (in bands of £10,000)
- pensions and other benefits.

CFG has a Remuneration Committee, which meets annually, comprised of the CFG Chair, CFG Vice Chair, one other trustee and one other (who shall be appointed by the Chair), which sets the pay for all staff. The CEO and Director of Finance and Operations are in attendance for the meeting (leaving for the discussion regarding their remuneration respectively) and no members of the executive are members of the Committee. The main responsibilities of the Committee are to:

- Review the CFG salary banding and make sure amendments are appropriate to ensure that CFG salaries remain competitive.
- Determine the remuneration package of the Chief Executive.
- Approve the annual percentage increase in the payroll for all staff (which can be zero) taking into account the average RPI for the previous year.
- Approve any consolidated pay awards and staff salary increases outside of the annual review process as recommended from time to time by the Chief Executive.
- Approve any non-consolidated pay awards (bonus) as recommended by the Chief Executive.
- Determine pension arrangements and ensure that contractual terms on termination are fair to the individual and the charity, that poor performance is not rewarded and a duty to mitigate loss is recognised.

For the financial year 2023/24 CFG awarded a cost of living uplift in salary of 6.00%, reviewing in the light of the potential economic impact of Covid-19 (2023: 2.25%). Four members of staff, the CEO and the Director of Finance & Resources, earned more than £60,000 per annum.

In determining CFG's remuneration policy, the Remuneration Committee takes into account all factors which are deemed necessary. The objective of the policy is to ensure that the Chief Executive and staff team are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the charity.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other charities ensuring CFG remains sensitive to the broader issues e.g. pay and employment conditions elsewhere.

## Equality, diversity and inclusion (EDI)

Despite the work we have undertaken in previous years, we acknowledge there is still much to do to make sure our activities and our internal organisation matches our commitment to equality, diversity and inclusion.

We regularly review our progress towards ensuring that staff, Trustees and members are not subjected to practices that lead to inequality, lack of diversity or exclusion. One of our trustees is our EDI champion on the board. Our EDI strategy remains focused on:

- CFG as a place of work
- CFG as a membership body
- CFG's role in the wider sector

Alongside other charity infrastructure bodies, CFG continues to take part in collaborative working on addressing racism and in 2024/25 our CEO will be participating in the ACEVO initiative *Further Faster*. Since the publication of the Home Truths report in 2020, we have been part of a group of civil society leaders working together on anti-racism. This work has been difficult and is far from complete, but some progress has been made. Through the Civil Society Group, we worked together with New Ways during 2023 to look at that progress in more detail and to see how the good intentions behind the original commitments made to support Home Truths could be turned into real impact across the sector. *From Good Intentions to Impact: Supercharging race equity in the charity sector* provides a detailed summary of the work done by infrastructure bodies on this critical issue. It also provides clear recommendations, identifying five key catalysts for race equity change:

1. Prioritising diversity in leadership
2. Working transparently in the open
3. Visible anti-racist leadership
4. Breaking through the discomfort
5. Safeguarding and support

We hope that by highlighting this work and noticing the other work going on across the sector, particularly the work of Home Truths 2, CFG and the other partners in the Civil Society Group can continue to shine a light on the important journey towards anti-racism that must continue. In our recruitment we follow the #ShowTheSalary and #NonGradsWelcome campaigns' guidance. We make sure we only ask for educational qualifications which are relevant to the role advertised and do not specify education to degree level for roles unless a degree is of direct relevance to fulfilling the role tasks and responsibilities. Salaries for roles are included in adverts as we recognise failure to do so acts as a disproportionate discouragement to women

and people from the global majority and/or disadvantaged backgrounds. Our recruitment packs, staff handbook and other documentation have been reviewed and use inclusive language. We promote vacancies widely and now advertise all roles on the Diverse Jobs platform.

We have committed to ongoing improvements and to ensuring that future reports include our performance against targets and relevant benchmarks where possible. However, data collection relating to protected characteristics remains difficult with a small staff team and we have not yet reached the position where we can make relevant disclosures. As our headcount increases, we hope to be able to produce statistical reporting which has minimal risk of identifying individuals. In the meantime, we will continue to learn, and engage our staff and Trustees through various communications channels, including our annual staff survey, to challenge our assumptions and monitor our performance.

We have published several pieces on our website and in other publications, and we will continue to develop CFG's position as thought leaders on EDI and leadership, as well as sharing and amplifying voices from across the sector with lived experience, practical information and thought-provoking discussions.

## Fundraising

We have continued to be registered with the Fundraising Regulator although our direct fundraising has been at a low level, almost exclusively through [our appeal video](#), first shown at our in-person 2022 Annual Fundraising Dinner.

We only raised funds through a JustGiving page, through which supporters of our work could make donations. Gift Aid has also been collected by JustGiving on our behalf on donations made. Supporters have been made aware of the JustGiving page through our website, mailings to members and through social media channels, thereby protecting the general public from unreasonable intrusion or pressure.

No other fundraising activities were undertaken.

We are pleased to report that no complaints regarding any fundraising activities with stakeholders have been received.

## Statement of the Board of Trustees' responsibilities

The Trustees are responsible for preparing the strategic report, the report of the Board of Trustees 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 income and expenditure of the group 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 charity 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.

The trustees have confirmed that, so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

## Appointment of auditors

Forvis Mazars LLP were reappointed during the year as our auditors and they will be proposed for reappointment in the coming year.

## CFG's Board of Trustees

### KEVIN O'BRIEN, INTERIM CHAIR OF THE BOARD OF TRUSTEES

Kevin joined the Board in December 2018 and became interim chair in December 2023. In July 2016, Kevin joined the not-for-profit sector as Director of Finance & Corporate Resources at Young Lives vs Cancer (formerly CLIC Sargent). He has since worked in a number of finance and operations roles for charities including RSPCA, and he was a member of the finance committee at The Lullaby Trust. Kevin has also held various finance roles in several large, global and multinational corporates (in manufacturing, trading and property. He is now Chief Financial Officer at Retirement Villages Group. Before becoming interim Chair of CFG, he was Chair of CFG's Finance and Audit Committee.

### ANGELA LINTON, DEPUTY CHAIR

Angela is Chief Operating Officer at The National Foundation for Youth Music. Angela has a breadth of experience working in charitable organisations across the cultural sector. As well as having had previous experience of being a trustee and undertaking company secretary duties, Angela is a member of the Living Wage Foundation, Third Sector Steering Committee and actively advocates for the payment of the real living wage. Angela is committed to equality of opportunity and supporting emerging leaders develop their leadership skills, knowledge and personal confidence.

### MWIZA MKANDAWIRE

Mwiza is the Head of Finance and Administration at Transaid, an INGO where she has been since 2019. Prior to that she worked at arts charity Artsadmin Ltd for 11 years. Mwiza is a qualified chartered accountant and a CFG Inspiring Financial Leadership Alumni. Before joining Artsadmin Ltd in 2008 she worked with various organisations in both the commercial and charity sectors in Malawi. She has excellent knowledge and understanding of charity finance and is a trustee of two arts charities.

### TIM NICHOLLS, CHAIR OF FINANCE AND AUDIT COMMITTEE

Tim was Director of Finance and Resources/Company Secretary at The Arts Society based in Central London until August 2024. He is also Chairman of North Kent Volunteer Centre. Tim has held senior finance positions within the charity sector for over ten years. Before moving to the charity sector, he enjoyed a successful career in the NHS. Until 2021, Tim was an elected Council Member of the Association of Accounting Technicians (AAT).

## KELLY RYDER

Kelly is Head of Finance for the Orchard Trust, a charity based in the Forest of Dean who support adults with learning and physical disabilities to live independent and fulfilled lives. Prior to this, Kelly worked for many years in the financial services industry and then in finance for a global manufacturing company, where she obtained her AAT qualification. This is Kelly's first trustee role and she is passionate about using it to serve CFG members and also to increase awareness of the challenges faced by charities in the social care sector.

## HUGH WALLACE

Hugh Wallace is Chief Information Officer at Research Data Scotland, a charity focused on enabling access to public sector data about people, places and businesses.

Prior to that he led a high-profile programme to deliver a common payments platform in Scottish Government and support digital service development within Scotland's Social Security agency. His previous roles include leading the digital teams at Oxfam and National Museums Scotland, as well as heading up the design function in a digital agency.

## ANNA BENNETT

Anna joined the CFG Board in November 2023. She is Director of Finance, IT and Facilities at London's Air Ambulance Charity. Prior to this role, she worked in charity audit, advising and supporting a large range of charities. Before this, Anna was Finance Director at Hospice UK and Director of Finance & Operations at BBC Children in Need. Anna has been a CFG member for most of her career and is passionate about using her experiences and skills to ensure other finance professionals can continue benefiting from CFG membership.

## TONY WELLS

Tony is Director of Finance & Resources at The Connection at St Martin-in-the-Fields, a homelessness charity in London. He joined the charity as Financial Controller, after qualifying as a Chartered Accountant in 2018. As a relative new-comer to the world of charity finance, Tony completed CFG's Inspiring Financial Leadership course in 2021. He was promoted to his role the following year. Tony is passionate about using his leadership and financial skills for the benefit of the CFG community and wider sector.



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Kevin O'Brien

By order of the Board, 14 November 2024

# Independent auditor's report to the members of Charity Finance Group

## Opinion

We have audited the financial statements of Charity Finance Group (the 'charity') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity and the group's affairs as at 31 March 2024 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

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

## Conclusions relating to going concern

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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may

cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report which includes the Directors' Report 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 Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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

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

## Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 65, 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

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

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. 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.

Based on our understanding of the charity and its activities, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements, Charities Act 2011, tax legislation, safeguarding, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud and money laundering.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006, the Charities Act 2011 and the Charities Statement of Recommended Practice.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to income recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of the audit report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

  
Nicola Wakefield (Dec 18, 2024 15:57 GMT)

Nicola Wakefield

(Senior Statutory Auditor)

for and on behalf of Forvis Mazars LLP

Chartered Accountants and Statutory Auditor

6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

Date: 18-Dec-2024

## Financial statements for year ended 31 March 2024

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
<b>Income</b>					
Donations	2	51,649	75,991	127,640	98,555
Income from charitable activities	3	1,556,189	-	1,556,189	1,271,189
Income from trading activities	4	109,920	-	109,920	132,012
Investment income	5	15,479	-	15,479	6,879
Other income		13,659	-	13,659	6,050
<b>Total income</b>		<u>1,746,896</u>	<u>75,991</u>	<u>1,822,887</u>	<u>1,514,685</u>
<b>Expenditure</b>					
Expenditure on charitable activities	6	1,691,177	32,134	1,723,311	1,518,850
<b>Total expenditure</b>		<u>1,691,177</u>	<u>32,134</u>	<u>1,723,311</u>	<u>1,518,850</u>
<b>Net income / (expenditure) and net movement in funds for the year before transfers</b>					
		55,719	43,857	99,576	(4,166)
Transfer between funds				-	-
<b>Net income/(expenditure) and net movement in funds for the year</b>		55,719	43,857	99,576	(4,166)
<i>Reconciliation of funds</i>					
Total funds, brought forward		269,652		269,652	273,818
<b>Total funds, carried forward</b>		<u>325,371</u>	<u>43,857</u>	<u>369,228</u>	<u>269,652</u>

There are no recognised gains or losses other than those in the statement of financial activities. Therefore, no statement of total recognised gains or losses has been prepared.

The notes on pages 77 to 90 form part of these financial statements.

## Financial statements for year ended 31 March 2024

### BALANCE SHEETS

	Notes	2024		2023	
		£	£	£	£
		Charity	Group	Charity	Group
<b>Fixed assets</b>					
Tangible fixed assets	8	-	-	-	-
Investments	8.1	10,000	-	10,000	-
<b>Current assets</b>					
Debtors	9	657,240	455,223	504,547	452,085
Short term deposits	9.1	313,017	313,017	297,538	297,538
Cash at bank and in hand		464,845	787,314	418,257	654,114
		<u>1,435,102</u>	<u>1,555,554</u>	<u>1,220,342</u>	<u>1,403,737</u>
<b>Liabilities</b>					
Creditors falling due with in one year	10	<u>(1,121,114)</u>	<u>(1,169,010)</u>	<u>(956,269)</u>	<u>(1,103,779)</u>
<b>Net current assets</b>		313,988	386,544	264,073	299,958
Creditors falling due after one year	10	(17,316)	(17,316)	(30,306)	(30,306)
<b>Net assets</b>		<u>306,672</u>	<u>369,228</u>	<u>243,767</u>	<u>269,652</u>
<b>The funds of the charity</b>					
Unrestricted funds:					
General	11	126,545	189,101	152,010	177,895
Designated	11	136,270	136,270	91,757	91,757
Restricted funds	11	43,857	43,857	-	-
<b>Total charity funds</b>		<u>306,672</u>	<u>369,228</u>	<u>243,767</u>	<u>269,652</u>

The notes on pages 77 to 90 form part of these financial statements.

Approved by the Trustees on \_\_14 November 2024\_\_ and signed on their behalf by Kevin O'Brien (Chair):



## Financial statements for year ended 31 March 2024

### CONSOLIDATED STATEMENT OF CASH FLOWS

	2024		2023	
	£	£	£	£
<b>Cash Flows from Operating Activities</b>				
Net Income / (Expenditure)	99,576		(4,166)	
Adjustments for:				
Depreciation	-		3,950	
Interest Expense	2,504		1,105	
Trade and Other Receivables	(3,138)		77,703	
Trade and Other Payables	37,625		231,865	
<b>Cash Flows generated from Operations</b>	<u>136,567</u>		<u>310,457</u>	
Interest paid		(2,504)		(1,105)
<b>Net Cash Flow from Operating Activities</b>		<u>134,063</u>		<u>309,352</u>
 <b>Cash Flows from Finance Activities</b>				
Repayment of loan	<u>14,616</u>		<u>(207,653)</u>	
		14,616		(207,653)
 <b>Net Increase in Cash</b>		<u>148,679</u>		<u>101,699</u>

	At 1 April 2023	Cash Flows	At 31 March 2024
Cash at bank	654,114	133,200	787,314
Cash on deposit	297,538	15,479	313,017
	<u>951,652</u>	<u>148,679</u>	<u>1,100,331</u>
	-	-	

## Financial statements for year ended 31 March 2024

### NOTES TO THE FINANCIAL STATEMENTS

#### ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)) and the Companies Act 2006.

The Charity Finance Group meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The principal accounting policies of the Group are set out below:

#### CONSOLIDATION

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the charity and of its subsidiary undertaking, namely CFDG Trading Limited. The results of the subsidiary are consolidated on a line-by-line basis.

The charity has availed itself of paragraph 3(3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities. No separate SOFA or income and expenditure account has been presented for the charity alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

#### FUND ACCOUNTING

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of CFG.

#### RECOGNITION OF INCOME

All income (including grants) is accounted for as soon as CFG has entitlement to the income, there is certainty of receipt and the amount is quantifiable.

#### DONATED FACILITIES

Donated facilities, as described in note 7.1b below, are included at the value to CFG i.e., the value CFG would have paid in the open market. Although SORP 2019 recommends that the value of donated facilities is included in voluntary income, they are included under the relevant category of income for charitable activities because CFG considers this gives a fairer presentation.

## **MEMBERS' SUBSCRIPTIONS AND EVENTS & CONFERENCES AND DEFERRED INCOME**

Subscriptions and events income are accounted for in the year to which they apply. Subscription income received during the year that relates to a subsequent financial accounting period is carried forward as a creditor in the balance sheet and shown as deferred subscriptions income. It is accrued in line with the benefits received.

## **PENSIONS**

Contributions to our defined contribution group personal pension scheme are charged to revenue according to the period to which they relate.

## **EXPENDITURE**

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing CFG to the expenditure. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of the resources. Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity. Overheads and other salaries are allocated between expenses headings based on time spent.

The cost of the Annual Fundraising Dinner covers direct expenditure on the dinner together with the appropriate allocation of staff and support costs.

Charitable activities include expenditure associated with the operation of CFG and the provision of our services.

## **OPERATING LEASES**

Rentals paid under operating leases are charged to expenditure on a straight-line basis over the terms of the leases. The rent-free period incentive on the lease of 15/18 White Lion Street, London, N1 9PG, has been spread over the term to the first break in the lease i.e., five years. This lease is stopped from November 2023. The new rent is being paid to Canopi for 7-14 Great Dover Street, London, England, SE1 4YR

## **GOING CONCERN**

Free unrestricted reserves of CFG at the year-end amount to £189,101. After consideration of the current strategic plan to 2023/24 and with an aligned three-year budget agreed, the Trustees consider there is a reasonable expectation that the CFG group has adequate resources to continue in operational existence for the foreseeable future. The Trustees are also satisfied with the controls in place for monitoring and flexing the budget throughout the years. There are no material uncertainties that would impact on the charity's ability to continue. Accordingly, we continue to adopt the going concern basis in preparing this annual report and financial statements.

## **INTANGIBLE AND TANGIBLE FIXED ASSETS**

All fixed assets are stated at historical cost less depreciation. Assets with a cost more than £2,000 and which are intended to be of ongoing use to CFG in carrying out its activities are capitalised as fixed assets.

Depreciation/amortisation is charged on all tangible/intangible fixed assets at 25% of cost per annum, so as to write them off over their expected useful lives.

## **SIGNIFICANT JUDGEMENTS AND ESTIMATES**

No significant judgements or estimates have been required in the production of these accounts.

## **INVESTMENTS**

The investment in the subsidiary CFDG Trading Limited is valued at cost.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Results from the trading activities of the subsidiary

The charity has one wholly owned subsidiary which is incorporated in Great Britain. CFDG Trading Limited was incorporated on 5th February 2009 to raise funds via commercial activities and sponsorship for CFG. CFDG Trading Limited donates taxable profits to CFG under Gift Aid, subject to its working capital requirements being maintained

	2024	2023
<b>CFDG Trading Limited</b>		<b>£</b>
Turnover	472,430	410,022
Cost of sales	(140,000)	(141,265)
<b>Gross profit</b>	<b>332,430</b>	<b>268,757</b>
Administrative expenses	4,242	199
<b>Operating profit</b>	<b>336,672</b>	<b>268,956</b>
Interest receivable	-	-
<b>Profit before tax and Gift Aid distribution</b>	<b>336,672</b>	<b>268,956</b>
Fund balance brought forward	35,885	23,556
Distribution to parent charity	(300,000)	(256,627)
Retained in subsidiary	72,557	35,885
<b>Balance sheet</b>		
Current assets	744,196	573,984
Current liabilities	(671,639)	(538,099)
<b>Net assets</b>	<b>72,557</b>	<b>35,885</b>
Share capital	10,000	10,000
Reserves	62,557	25,885
<b>Total funding</b>	<b>72,557</b>	<b>35,885</b>

## NOTES TO THE FINANCIAL STATEMENTS

2. Donations	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
Donations & Grants	51,649	75,991	127,640	98,555
	<u>51,649</u>	<u>75,991</u>	<u>127,640</u>	<u>98,555</u>

3. Income from charitable activities	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
Developing Skills, Learning, Knowledge and Practice	1,213,907	-	1,213,907	849,626
Inspiring Financial Leadership	235,622	-	235,622	358,800
Encouraging a Supportive Environment	106,660	-	106,660	62,763
	<u>1,556,189</u>	<u>-</u>	<u>1,556,189</u>	<u>1,271,189</u>

4. Income from trading activities	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
Other Trading Activities	109,920	-	109,920	132,012
	<u>109,920</u>	<u>-</u>	<u>109,920</u>	<u>132,012</u>

5. Investment income	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
Bank interest	15,479	-	15,479	6,879
	<u>15,479</u>	<u>-</u>	<u>15,479</u>	<u>6,879</u>

## NOTES TO THE FINANCIAL STATEMENTS

6. Expenditure on charitable activities :-	Staff costs	Support costs	Other direct costs	Total 2024 £	Total 2023 £
Analysis for total expenditure					
<b>Raising funds</b>	<b>20,286</b>	<b>8,889</b>	<b>79,244</b>	108,419	37,257
<b>Charitable activities</b>					
Develop skills, learning, knowledge & practice	636,717	211,816	266,080	1,114,613	931,532
Inspire financial leadership	126,475	55,421	21,523	203,419	223,211
Encourage a supportive environment	196,881	86,272	13,707	296,860	326,850
	<u>980,359</u>	<u>362,398</u>	<u>380,554</u>	<u>1,723,311</u>	<u>1,518,850</u>
Total expenditure 2022-23	916,749	349,869	252,232	1,518,850	

7. Analysis of support cost					Total 2024 £	Total 2023 £
	Raising funds	Develop skills, learning, knowledge & practice	Inspire financial leadership	Encourage a supportive environment		
<b>Support cost</b>					£	£
Premises & Office Services	2,244	53,474	13,991	21,780	91,489	104,185
IT & Communications	2,123	50,591	13,237	20,606	86,557	76,198
Human Resources, Recruitment & Training	1,604	38,214	9,998	15,564	65,380	54,838
Financial Costs	2,083	49,646	12,991	20,220	84,940	53,647
Depreciation	-	-	-	-	-	3,950
Governance (incl External Audit)	835	19,891	5,204	8,102	34,032	57,051
	<u>8,889</u>	<u>211,816</u>	<u>55,421</u>	<u>86,272</u>	<u>362,398</u>	<u>349,869</u>

All support costs are allocated on the basis of staff time. Staffing support costs have not been analysed as the majority of CFG staff work directly on activities and the amount that can be allocated to support is therefore not material.

## 7.1. Net income / (expenditure)

### a) These are stated after charging:

	2024	2023
	£	£
Auditor's remuneration		
Audit	26,250	25,000
Non-audit services	-	1,500
Depreciation	-	3,950
Operating lease premises	60,770	75,991

### Operating lease commitments

The minimum payments, which CFG is committed to make in the coming year under operating leases, are as follows:

Group and Charity property	2024	2023
	£	£
Leases which expire:		
Within one year		51,945
	-	<u>51,945</u>

### b) Valuation of donated resources

Donated facilities are included at the value to CFG. These are largely made up of meeting and training venues, audio-visual equipment and refreshments.

	2024	2023
	£	£
Raising funds	-	-
Charitable activities		
Develop skills, learning, knowledge & practice	25,442	139
Total	<u>25,442</u>	<u>139</u>

## 7.2. Trustees and employee information

### a) Trustee information

No remuneration was paid to or waived by any Trustee during the year (2023: Nil). No expenses for travel and subsistence were reimbursed to trustees during the year (2023: Nil).

### b) Employee information

i) Employee numbers	2024	2023
	No.	No.
Full time equivalent number of staff employed during the year was:	16.6	17.3
Average headcount during the year was:	18.0	18.0
ii) Employee costs	£	£
Salaries	774,819	768,022
Social security	79,614	82,649
Pension	58,582	61,078
<b>Sub-total salaried staff</b>	<b>913,015</b>	<b>911,749</b>
Holiday pay accruals	(287)	-
Other	-	-
<b>Total employee costs</b>	<b>912,728</b>	<b>911,749</b>

iii) The number of employees whose total pay amounted to £60,000 or above for the year is as follows:

	2024	2023
	No.	No.
£120,001 - £130,000	1	0
£90,000 - £100,000	0	1
£80,001 - £90,000	1	0
£70,001 - £80,000	0	1
£60,001 - £70,000	2	0

Total pay for this purpose includes gross salary but excludes expenses. Systems are in place for the correct management of expenses.

*iv) Benefits*

Four members of staff included in the above bandings for 2024 (2023: 2 employee) have benefits accruing under CFG's group pension arrangement. The employer contributions into the group personal pension scheme during the year on behalf of these members of staff amounted to £25,464 (2023: £15,575).

There were nineteen active members of staff in total accruing benefits under the group's personal pension schemes as at 31 March 2024 (2023: seventeen).

**c) Remuneration of Key Management Personnel**

The total of employee benefits including pension contributions received by Key Management Personnel in 2024 is £311,230 (2023: £321,004). CFG's Board had defined that "key management personnel" would be based on our scheme of delegation where significant control had been delegated to the CEO and others; namely Directors or those making decisions of a significant nature. As a result, the following roles have been included; CEO, Director of Commercial Services, Director of Policy and Engagement and Director of Finance and Operations.

**d) Pensions**

CFG offers an auto-enrolment compliant group personal pension scheme which is currently administered and managed by The Peoples Pension. For previously signed up employees CFG has a group pension scheme which is currently administered and managed by Aegon. New employees are enrolled at an employee contribution rate of 3%. CFG pays twice the percentage that the employee contributes up to a maximum of 10%. The amount of outstanding contributions as at 31 March 2024 was £3,919 (2023: £3,865).

## 8. Tangible and Intangible fixed assets - Group and Charity

	Office Furniture (Tangible fixed assets)	Computers (Tangible fixed assets)	Software (Intangible fixed assets)	Total 2024
	£	£	£	£
<b>Cost</b>				
As at 1 April 2023	27,522	18,573	218,281	264,376
<b>As at 31 March 2024</b>	<b>27,522</b>	<b>18,573</b>	<b>218,281</b>	<b>264,376</b>
<b>Depreciation/Amortisation</b>				
As at 1 April 2023	(27,522)	(18,573)	(218,281)	(264,376)
<b>As at 31 March 2024</b>	<b>(27,522)</b>	<b>(18,573)</b>	<b>(218,281)</b>	<b>(264,376)</b>
<b>Net book value</b>				
<b>As at 31 March 2024</b>	-	-	-	-
<i>As at 31 March 2023</i>	-	-	-	-

The above fixed assets are used to support all of CFG's activities. As at 31st March 2024, CFGD Trading Ltd had no fixed assets.

### 8.1. Investment

	Shares in No.	2024 Charity £	2023 £
At historic cost:			
Investment in Subsidiary-CFDG Trading Ltd	10,000	10,000	10,000
		<u>10,000</u>	<u>10,000</u>

Principal Subsidiary Undertakings	Registered in	Percentage	No. of £1
CFDG Trading Limited	England & Wales	100%	10,000

Company No: 06810640

Registered Office: 7-14 Great Dover Street, London, SE1 4YR

9. Debtors	2024		2023	
	£	£	£	£
	Charity	Group	Charity	Group
Trade debtors	228,927	378,175	169,245	363,274
Bad debt provision	(12,915)	(46,729)	(5,831)	(52,163)
Deposits	11,410	11,410	11,410	11,410
Amounts due from subsidiary undertakings	317,451	-	200,160	-
Prepayments	112,367	112,367	129,563	129,563
	<u>657,240</u>	<u>455,223</u>	<u>504,547</u>	<u>452,085</u>

#### Short Term Deposits

Other debtors	313,017	313,017	297,538	297,538
	<u>313,017</u>	<u>313,017</u>	<u>297,538</u>	<u>297,538</u>

All amounts fall due within one year.

10. Creditors	2024		2023	
	£	£	£	£
	Charity	Group	Charity	Group
Trade creditors	53,870	57,585	17,871	17,871
Other creditors and accruals	71,315	78,665	60,198	67,198
Deferred income	629,665	972,788	622,365	953,303
Amounts due to subsidiary undertakings	306,292	-	190,428	-
Bank loan- Current portion	12,918	12,918	12,041	12,041
VAT Control Account	43,135	43,135	49,501	49,501
Pension Contributions	3,919	3,919	3,865	3,865
	<u>1,121,114</u>	<u>1,169,010</u>	<u>956,269</u>	<u>1,103,779</u>

All deferred income brought forward at the beginning of the year was released to income during the year (2023: same). All deferred income relates to membership fees and event bookings in advance.

#### Creditors falling due after one year

Bank loan	17,316	17,316	30,306	30,306
	<u>17,316</u>	<u>17,316</u>	<u>30,306</u>	<u>30,306</u>

The loan listed above, valued at £30,234 at 31 March 2024 (2023: £42,347), was provided by Social Investment Business FM Ltd, under the UK Government's Coronavirus Business Interruption Loan Scheme (CBILS). The loan term is 5 years; interest rate in year 1 was 9% and 7% in subsequent years; there was a 12 month repayment holiday; there are no early repayment fees. £14,616 was repaid in 2023/24.

11. Outline Summary of Fund Movements	Balance at 01/04/2023	Income	Expenditure	Transfer between funds	Balance at 31/03/2024
	£	£	£	£	£
<b>Restricted funds:</b>					
Charity Investment Governance	-	60,000	26,476	-	33,524
Time to shine	-	15,991	5,658	-	10,333
Small Charities Programme	-	-	-	-	-
	-	75,991	32,134	-	43,857
<b>Designated funds:</b>					
Fixed Assets Reserves					
IFL Training	26,757	40,031	12,718	(27,000)	27,070
Qualification Training Contracts	15,000	-	5,800	-	9,200
Future investment	50,000	-	-	50,000	100,000
	91,757	40,031	18,518	23,000	136,270
<b>Unrestricted fund:</b>					
Free Reserves	177,895	1,706,865	1,672,659	(23,000)	189,101
	269,652	1,746,896	1,691,177	-	325,371
Total funds	269,652	1,822,887	1,723,311	-	369,228

Analysis of charitable funds - previous year

	Balance at 01/04/2022	Income	Expenditure	Transfer between funds	Balance at 31/03/2023
	£	£	£	£	£
<b>Restricted funds:</b>					
Small Charities Programme	7,046	-	-	(7,046)	-
	7,046	-	-	(7,046)	-
<b>Designated funds:</b>					
Fixed Assets Reserves	3,950	-	3,950	-	-
IFL Training	39,325	31,932	12,500	(32,000)	26,757
Qualification Training Contracts	15,000	-	-	-	15,000
Future investment	50,000	-	-	-	50,000
	108,275	31,932	16,450	(32,000)	91,757
<b>Unrestricted fund:</b>					
Free Reserves	158,497	1,482,753	1,502,400	39,046	177,895
	266,772	1,514,685	1,518,850	7,046	269,652
Total funds	273,818	1,514,685	1,518,850	-	269,652

## 12. Related party transactions

During the year ending 31 March 2024, the charity charged its subsidiary £140,000 for management fees relating to CFDG Trading Ltd's activities (2023: £141,265). CFDG Trading Ltd donated £300,000 to CFG from its profits (2023: £256,627). There were no other related party transactions. As at 31 March, the balance due from CFDG Trading Ltd to CFG was £11,159 (2023: £9,732 balance due to CFDG Trading Ltd from CFG).

In addition, the following related party transactions are noted with the following trustees:

Angela Linton	Chief Operating Officer -The National Foundation for Youth Music (£1,206)
Anna Bennett	Director of Finance, IT and Facilities - London's Air Ambulance Charity (£3,266)
Kevin O'Brien	Director of CFDG Trading Ltd (£400)
Kelly Ryder	Finance Manager, The Orchard Trust (£918)
Mwiza Mkandawire	Head of Finance, Transaid Worldwide Services (£475)
Tim Nicholls	Chief Operating Officer, The Arts Society (£968)
Tony Wells	Director, Emmaus UK (£430)
Caron Bradshaw	Member of the Audit and Risk Cttee British Asian Trust (£475)

## 13. Summary of Assets and Liabilities by Fund

Current Year	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Intangible Fixed Assets	-	-	-	-
Tangible Fixed Assets	-	-	-	-
Current Assets	1,375,427	136,270	43,857	1,555,554
Current Liabilities	(1,169,010)	-	-	(1,169,010)
Long-term Liabilities	(17,316)	-	-	(17,316)
<b>Totals</b>	<b>189,101</b>	<b>136,270</b>	<b>43,857</b>	<b>369,228</b>

Prior Year	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Intangible Fixed Assets	-	-	-	-
Tangible Fixed Assets	-	-	-	-
Current Assets	1,311,980	91,757	-	1,403,737
Current Liabilities	(1,103,779)	-	-	(1,103,779)
Long-term Liabilities	(30,306)	-	-	(30,306)
<b>Totals</b>	<b>177,895</b>	<b>91,757</b>	<b>-</b>	<b>269,652</b>

## 14. Events after the reporting period

### *i) Adjusting events*

There are no adjusting events that took place after the reporting period.

### *ii) Non-adjusting events*

There are no adjusting events that took place after the reporting period.

## 15. Comparative statement of financial activities

For the year ended 31 March 2023

(incorporating the income and expenditure account)

	Notes	2023		Total Funds £
		Unrestricted Funds £	Restricted Funds £	
<b>INCOME FROM:</b>				
<b>Donations and legacies</b>		98,555	-	98,555
<b>Charitable activities</b>				
Develop skills, learning, knowledge & practice		849,626	-	849,626
Inspire financial leadership		358,800	-	358,800
Encourage a supportive environment		62,763	-	62,763
<b>Other trading activities</b>				
Fundraising events		132,012	-	132,012
<b>Investments</b>		6,879	-	6,879
<b>Other</b>		6,050	-	6,050
<b>TOTAL INCOME</b>		<b>1,514,685</b>	<b>-</b>	<b>1,514,685</b>
<b>EXPENDITURE ON:</b>				
<b>Raising funds</b>		37,257	-	37,257
<b>Charitable activities</b>				
Develop skills, learning, knowledge & practice		931,532	-	931,532
Inspire financial leadership		223,211	-	223,211
Encourage a supportive environment		326,850	-	326,850
<b>TOTAL EXPENDITURE</b>		<b>1,518,850</b>	<b>-</b>	<b>1,518,850</b>
<b>NET (EXPENDITURE)</b>		<b>(4,166)</b>	<b>-</b>	<b>(4,166)</b>
Transfer between funds		7,046	(7,046)	-
<b>NET INCOME / (EXPENDITURE) AFTER TRANSFER BETWEEN FUNDS</b>		<b>2,880</b>	<b>(7,046)</b>	<b>(4,166)</b>
<b>TOTAL FUNDS BROUGHT FORWARD AT 1 APRIL</b>		<b>266,772</b>	<b>7,046</b>	<b>273,818</b>
<b>TOTAL FUNDS CARRIED FORWARD AT 31 MARCH</b>		<b>269,652</b>	<b>-</b>	<b>269,652</b>

**THE CHARITY FINANCE GROUP**

England & Wales - Charity number 1054914

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# Accounts

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Purposeful and Empowering

Charity Finance Group  
Annual Report  
and  
Financial Statements 2022/23

Registered Company number: 03182826

**Charity Finance Group (CFG) exists to develop a financially confident, dynamic and trustworthy charity sector.**

CFG is the charity that inspires a financially confident, dynamic and trustworthy charity sector. We do this by championing best practice, nurturing leadership and influencing policy makers.

Almost 1,500 member charities, including members from our partner associations, turn to us to develop their finance management knowledge and skills. Collectively, these charities manage more than £20bn of funds, or a third of the entire UK charity sector's income.

For more information, please visit our website:

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

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## What is our purpose?

Our aim is to maximise charities' positive impact on those they serve through improving the effectiveness of financial management and leadership.

To achieve this impact, and meet our charitable objects, our work is focused on achieving three main outcomes:

### **OUTCOME 1**

**Well-developed skills, learning, knowledge and practice**

### **OUTCOME 2**

**Effective governance and leadership, with finance at the heart of it**

### **OUTCOME 3**

**A supportive and understanding operating environment**

“Organisations that are financially confident are more effective at driving social change. When finance is at the heart of decision making, and managed well, it has the power to transform organisations and increase their impact.”

- Caron Bradshaw OBE, CEO, CFG

## A message from our Chair and CEO

Last year, we asked readers of our annual report and accounts to consider: at what point does constant unprecedented change and volatility become the new state of being?

For the foreseeable future, we believe uncertainty will be the only certainty. Yet, while we live in challenging times – where political, economic and environmental pressures continue to dial up – we see time and again the sector’s resilience, fortitude and adaptability.

Whilst the year saw the closure of some trusted partners like the Small Charities Coalition in 2022 and the FSI in 2023, the collaboration, innovation and flexibility of the last few years has become the calling card of infrastructure and CFG is no different. In this report, you will see an organisation that has turned a corner, post pandemic.

CFG’s staff team, with the support of charity and corporate partners, has secured income that has enabled us to return to within our reserves range, whilst still prioritising investment in fundamental and essential changes. Together, we have focused on our digital journey, getting the basics right and putting CFG on a strong footing for the future. We began several longer-term projects which will come to fruition in the following years, and the two worthy of mention now are The Finance Journey and our Risk+ project.

It has been an absolute joy to be back in person at our Annual Conference and our Annual Fundraising Dinner, which were incredibly successful, both financially and in terms of cementing the importance of our community getting together.

We have made some key decisions about future ways of working which will play out in 2023/24, including our decision to give up our lease on White Lion Street and return to more flexible office occupancy under license. As we establish a more remote team that needs to work in different ways, we are embracing the flexibility this offers and being more intentional in how and when we bring to entire CFG staff team together. As we learn, we will share our experiences, as always.

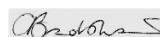
The horizon offers us a General Election which may be either done and dusted by the next annual report or, more likely, the country will be in full-on electoral campaigning. And at CFG during the next financial year we will see a change of chair and welcome new trustees, as well as thanking and bidding farewell to those who have so diligently served CFG and the sector. Change is our new normal!

Finally, we extend our heartfelt thanks to everyone who has been involved with CFG during this financial year: the many foundations who gave us financial support and helped us towards recovery and ‘thrivability’; our corporate partners who continue to share their expertise and resources to ensure the quality and timeliness of our offer remains class-leading; CFG’s staff, volunteers and trustees who make it possible. And to our members who make this supportive and vibrant community.

Thank you.



Gary Forster, Chair



Caron Bradshaw, CEO

## Strategic goals for 2022 and beyond

Our three strategic goals for the year 2022/23 and beyond are:

- 1. Be the 'go-to' body**
- 2. Promote and support financial leadership at all levels**
- 3. Use our position to convene powerful networks**

### **1. Be the go-to body**

Our priority is to maintain our position as a trusted and respected source of guidance across the UK charity sector on strong financial management, as well as governance and broader management issues, that will determine financial security.

We draw on our expertise and stature to be a bold, brave and confident advocate for the sector, both in partnership with other sector bodies and as an individual organisation. CFG also draws upon its learning and experience to continually improve.

We strive to be an 'exemplar' organisation and share, where relevant, our own knowledge and experience, recognising that we have common purposes and experiences with our members.

### **2. Promote and support financial leadership at all levels**

CFG promotes and supports the development of financial leadership skills of individuals working within the charity sector, irrespective of their background or career stage.

We strive to be relevant to and inclusive of all those who wish to develop their financial skills, whether it be for the benefit of their organisation, their own professional development and/or the wider sector.

### **3. Use our position to convene powerful networks**

We use our position as a membership organisation to bring together different groups from within, and with, the sector. CFG connects individuals and organisations so that they can:

- Support each other's learning and knowledge, leading to great social impact.
- Position finance at the heart of decision making, to drive effective governance and sustainable operations.
- Inform, instigate and shape better policy (regulation and legislation) and enhance public understanding in order to nurture a supportive environment.

## Meeting and reporting on public benefit

The Trustees confirm they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

As volunteers, the Trustees do not receive any private benefit from being on the Board of CFG.

As of March 2023, there were 168,893 charities in England and Wales registered with the Charity Commission, plus many more exempted or excepted charities and a host of voluntary organisations, community organisations, social enterprises and faith groups which share a commitment to social purposes.

These charitable organisations work across a range of issues providing help to the vulnerable, delivering social change and making the world a better place to live.

To work effectively and achieve the greatest impact for their beneficiaries and communities, they need to be financially well-led and managed.

Through good financial leadership, management and performance, charitable organisations can make the best use of their resources.

It is accepted across the charity sector and by regulators, that this enables them to better achieve their charitable purposes.

CFG provides public benefit by carrying out activities and providing services which improve financial management and leadership in the charity sector. We deliver a range of training, guidance and support for charity staff and trustees.

We also work to improve the operating and regulatory environment for charities so that they can carry out their missions effectively. And we inspire diversity in thinking about finance and its importance to charities' work.

CFG improves the effectiveness and work of charities and supports their sustainability in an often volatile and often unpredictable environment. In this way, we are supporting millions of beneficiaries in the UK and around the world.

This report shares many of CFG's activities and achievements during the year, as set against our strategic aims and our plans for 2022/23.

## Financials at a glance

	Total income (2023)	Total income (2022)	Total income (2021)	Total expenditure (2023)	Total expenditure (2022)	Total expenditure (2021)
<b>Outcome 1</b> Well-developed skills, learning, knowledge and practice	849,627 (+15%)	735,786 (+21%)	610,165 (-39%)	931,532 (+23%)	759,975 (+6%)	716,404 (-34%)
<b>Outcome 2</b> Effective governance and leadership, with finance at the heart of it	358,800 (+42%)	252,944 (-29%)	356,669 (-18%)	223,212 (-17%)	269,691 (-16%)	322,638 (-11%)
<b>Outcome 3</b> A supportive and understanding operating environment	62,763 (-8%)	68,416 (+17%)	58,569 (-35%)	326,850 (+7%)	306,627 (-2%)	313,008 (-11%)

## Performance at a glance

### CHARITY MEMBERSHIP

	Year 2022/23	Year 2021/22	Year 2020/21	Difference
Number of charity members	1,466	1,499	1,493	-33
CFG reach (number of individuals)*	5,409	4,752	5,349	+657
Charities joined for the first time	146	Data not previously collected	Data not previously collected	Data not previously collected
Number of helplines	7	7	7	-
Number of Special Interest Groups (SIGs)*	7	5	5	-
Online support forums**	2	2	Data not previously collected	Data not previously collected

The number of individuals in charity member organisations who are accessing our services and products is growing. We are also welcoming more members and non-members than ever before. We are attracting not only professionals working in finance roles, but also those in HR and charity leadership positions too. This is partly due to a greater focus on how we communicate that CFG charity membership is open to the whole charity, and is accessible for all those who want to improve their financial skills.

We have made significant changes to our membership fees strategy, which meant that charity member organisations were moved onto a 'rolling membership'. This new approach, coupled with time invested in improving our systems and workflows, has meant a reduction in manual processes. This has freed up more staff time, which we are investing in having more direct conversations with charity members and explaining how they can engage in even more of our activities and programmes.

In early 2023, we began to look at how we might improve our data capture and analysis. As part of our objective to 'get the basics right', we have been exploring the feasibility of upgrading our finance system, alongside our customer relationship management (CRM) database and content management system (CMS). This work will be ongoing throughout 2023/24. We have also invested in connecting the tools we use now to automate and improve our processes. Read on find out how we have worked to improve our systems and 'get the basics right'.

### CORPORATE MEMBERSHIP

	Year 2022/23	Year 2021/22	Year 2020/21	Difference
Corporate members	96	109	102	-13
New corporate members	20	25	11	-5
Exhibitors at events	63	8*	29*	Not relevant

\* Online

We saw the number of corporate partners decrease slightly during 2022/23. We headed into the 2023/24 financial year with a strong plan for renewals and recruitment, and have since welcomed new corporate partners into the CFG community.

### Showcasing our expertise

There was great enthusiasm among our partners to exhibit and showcase their expertise, services and products as we returned to holding in-person events. We were delighted that so many joined us at our in-person Annual Conference in June and our other conferences. The support of our corporate partners is vital to the success of our conferences and events. At our Annual Conference 2023, we created more space to accommodate and welcomed even more exhibitors.

## EVENTS AND TRAINING

	Year 2022/23	Year 2021/22	Year 2020/21	Difference
Total number of events	86	30	29	+56
Number of conferences	11	12	9	-1
Annual Conference attendees (all)	597	422	417	+175
Total number of delegates at CFG events	4,870	2,860	1,848	+2,010
Total free-to-attend events	40	Data not previously collected	Data not previously collected	Data not previously collected
Total paid-for events	46	Data not previously collected	Data not previously collected	Data not previously collected

## A RETURN TO IN-PERSON EVENTS

We wanted to ensure wide access to our community's collective knowledge, so we considerably increased the number of events held through on and offline methods of delivery. We were delighted to return to in-person events and our corporate and other partners took advantage of this, with the number of exhibitors attending our events almost doubling. Conscious of the cost of living crisis unfolding, we were delighted to be able to deliver half of all events free of charge in 2022/23.

## MEDIA AND OTHER SERVICES

	Year 2022/23	Year 2021/22	Year 2020/21	Difference
Twitter followers	11,935	11,573	11,418	+362
Greatest reach (Top tweet)	Data no longer provided by Twitter/X	40,651	38,068 impressions	/
Website total page views	159,688	91,847	79,845*	+67,841
Website unique page views	120,890	68,279	60,691*	+52,611
New service - Number of webinars	7	7	9	-
LinkedIn followers (1 Sept 2022-31 March 2023)	15,050	Data not previously collected	Data not previously collected	
LinkedIn impressions (1 Sept 2022-31 March 2023)	77,559			

Our social media strategy for 2022/23 included a focus on informing, discussing and learning. The Communications Team focused on CFG’s tone of voice with the aim of stimulating wider conversation and learning, as well as leveraging our growing reach. As a result, CFG is now recognised as a strong online influencer in the charity finance space.

From this, we have developed a new partnership with Good Finance UK. This partnership means that we can serve more relevant and data-rich content to our social media followers, whilst at the same time benefiting from a new source of income.

In 2022/23, we moved to the second phase of our two-phase website improvement project. The first phase was completed in January 2022 and phase 2 completed in June 2022 with the launch of our online ‘Knowledge Hub’. This new portal has created many more opportunities to work with our community to share their expertise and insights. We have been able to publish a record number of articles and publications and we have driven new users to our website. See page 29 for more information.

Following changes at X (formerly known as Twitter) and professional audiences gravitating towards LinkedIn, we are looking to further increase our reach and influence on that platform. This year, for the first time, we are sharing data on our LinkedIn impressions and followers. This data is for the period September 2022 to 31 March 2023, not the full financial year.

We also strengthened our links with sector and national press and saw once again an increase in media coverage, positioning CFG as the go-to body on charity finance. We have once again increased media coverage and next year we will be sharing more data on this.

[View our 2021/22 Trustees’ Annual Report](#)

## Report of the Board of Trustees

### 2022/23 AIMS – PROGRESS SUMMARY

The year 2022/23 presented a mixed picture of challenges and opportunities for CFG, our charity members, corporate partners and the wider sector. As the financial year began, we were aware that we were moving from the tail-end of the pandemic into a cost of living crisis. It was not quite the ‘return to normal’ some had predicted.

Many of the organisations we work with remained depleted of resources, whilst trying to manage an increase in demand for their services. This picture continued throughout 2023 and we predict that it will remain the case for many more months to come.

Yet, despite the difficult economic and political outlook, there were many bright spots during the year. The Board was energised by the return to in-person activities and events. It reminded us all of the potential of face-to-face meetings in deepening connections and building new relationships.

During times of major challenge, it is even more important to ensure that our charitable organisations are well governed. All our achievements have been underpinned by effective leadership, governance and sound financial management.

One of our main objectives for the year was to reduce CFG’s deficit. It is testament to the hard work of the leadership and staff teams that we can report that we have achieved this goal. We have again been supported most generously by five grant makers, all of whom gave us the support we needed to reach out to many more organisations and individuals during the year. Their belief in our purpose empowered us to deliver our high-quality programmes to members.

As reported in our 2021/22 Trustees’ Annual Report, we made the decision to invest in our greatest resource – our people. Personal development training continued, with staff undertaking more courses than ever before. Wellbeing weeks were taken again in August 2022 and January 2023, and our remote-first and flexible working practices, coupled with access to new wellbeing support, contributed to a better work/life balance for all.

By investing in our digital tools and upskilling our people, the organisation continues to increase productivity and create new commercial opportunities, with a digital-first approach at the heart of it.

We took the decision in 2022 to move out of our permanent, London-based office where CFG had a home for more than a decade. Recognising that it is still important to have a place where the team can gather, but without the need for permanent desk spaces for the full staff team, our new more suitable office location was announced in November 2023.

We were delighted to welcome three new trustees during the year: Angela Linton, Tim Nicholls and Hugh Wallace. This, of course, meant saying thank you and farewell to Kerry Shea, Saf Rahbour, Arati Patel and Avtar Boparai. By generously sharing their diverse skills and experiences, they made tremendous contributions, which we remain grateful for.

We thank CFG’s staff team, volunteers, members and partners for providing so many highlights during the year. This is a community we remain proud of, one that never fails to demonstrate just how purposeful and empowering it truly is.

## How did we do?

### BE THE GO-TO BODY

OUR STRATEGIC GOAL	KEY ACHIEVEMENTS/ OUTPUTS	WHAT WE LEARNED
<p><b>Be the go-to body</b></p> <p>CFG is the most trusted and respected source of guidance in the UK on strong financial management as well as the governance and broader management issues that will determine financial security.</p>	<p>We continued to work closely with sector partners, and through the newly formed Civil Society Group. This raised the profile of our work and membership.</p> <p>The team responded to an increased number of media enquiries and further developed relationships with sector and national journalists.</p> <p>We continued to support work on SORP engagement and supported the IFR4NPO project as the UK Country Champion.</p> <p>We continued to work with members and partners to submit responses to government consultations impacting charities and charity finance.</p>	<p>Collaboration with a diverse range of organisations means that we can share expertise and gain new insights that benefit our members and partners.</p> <p>We can affect change much more effectively when we speak with one voice.</p> <p>CFG’s voice is trusted. Taking time to help journalists understand charity finance is key to maintaining high levels of trust in charitable organisations and the charity sector.</p> <p>Working together in partnership with others means that we can raise standards and go further, faster.</p> <p>Our policy work is valued by many stakeholders including members, partners and other infrastructure bodies. The demand for our specialist knowledge remains high.</p>

**PROMOTE AND SUPPORT FINANCIAL LEADERSHIP AT ALL LEVELS**

OUR STRATEGIC GOAL	KEY ACHIEVEMENTS/ OUTPUTS	WHAT WE LEARNED
<p><b>Promote and support financial leadership at all levels:</b></p> <p>CFG promotes and supports the development of financial leadership skills to individuals working in the charity and social change sector irrespective of their background or career stage.</p>	<p>We created new networks and discussion groups, including the Business Partnering and Value for Money groups, and grew existing groups.</p> <p>By keeping costs down, we have been able to engage even more professionals in our activities, thereby expanding and diversifying our networks and deriving more benefit for others through shared knowledge.</p> <p>Our partnership with the Association of Independent Museums means even more professionals can access our services and content cost-effectively.</p> <p>A stronger focus on creating more time and space for networking and bringing people together, on and off-line, has increased peer-to-peer learning and sharing.</p> <p>The launch of our new, accessible Knowledge Hub on our website is delivering more learning and inspirational content to more people than ever.</p>	<p>There is strong desire among members to develop their networks and find the right support and connections through CFG. We need the right tools to facilitate a growing number of active online groups and networks.</p> <p>Increasing and balancing resources is vital to increasing engagement and serving our diverse members and networks on a deeper level.</p> <p>Our impact is even greater when we take time to understand the unique needs and pain points of different groups and sectors, and work together to build relationships with partner organisations.</p> <p>The strength of our community is in its ability to connect, explore and self-organise.</p> <p>Our community is generous with its time and expertise. It has a strong desire to learn and grow together, for their benefit and the benefit of others.</p>

**USE OUR POSITION TO CONVENE POWERFUL NETWORKS**

OUR STRATEGIC GOAL	KEY ACHIEVEMENTS/ OUTPUTS	WHAT WE LEARNED
<p><b>Use our position to convene powerful networks; to bring together different groups within, and with, the sector to:</b></p> <p>a) support one another’s learning and knowledge leading to greater social impact</p> <p>b) position finance at the heart of decision making (driving effective governance and sustainable operations), and</p> <p>c) inform, instigate and shape better policy (regulation and legislation) and enhance public understanding of charities so that charities operate in a supportive environment.</p>	<p>As a partner in the Civil Society Group (CSG) we have been able to influence its programme of work and have contributed to thinking and discussions on a range of issues, including wider political and societal issues.</p> <p>We have collected data to influence policy makers, and supported a range of research, including the work by Nottingham Trent University which seeks to better understand the pressures on the sector.</p> <p>We have been present in many major forums and working groups that cut across sectors and topics. This has allowed us to establish new connections across the UK.</p> <p>We grew traffic to our website and responded to more media enquiries than ever before, on a wide range of topics.</p>	<p>Our specialist knowledge, insights and viewpoints help to shape policy that extends further than finance. By putting finance at the heart of the debate, we can influence policy-making.</p> <p>We need to be intentional in the support of, and amplify the work of, our sector infrastructure partners and those institutions that sit alongside the sector.</p> <p>When must continue to increase our external visibility by sharing our activities and work more regularly. We must be more intentional in communicating our involvement in these diverse forums and groups back to our members and grantmakers.</p>

## Empowering people in this rapidly changing world

By Caron Bradshaw OBE, Chief Executive Officer, CFG

In pulling together the material for this Trustees' Annual Report I have been reflecting on the big lessons for the year. Like many other organisations, we are still learning what new ways of working will be kept on a more permanent basis, and how we will shape the role of the physical office and time spent together alongside remote working.

We've also been looking at the finances and the non-financial pros and cons of different ways of working. Now that we are able to recruit outside of London and the south east, we are gaining tremendously by fishing from a more diverse pool of candidates. However, we have also acknowledged that we do not want to lose out because we are not physically coming together as often.

In one conversation had earlier this year, we were lamenting the potential loss of career defining serendipitous moments – the coffee machine chat, the chance encounter in the lift, the time before and after meetings where pleasantries were exchanged.

Looking back on my career, I realise now that I learned and grew by watching those around me, being in their presence. I received career progression leads in ways that I can't see being replicated in the virtual environment.

I fear the impact on the next generation of workers starting their careers in this unsettled and ever-evolving workplace. But, as one colleague put it, if these moments are so blooming important why did we ever leave them to chance, osmosis and fate in the first place?

Whilst I cannot say with certainty that we have cracked it, that insight got us thinking about how we can be more intentional in the ways we work together and how we can take steps to nurture those starting out on their careers when those precious moments are now far fewer.

What have we lost in not being in the same space all the time? Familiarity. Understanding of working styles and personalities. Less scripted and non-work moments which lead to connections. These can be engineered, so far it seems, reasonably successfully.

We can use tools to unlock and make more visible different working styles.

We can undertake shared training on specific topics, like 'How to manage difficult conversations'.

We can make space to come together regularly, and we can carve out time in one-to-ones and other meetings to check in and find out something that is not purely about work.

We can seek opportunities to coach, mentor and lift up those coming through in our staff teams now.

There are multiple different channels and approaches to make best use of. And because not everyone wants to receive information in the same way, the richness of your stakeholders should be matched by the choices you offer.

An email may work for one, a Teams or Slack channel chat for another. Some might like to walk and talk, getting away from the screen for fresh air and exercise whilst chatting through a topic. For some, time face-to-face away from the desk works a treat.

Ask for help, collaborate and connect with others. Social change organisations must shift their thinking from a competitive approach to one that is collaborative, and we are now seeing many that are doing this.

There is much less resource around, but demand remains high (and looks set to continue increasing). What can we drop for another partner, team member or organisation to pick up (and what can they leave for us to focus on in return)?

We are stronger together and more effective when we collaborate. We cannot tackle the biggest issues, like responding to the climate emergency, without a willingness to pool our resources.

This year we learned that we must keep relentlessly focused on purpose and values. What are we here to achieve and how can we achieve it without extracting from those around us?

There is such a great opportunity to align with the next generation of workers, volunteers and donors in leaning into purpose and being organisations led by values.

And finally, share openly and honestly how we are performing. The good, the bad and the ugly! Let's be brave, honest and transparent about our pasts, present and futures.

The future may feel bleak for many; it's certainly the toughest environment I have ever experienced. But the future is also bright and full of hope – if we choose to engage with positivity and creativity!

## Case study

# Supporting the whole team

**The learning curve can be steep for those who are new or returning to the charity sector, and this was true for Nilesh Pandya who joined Cripplegate Foundation in September 2020.**

As Director of Finance and Resources, Nilesh leads a small team that's responsible for all areas of finance, HR and resource management. He and other members of the team also play an active role in Cripplegate's growing number of programmes, such as Islington Giving.

Nilesh explains: "We're seeing new and different income streams and we're working on managing the finances and accounts around many different projects, often all at the same time.

"We've seen what we do grow and I'm really proud and happy that we support so many incredible projects and programmes."

Nilesh says that although he is no stranger to the charity sector, having worked at Barnardo's for seven years until 2012, he needed to refresh his knowledge of the sector.

"When I joined Cripplegate, I was aware that I needed to update my own knowledge of the sector, and quite quickly, and CFG membership has been crucial in this respect.

"I've been able to use CFG's resources and have attended training courses and events, including the Annual Conference.

"I've also met new people including those in similar organisations. It really gives you a good grounding and helps you keep up-to-date with developments in the sector."

As a local grantmaking foundation based in Islington, London, Cripplegate exists to

address poverty and inequality through strong partnerships with the borough's residents, voluntary organisations, businesses and funders.

The foundation's history stretches back more than 520 years and today its work is as important today as it ever was.

Every year, Cripplegate makes grants of around £2 million to voluntary organisations and other groups, with the aim of working closely with them to better understand and support their communities' diverse and complex needs.

As well as focusing on his own personal learning and development, Nilesh has looked at the skills and knowledge his team needs to manage an increasingly more complex range of programmes, each with different financial implications. He's keen for others to upskill and find peer support through CFG too.

"It's great to be able to point colleagues to different CFG events and training courses. Both my colleagues within my team got involved in CFG within the first six months of their induction. It's been invaluable for that."

Nilesh says that Cripplegate is all about collaboration and working with partners in the voluntary sector, which is why he encourages colleagues in other functions, such as HR and communications, to benefit from CFG membership too.

And alongside the learning and development support provided to members, access to CFG's network has helped Nilesh with benchmarking projects, all of which have led to positive changes in the organisation.

Nilesh concludes: "That support we have had through CFG's network – it's invaluable. And it will be helpful for many of our future projects too."

## **CFG NEWS AND HIGHLIGHTS SPRING/SUMMER 2022**

### **Supporting charities with banking**

The financial year begins with a look at the challenges charitable organisations are experiencing with banking services. CFG launches a survey and, as part of the Civil Society Group, begins working alongside UK Finance and the government.

### **Government explains Charities Act implementation**

CFG shares an update on how government intends to implement the new legislation, following Royal Assent in February 2022. The new legislation will be enacted in summer 2022 and autumn 2023.

### **Investment training gets off to flying start**

CFG's investment training programme gets off to a flying start in 2022. Run in partnership with Sarasin & Partners, the training for trustees and charity leaders is more accessible than ever, being held online and in-person, free of charge. This underscores CFG's commitment to accessibility and supporting members during these challenging times.

### **CFG responds to government's cost of living support package**

CFG responds to the Chancellor's announcement of a cost of living support package. CFG said it was pleased the government stepped in to help those who needed it most, but the real test will be the government's actions in the long-term, should the crisis be prolonged.

### **CFG proud to announce launch of new service for charity finance community**

CFG launches a digital one-stop-shop for thought leadership, knowledge and technical know-how. The Knowledge Hub, a major part of CFG's website, brings together the charity finance community's collective knowledge and experience. The new portal comes following nine months of development and is a major step forward for CFG's digital-first strategy and its aim to support the development of professionals at all levels, from all backgrounds.

### **Charity sector calls on banks to adapt and reduce**

Following the results of its survey on banking services, CFG and other members of the Civil Society Group, call on banks to improve their services to charities and reduce burdensome administration. The research shows that small charities are unfairly impacted by changes, in particular through a reduction in the number of bank branches.

### **CFG's Annual Conference is huge success**

For the first time in three years, CFG returns with its in-person Annual Conference at a new venue in London. More than 500 delegates spend the day learning from peers, meeting contacts old and new, and networking in the buzzing exhibition hall. This year's theme – Purposeful and Empowering – has a strong focus on making sense of the challenges that lay ahead, and the importance of looking after the wellbeing of those working in charitable organisations. Stevie Spring CBE sets the tone for the day with her advice to the sector: "Find what it is that is unique to you and do it well. The rest is partnership." She added: "Remember, no one ever shrunk to greatness."

## A sense of purpose and optimism

By Rui Domingues, Director of Finance and Operations, CFG

These past three years have been among the most challenging many of us at CFG have ever seen, not only in terms of the financial challenges that our organisation and the sector are facing, but the impact on our people.

In early 2022, it became clear that the cost of living crisis was deepening and that the challenges presented during the pandemic were far from over. We faced this with three clear operational objectives:

1. Get the basics right
2. Digital first
3. Eliminate the structural deficit

In the past year, the finance and operations directorate has continued to focus on the wellbeing and development of CFG's staff; making the final shifts to fully remote working; and laying the foundations for the replacement of our finance, CRM and CMS systems.

We have continued to find new ways to grow income streams and attract grant funding for new projects and services, whilst eliminating structural deficit. We have also returned our free reserves to within our range (see our reserves policy on page 33).

### Finances and infrastructure

In 2022/23, we took the decision to close our office in London and move to fully remote working. We laid the groundwork for this by further investing in the infrastructure needed for staff to work from home, and we worked towards exercising our office lease break clause. From there, we set out the steps needed to close the office and find alternative premises.

We recognised that it was important to provide an alternative workspace for those members of staff who preferred to access an office away from home, and for the whole team to gather. This work came to fruition at the end of 2023 when we closed the office on White Lion Street and identified a new office in Borough, south east London.

Another significant decision we took which has reduced the structural deficit was to outsource part of the finance function. This was a significant step for us and one that we worked towards during the course of the year. We looked for a partner organisation that understood our needs and was able to provide a high level of flexibility and a wide range of finance skills.

Following a period of due diligence, we selected SKS to provide those services. As well as being cost-effective, the decision to outsource has meant that we now have more time to focus on the strategic and transformative aspects of the finance and operations role.

We have been extremely grateful for the grants we received during the year. We received generous support from five grantmakers, totalling £89,500. This has allowed us to invest in our systems and people and, more importantly, continue to build on the activities and services we provide to our charity members and corporate partners.

## **Getting the basics – and culture – right**

To deliver our first two operational objectives – getting the basics right and digital first – we continued to invest in upskilling our people.

Shifting to a digital first mindset has been two-fold. It has required a change in work culture and practice – both of which have been significantly re-shaped by the pandemic and new team members. It has also meant identifying legacy systems, workflows and processes that were no longer serving us well.

To enable this change, staff members delivered a wide range of co-created internal training sessions during the year and worked together to make best use of our new technologies and systems.

We established a monthly DEAL (drop everything and learn) hour – time set aside each month for all staff to work towards their own personal development goals. Alongside this, we introduced a new learning platform so that staff can self-select their own training and learning programmes and work towards their agreed personal development plans.

One of the most positive benefits of this shift has been the intentional creation by all staff of a shared learning environment.

## **Investing in our people**

We have all read and heard about the challenges all sectors are facing with recruitment and retention. In last year's annual report, I wrote about the 'Great Attrition' and the potential impact of the cost of living crisis.

In the past 12 months, we've taken a fresh look at how we attract people to the organisation and have been encouraged by the number of extremely high-quality candidates we've seen. We've invested in a new marketing function and have strengthened the whole team by welcoming new members of staff who have made positive contributions from the start.

We've said it many times before and it remains true today: our people are our greatest asset. When CFG embarked on its organisational restructure in late 2019, just before the pandemic began, we were looking to recruit to a number of newly created posts.

Since then, we have had to rethink that new structure. We took the decision to delay recruiting to some posts. This has meant that we've had to look more creatively at how we maximise the resources we have and paramount to this is ensuring that the team is well supported.

Our staff members accomplish a huge amount every year, from running conferences, training programmes and webinars, through to speaking up for the sector. To support them, we once again ran our two annual wellbeing weeks by closing the office for one week in August 2022 and January 2023. We also invested in a workplace mental health support platform so that every member of staff has 24/7 online access to a wide range of mental health and wellbeing resources.

In Spring 2022, all staff qualified in the MHFA England's Mental Health First Aid course to become 'Mental Health Aware'. And we were delighted that one member of staff completed MHFA England's intensive two-day course to become CFG's first Mental Health First Aider.

These investments have reinforced the importance of looking after our mental wellbeing, doing what we can to support one another, and nurturing a workplace culture where talking about mental health and wellbeing is the norm, not taboo.

### **Looking ahead**

During the year, we welcomed new organisations to membership and, looking ahead, our strategy to welcome even more will continue.

I remain cautious yet optimistic. This year, we made huge steps towards what we set out to achieve through our three operational objectives and, although we remain in choppy waters, our members are telling us that the CFG community has never been more important to them.

My sense of optimism comes from the strength of our community and knowing that together we can not only navigate these uncertain times, but continue on our journey with an even greater sense of purpose – for the benefit of all our beneficiaries and communities.

## CFG NEWS AND HIGHLIGHTS: SUMMER/AUTUMN 2022

### [CFG publishes joint statement to government on cost of living crisis](#)

CFG joins with nearly 50 other sector leaders and organisations to call on the government to deliver urgent financial support to those in greatest need. The group urged the government to include the charitable sector in any planning.

### [CFG responds to announcement of new Prime Minister](#)

CFG welcomes the new Prime Minister, Liz Truss, to her role, and invites her to work closely with the sector to solve the country's most pressing issues. Dr Clare Mills, said: "We urge the new government to take immediate and effective action and use the 'depth and breadth of talent' that Ms Truss refers to, to bring fresh ideas to the most pressing issues of our time."

### [The nation mourns the death of Queen Elizabeth II](#)

Staff at CFG marked the death of Queen Elizabeth II by recognising her life-long, exemplary service: 'Her Majesty provided support and encouragement to numerous charities, their members of staff, trustees and volunteers over her lifetime and her work and dedication made a real and lasting difference to the shape of civil society across the UK.'

### [CFG's training courses accredited](#)

CFG's joint training course 'Adopting Good Governance', run in partnership with Crowe UK, becomes one of the first to receive CPD accreditation. This means that members can undertake the course in the knowledge that it will contribute towards formal CPD and that it has met the rigorous standards and benchmarks set by CPD UK.

### [The good, the bad and the ugly](#)

CFG examines the Government's mini budget, delivered by Chancellor Kwasi Kwarteng on 23 September, describing it as 'good, bad and ugly'. The good news is that the four-year Gift Aid transitional relief will still apply from April 2023. But the rest is cold comfort to the charitable sector and the communities they serve.

### [CFG launches Net Zero Guide](#)

In association with a range of organisations, CFG publishes an online guide for charities looking to reduce their carbon emissions. 'Charities and the path to net zero' helps charities to build a net zero strategy; understand the links between net zero, investments, pensions and grantmaking; and reduce emissions through the procurement process. It contains information on the practical steps charities can take to reduce emissions, saving them time and money.

### [Guide to Modern Banking launches](#)

CFG is proud to work in partnership on a new, easy to read guide published by HSBC. The guide helps demystify banking for charities and non-profits.

### [New Chancellor, new fiscal plan](#)

Following a change of Prime Minister and cabinet, the new Chancellor, Jeremy Hunt, delivers the Government's medium-term fiscal plan. He announces a reversal of almost all of the tax measures set out in the previous Chancellor's Growth Plan and a review of the Energy Price Guarantee and the Energy Bill Relief Scheme.

## Case study

### The power of connection

“It’s a short story”, says Ruth Davison, CEO\* of domestic abuse charity Refuge, “but the transformation of it is significant.”

In 2022, Refuge needed a new director of corporate services, someone with a strong background in finance who was prepared to work in a highly competitive market and work for a charity. Not only that, they needed the skills and experience to steer the charity through a period of change.

“Our very long-standing head of finance had left and, like many other charities, I wasn’t managing to attract the kind of quality of candidate that I needed through traditional routes,” explains Ruth.

And not unlike many other medium-sized charities, Ruth said that although Refuge looked to be a “relatively simple entity on paper”, the back office was suffering from several years of underinvestment.

“There was a lot of very complicated work that needed to be done,” recalls Ruth. “Although the team was absolutely dedicated, they were also very, very tired and they had very little capacity to think differently and step outside their ‘business as usual’.

“We needed someone who could keep them going and build morale, look at our systems and think about how to do things differently, do things better. We needed someone who could transform our finance and operations.”

Having exhausted all traditional recruitment methods, Ruth felt she had hit a brick wall. It was at this point that a chance conversation about it with a friend led her to CFG. Ruth continues: “Through a mutual friend, I was soon chatting with Caron [Bradshaw] and we talked about what Refuge needed and what was happening at the charity.

“Caron could really see our requirements, but in a different way to our executive recruiters. Caron really thought it all through, working out who might be right for the role. From there, a whole new network was opened up to us through CFG and that was the turning point.”

Before long, Ruth was in touch with Trevor Richards, a Chartered Accountant with a background in change management. He was appointed as Interim Director of Corporate Services. Within weeks, Refuge started to evolve.

“The work Trevor did was absolutely transformative,” states Ruth. “He laid the foundation for much greater stability. The finance team has now grown, and we’ve attracted two new brilliant permanent directors. We’re on a much firmer footing.”

The charity is still on a journey and one that is proving tough in the current climate. Chronic underinvestment in domestic abuse services, an increase in demand and the cost of living are taking a toll. Like others, Refuge has seen sudden and sharp cost increases and a fall in income. At the same time, the charity remains ambitious and wants to invest in its refuges and services – giving more women and children a safe and welcoming place to stay.

“We’ve always been honest about how tough this is and that we’re not where we planned to be right now. But now, thanks to Caron and CFG, Refuge has the right people in place, and we know that we have high-quality financial information and good business partnering. And it’s these things that are absolutely critical to steering the right course for Refuge in the coming years.”

\*Ruth Davison left her post as CEO in September 2023

## Empowering purposeful connections

**By Sarah Lomax, Director of Commercial Services, Charity Finance Group**

Our charity members are CFG's lifeblood and for many of them the financial year began with continued uncertainty.

As we headed into the second quarter of 2022, it wasn't clear how long a shadow the cost of living crisis and Covid-19 would cast across the sector and CFG community.

We saw most of our charity members rebound from the pandemic, but then grapple with ongoing instability and change. It has been particularly tough on our smaller charity members.

Despite this background, or perhaps partly because of it, CFG's year began positively. We not only met our renewals targets for charity members, we smashed them!

The decision to move to an automated rolling membership was a success. By investing in the automation of renewals in the previous year, the Membership Team were able to spend more time personally contacting individual members to talk about the benefits of membership, gain valuable feedback and signpost useful services and activities.

Not only were we pleased to see so many charity members renew in 2022/23, but we were delighted to welcome many new members to the CFG community. Nearly 150 organisations, large and small, joined CFG membership for the first time!

### **Our corporate partnerships**

The bigger picture for our corporate partners hasn't been much different to our charity members. Many saw – and continue to see – difficult trading conditions and they too have felt the impact of uncertainty.

So, we are delighted that we welcomed 20 new organisations into our network, taking the number of corporate partners to nearly 100. Without them, so much of what we do wouldn't be possible. Not only do they generously sponsor CFG's events and training courses, but they are also key to helping us build our body of knowledge and thought leadership.

It's perhaps because of the uncertain political and economic background that we have all sensed that by growing our communities and networks, we build our resilience. This was the year that we deepened our connections with our corporate partners and they in turn engaged more than ever with our charity members, through all CFG platforms.

More than one third of our corporate members shared their expertise with charities across the UK through our new online Knowledge Hub. By the end of the financial year, they had contributed more than 50 articles on topics ranging from investment, tax and risk through to fraud, digital technology and governance.

They also took advantage of new opportunities to sponsor tailored content and advertise through our website, bringing in new and vital revenue for CFG. And, as ever, they presented their insights in our busiest events programmes to date, and they were on hand to answer members' questions to our expert helplines.

This incredible sharing of timely, expert and free knowledge supports our charity members every week. There is always support on-hand for those needing answers to technical questions and we look forward to further deepening these connections in the coming year.

## Events and training

This was the year we returned to our in-person events – and what a comeback! The happiness of being able to once again network in person was palpable.

At the beginning of the financial year, the teams were busy pulling together our first in-person Annual Conference since 2019. The Annual Conference in 2022 was an incredible event and our members and partners relished the opportunity to speak and network with each other in person.

Not only did we meet our financial targets for the event, we were able to give our 2023 Annual Conference a giant boost. More than two-thirds of those partners who attended the 2022 conference signed up to attend the next within three months of tickets being launched. We also saw the fastest ticket sales for any event.

Our Annual Fundraising Dinner later on in the year was also a huge success and the atmosphere was one of friendship, a community determined to keep on keeping on. It was a pleasure to meet so many people in one room and share the achievements and successes of the sector together.

We also saw high engagement with our training programmes, illustrating that members want to keep their charity finance teams upskilled.

## Our team

Like so many other charities, recruitment has been a very challenging aspect for us in the past year. We said goodbye to some key members of staff and the impact of change has been felt across the organisation. However, we also welcomed a new, expanded Marketing Team who are making a positive difference to how we keep our members informed of new opportunities, events and services.

I am so incredibly proud of every member of the directorate, all of whom have stepped up and rallied round. With limited resources, the team has approached their goals and targets with huge determination.

Our Corporate Partnerships Team wrapped up the financial year having attained 98% of their original budget. The Conferences and Training team has attained 100% of budget, and our training courses performed 165.5% against budget. The Membership Team has attained 85% retention throughout the whole of the financial year.

The teams continue to provide great service to members and partners, all while problem-solving and creating new opportunities for our community. They are testament to the dedication everyone at CFG has to our members and partners.

Finally, I'd like to say thank you to all our members, partners and supporters. We wouldn't be able to do what we do without you!

## Case study

### Moving finance up the value chain

Max Glazer-Munck, Director of Strategic Operations and Finance at Serpentine, explains why CFG membership has proven to be an invaluable resource in taking the finance function – and his personal development – to the next level.

In 2022, when Max moved from a marine conservation charity based in Bristol to Serpentine in London's Kensington Gardens, he knew one thing would remain a constant in a fast-changing world – CFG membership.

As a long-standing beneficiary of CFG's activities, Max was keen that his new place of employment benefited from membership too. And he wasn't disappointed – Serpentine was already a member. "If Serpentine hadn't already been a CFG member, I would have advocated for it to be," states Max. "I have already benefited extensively from CFG. Membership provides a really good impact on individual members of the finance team."

Max has attended CFG several conferences, training courses and webinars in the past year, and also joined CFG's Peer Mentoring Scheme which, he said, had a profound impact on him. "I think the scheme is really great," says Max. "We had several sessions, and we were each paired up with another participant, to co-mentor one another."

"Like attending CFG's events, it's another opportunity to really step out of yourself. And you can do that in two ways through the scheme. Firstly, by being supported in a challenging and friendly way by your co-mentee to come up with the challenges or difficulties you face. Your co-mentee brings a different perspective to those challenges. But also, by being able to do that for the other person too."

"By making those connections with other people, you get to know the business of businesses – you see different ways of working and doing things. To this day, I'm still meeting with my co-mentee, and I hope we will one day meet again as a whole group. It's a really interesting, thoughtful way to learn and grow."

Max says that "stepping out of his day-to-day" has been a really important part of his development journey and that "plugging into" CFG has helped him feel more informed. He continues: "I feel like my engagement with CFG really has helped my development as a finance leader because it has really forced me to learn from people who are in equivalent or more senior, or more junior, jobs. It helps me to see what's going on elsewhere in the sector."

Max says he encourages everyone in his team to make the most of CFG membership, to discover for themselves how it can help them develop new skills and networks. He concludes: "By helping those members of the finance team, it helps the organisation itself. My view is that if you're working in an organisation that is dependent on finance, or financial resources, in order to deliver it, finance should not just be an administrative function."

"Finance needs to be able to advise and influence and shape future activities. It needs to deliver value for money, strategic objectives, and the organisation's charitable objects as well. To do this, it needs to be integrated with the rest of the organisation. And it can only really do all that if it has the right resources and the right tools."

"CFG is striving to help finance teams move up the value chain. In my experience, it really is doing that. It really has had a big impact."

## CFG NEWS AND HIGHLIGHTS WINTER/SPRING 2023

### [CFG welcomes two new trustees](#)

CFG welcomes Angela Linton from The National Foundation for Youth Music, and Tim Nicholls from The Arts Society to the CFG Board. Gary Forster, Chair of the Board of Trustees, CFG, comments: "We warmly welcome Angela and Tim. They bring with them a wealth of financial and operational expertise, as well as many years' experience as active members of various non-profit boards and committees."

### [CFG to support charity sector in Scotland](#)

CFG achieves registration with the Scottish charity regulator - OSCR – so that it can support charities in Scotland to deliver even more impact for their causes and communities. Caron Bradshaw OBE, CFG's CEO, said: "We look forward to getting to know more charities and social change organisations in Scotland, and supporting them to deliver even more impact to their causes."

### [Autumn Statement reaction](#)

The Chancellor of the Exchequer delivers his Autumn Statement to the House of Commons. Caron Bradshaw OBE responds: "The Chancellor's autumn statement today wasn't as dire as many of us were anticipating. Much of what the sector has called for has been delivered and we're delighted that we can say that." However, Caron warns that we still face difficult times."

### [Paul Hamlyn Foundation backs CFG with new grant](#)

Paul Hamlyn Foundation (PHF) grants CFG £70,000 over two years as part of its core funding to infrastructure groups. PHF has made lasting commitments of up to five

years to ten organisations through the Backbone Fund. The fund provides core funding to key infrastructure organisations, including CFG, to help build resilience in the sectors that PHF supports. "We are absolutely delighted to receive this grant through Paul Hamlyn Foundation's Backbone Fund. Our charity's vision to inspire a financially confident, dynamic and trustworthy sector is as important today as it was when we were founded 35 years ago," said Caron Bradshaw OBE.

### [VAT anomaly holding back donations](#)

CFG joins with 18 other organisations to call on the Chancellor to provide VAT relief for donated goods, bringing rules into line with existing reliefs. CFG says that it would 'unlock vital support for families who are impacted by the rising cost of living.'

### [Much-needed cash for sector](#)

During the spring budget announcements on 17 March, the Chancellor pledges £100m for the charity sector. Commenting on this welcome news and other announcements, Caron Bradshaw OBE, CEO, Charity Finance Group, said: "Today the government not only acknowledged the crucial work of the charity and voluntary sector, it backed it up with much-needed cash." Caron went on to urge the government to engage constructively with the charity sector to develop real, lasting solutions to economic crisis.

## Empowering our brand and message

By Dr Clare Mills, Director of Policy & Communications, Charity Finance Group

This is my second piece for CFG's Trustees' Annual Report since joining the charity, and my first with a full year in post as Director of Policy and Communications. It has been a privilege to meet so many of our charity members and corporate partners this year, as well as to represent CFG at numerous events online and in person. I'm so proud of what our small team has been able to achieve and make happen for our members, for the sector as a whole and internally for CFG during this truly 'purposeful and empowering' year.

### The big picture in policy

In policy terms, we've had a big impact. This year has been dominated by the cost of living crisis, fuelled by volatile energy prices, inflation and steep increases in interest rates. CFG led on the joint sector submission to the government on the Energy Bills Relief Scheme which, when subsequently announced, included charities and voluntary organisations.

We've also led numerous webinars and conference sessions on issues relevant to the economic context, as well as producing guidance, information and tools for charities to use through our online Knowledge Hub.

Our messaging has been clear: government support must focus on the people who are feeling the impact of the economic situation and who need assistance. In this way, we can ensure many people are helped before they need charity support, which in turn helps charitable organisations better manage and meet demand.

There have been many highlights in our policy work this year. Two key areas of activity have been:

- Convening CFG's Technical Accounting Forum, holding roundtables and gathering insight from a range of sources to respond to the Financial Reporting Council on FRED 82 (Draft amendments to FRS 102, the Financial Reporting Standard).
- Working with partners to share further insights on the Butler-Sloss ruling and engaging with the Charity Commission for England and Wales (CCEW) on subsequent amendments to CC14, Investing charity money: guidance for trustees.

We've also continued to work on policy as part of our central role in the Civil Society Group, a collaboration between charity infrastructure bodies. CFG led on joint submissions ahead of the Autumn Statement and the Budget.

On driving improvements in access to banking services, there have been frustrations. Progress has not been straightforward but there is determination to improve the situation for charities and other social purpose organisations.

This year has been unusual – to say the least – with three Prime Ministers and numerous cabinet reshuffles. During this upheaval, and since, CFG has continued to engage with ministers, civil servants and advisers. Our focus has been engagement with DCMS and HM Treasury, and we welcomed the announcement of £100m for the sector in the Chancellor's budget in March 2023.

We've also been involved in engagement with the opposition parties, taking part in discussions around the contribution the sector makes to the economy and society, the mechanisms for communication and engagement between the sector, government and the Civil Service.

We will continue to engage with government and political parties, collaboratively and independently, for the foreseeable future. In addition, we continue to work closely with regulators, specifically CCEW and the Office of the Scottish Charity Regulator (OSCR).

### **Increasing knowledge and influence**

We celebrated at the start of the financial year when our online Knowledge Hub was launched, providing our members with a great repository of information, case studies, technical updates, thought leadership and more, all in one easy to search area of our website. This was a huge project!

The year has seen us publish more policy and expert content than ever before. Accessibility is the key to this project and with that in mind we've produced a wider range of content types that appeal to those from the smallest to the largest of charities, and professionals at any level.

Launching the Knowledge Hub also means we have better data on audience engagement, and we can use this to ensure we are meeting needs. It has also meant that we've created more opportunities for our corporate partners to share their expertise and advertise their services.

During the year, we published our final Finance Focus magazine in its post-pandemic PDF format. By doing this, we increased capacity to develop more online content and immediately eliminated the costs associated with magazine production.

After the end of the financial year – but important to share here, to give readers the whole story – we focused our editorial efforts on developing a new, all-digital membership magazine to complement our fortnightly digital newsletter. This was launched in the next financial year (September 2023) and is an important way of keeping our members and other supporters up-to-date with all the latest news, thinking and best practice in charity finance.

These are just two of many examples where CFG's 'digital first' mindset has been developing over 2022/23 – and is leading to better communications and cost/time savings in the medium to long-term. As well as reshaping our regular communications and expert content, we've also grown our audiences, reach and engagement. In 2022, we entered into our first contract as an influencer, sharing partner content to give our audiences more expert information and help them maximise their impact through using their finances effectively.

### **Intentional internal communications**

The final piece I want to mention is the work we've done around internal communication at CFG. As a fully remote organisation, we've worked hard to increase intentional communication between teams and directorates, as well as individual members of staff.

As Caron wrote in her update on page 16, we can't leave those 'overheard while making a cuppa' conversations to chance. We need to be purposeful in keeping people informed and engaged and the key to this is excellence in our internal communications.

There's much more work to do in Policy and Communications, but you'll have to wait for next year's report to find out more!

## Connection and community

CFG's Board of Trustees, Leadership Team and Staff Team would like to thank all our members, partners and wider supporters for continuing to make this the most diverse, accessible and supportive community of charity finance professionals and leaders.

We would also like to thank those foundations and grant makers who have been so generous in their grants during the year.

Together, we will continue to make a difference, by supporting charities across the UK so they in turn can deliver even greater impact for the people and communities they serve.

Thank you.

### SOME WORDS FROM OUR MEMBERS

[https://youtu.be/SnL31bhk5AY?si=Ryi5df6Vc\\_ow5V\\_1](https://youtu.be/SnL31bhk5AY?si=Ryi5df6Vc_ow5V_1)

### SOME WORDS FROM OUR PARTNERS

“CFG has always been a place of support - not just the events and knowledge that it provides, but the connections and networks that it has created for me throughout my career. They have, and continue to be, invaluable in helping me develop and learn.”

- Annual Dinner 2022 attendee

“We had great conversations from small to large charities, where our services would be of huge value, to help drive value, savings and compliance. We have many conversations to follow up on, which will hopefully result in us helping charities deliver their procurement objectives.”

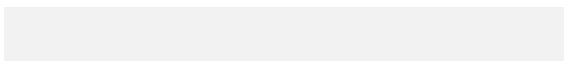
- Exhibitor, CFG Annual Conference 2022

“We have met decision makers at dozens of charities and raised awareness of the work we do in the sector.”

- Exhibitor, CFG Annual Conference 2022

### WATCH OUR 2022/23 ANNUAL FUNDRAISING APPEAL VIDEO

<https://www.youtube.com/watch?v=DMB1a0-6Tdw>



## Review of financial position

### CFG'S BUSINESS MODEL

CFG has a history of working in partnership and through collaboration. This means that CFG will avoid duplication where others are meeting needs in a cost-effective way. But during the pandemic working together developed not just to achieve efficiency - it also drove efficacy. The sector needed to work together to address sector-wide and profound challenges. CFG's business model was perfectly positioned to lean into a new appetite for collaboration across the sector and continues to do so now.

CFG currently earns nearly all income through membership fees, sponsorship and delegate fees, supplemented by modest grant income. The brilliant core support received from the Paul Hamlyn Foundation of core funding over five years from 2018 was due to come to an end in this financial year, but was generously extended for a further two years.

Additionally, further grant funding support was received from the Rank Foundation (who provided £25k of funding), Barrow Cadbury Trust (£14.5k), the Pears Foundation (£15k), Paul Hamlyn Foundation (£33k) and Esmee Fairbairn (£2k) during this year. This recognition of the importance of not only supporting the work of CFG with core funding, but also the role of infrastructure in the ecosystem of the sector, is hugely appreciated and we are very grateful.

Our funding model is predicated on the fact that corporate partners want to engage with us for two main purposes; to connect with not-for-profit organisations that may purchase their products and services, and to support the wider sector through sharing their expertise, financially supporting CFG's provision of services and hosting our activities.

We were delighted to be able to return to the face-to-face element of our model with such success. The pandemic fast-tracked our ability to deliver content and activities through digital media and we intend to continue to do so (following a digital first mindset).

However, we believe that a blend of channels and approaches are necessary to ensure that our beneficiaries can access CFG services in a manner most suitable to their needs. This has not fundamentally changed our business model but has evolved our methods of delivery.

Corporate support subsidises the cost of services to our charity members. Without corporate partners' support CFG could not effectively deliver to the sector without changing our business model. This continues to be a core part of our sustainability.

### RESULTS FOR THE YEAR

For the financial year 2022/23 the Trustees had planned a breakeven budget for CFG, and the year ended with a minor deficit of £4,166 across all funds and small surplus of £2,880 on just unrestricted funds (2022: deficits of £87,165 on all funds and £60,716 on unrestricted funds). Income improved significantly in 2022/23, £1,514,685 compared to £1,277,520 in 2021/22. Expenditure, £1,518,850, was correspondingly higher than £1,364,685 spent in 2021/22, an increase of 11.3%, reflecting the recovery from the effect of the pandemic on CFG's operations.

CFG's target unrestricted reserves range is from £175,000 to £280,000. Free reserves at the end of 2022/23 stand at £177,895, compared to £158,497 for 2021/22. Designated funds

have been retained to continue to support employees at CFG who are undertaking long-term professional courses, so that CFG can continue to stand behind these personal development goals. A future development fund has been set up to continue our digital first journey. CFG's unrestricted reserves are just within the lower end of the acceptable reserves policy level, which helps the Trustees to balance the short-term needs to pivot the delivery model to digital with longer-term financial resilience. To offset this, another breakeven budget is planned for 2023/24.

## RESERVES POLICY

As part of the annual budget setting process, CFG's Finance and Audit Committee reviewed CFG's Reserves Policy. It was confirmed that the policy agreed previously was still valid and that CFG maintained free reserves to:

- provide a sustainable and appropriate level of working capital;
- allow for periods of unexpected drops in planned income;
- cope with sudden short-term increases in planned expenditure;
- provide cover for other risks, contingencies or unforeseen events (these would have a low likelihood of occurring but, if they did, would have a significant effect on CFG).

The agreed reserves range has remained the same; £175,000 to £280,000. The basis of our calculations will be reviewed again as we emerge from the response phase of the crisis. It is important that the experience informs our decisions regarding risk-based reserves. Our available free reserves as at 31 March 2023 were £177,895 (2021/22: £158,497) just within the current agreed range. The Board will at times designate funds from free reserves for specific costs that fall outside the normal business as usual expenditure, or back into free reserves to withstand other pressures. Any funds received that can only be lawfully used for a specific charitable purpose will be held as restricted funds.

## INVESTMENT POLICY

CFG receives income on an annual basis through membership subscriptions, sponsorship, grants and other sources. We plan activities on a rolling three-year basis and budget to expend all anticipated income, except for retaining a prudent amount in reserves. We have no permanent endowment and provide for capital expenditure within the budget. The only funds of CFG that are not expendable within 12 months of receipt are reserves and any grants or contracts for activities over a longer period.

Consequently, the Board of Trustees does not consider that it is prudent to invest income for the longer-term. Our policy is therefore to retain funds as cash and place them on bank deposit at the best rate obtainable. As a result, the Board of Trustees considers that it is not appropriate for CFG to adopt an ethical investment policy at this time.

## Structure, management and governance

### STRUCTURE

Charity Finance Group (CFG) was incorporated by guarantee on 29 March 1996 and registered in England and Wales, changing our name from the Charity Finance Directors' Group on 20 March 2015. The charity has been trading as CFG since 2012.

We have no share capital and the guarantee is limited to £1 per member. The governing document is the Memorandum and Articles of Association of the company, which was amended on 6 November 2014 by Group Members' special resolution and on 5 October 2017 following a Company Member Resolution.

The Board of Trustees are the directors of the company, and we have one wholly-owned trading subsidiary, CFDG Trading Limited, which carries out all trading activities for CFG. See note 1 to the financial statements.

### THE BOARD

The Board consists of up to ten Trustees, all able to serve two terms of three years. Up to seven are required to be elected from CFG's membership, and the Board may appoint three non-member Trustees to bring in wider necessary skills and experiences.

Member Trustees are elected by their fellow members. The Office Holders are allowed a further period of appointment if they would have less than two years in the role due to their appointment date, subject to a maximum period of service as Trustee of eight years. Non-member Trustees are appointed after an open recruitment process. The Chair and office holders of the Board are appointed by the Trustees from among their number. The Board meets four times a year and holds additional strategy planning sessions and away days in order to closely engage with the work CFG delivers.

The Board receives fortnightly updates on day-to-day activities, new risks and progress against key objectives. This provides the Board with regular and valuable information in order to carry out their duties and responsibilities. Sub-committees and task and finish sub-groups of the Board are convened to expedite the execution of duties.

Sub-committees, currently: Nominations Committee; Remuneration Committee; and Finance & Audit Committee. They are governed by their own terms of reference and delegated duties are approved by the full Board. Sub-committees are served by Trustees and co-opted independent appointees. A special advisor and expert forums/ad hoc working groups provide support and advice to the Board and staff.

### BOARD INDUCTION AND CONDUCT

Trustees sign a code of conduct and complete a register of interests, which is reviewed annually. Induction support and a Trustee handbook are provided to new Trustees by the staff team and Chair. The handbook includes a copy of relevant policies, procedures, governance information and role descriptions.

## MANAGEMENT

Day-to-day management of CFG is delegated to the CEO. Performance and risk are monitored against strategic objectives. CFG's average headcount during the year to 31 March 2022 was 17 members of permanent staff.

## RISK MANAGEMENT

CFG's strategic risks are defined as those matters which could inhibit or, if managed appropriately, advance the achievement of our charitable objects as articulated in our outcomes' framework. Trustees do not fix whether something is a strategic risk by category or by nature, but rather have adopted a dynamic approach which considers the appropriate risk response to a wide range of variables.

The major risk elements have been reviewed and systems or procedures have been established to manage them. The Board of Trustees are satisfied that reasonable steps are being taken to limit the probability and the impact of risk.

CFG continues to view active risk management as a day-to-day aspect of running the organisation. Risk is the responsibility of every member of staff and all Trustees. It has been embedded into staff activities, reporting and Board meetings ensuring CFG has the best opportunity to prevent issues arising, minimise risks and maximise opportunities.

The leadership team review risk on a regular basis, especially when considering changes to plans or new opportunities. The Trustees review a 'risk issues' log at Finance & Audit Committee (twice a year) and Board meetings (once a year) in order to monitor the effectiveness of CFG's risk management. Key changes in risk are reported to the Board as required and it is a standing agenda item at every Board meeting.

Reflecting the challenges of the last financial year in terms of income generation, supporting our people and amending our systems, policies and procedures as we adapt to new ways of working the top three risks faced were in the following categories:

- Financial and resource management
- People and development
- Systems, policies and procedures

### **Risk: Financial and resource management**

Whilst the acute impact of the pandemic abated it was replaced by a cost of living crisis. Our charity members and corporate partners continued to face into an economic climate of increasing costs and squeezed income. Our physical resources, such as our office accommodation, and our digital capacity will feature heavily in our considerations as we focus on delivering our charitable objectives in a challenging operating environment which will be open to further change. The strength of financial skills at both executive and board level gives us confidence that the financial risks can be well managed.

### **Risk: People and development**

The effect of the pandemic on our members of staff, including working remotely and below full capacity, continues to be felt keenly. We have focused significantly on staff wellbeing, instigating a programme of activity to address people and development matters. Despite this, people and development issues remains a high area of concern and focus as we continue to find new ways of working post pandemic and wrestle with the impact of the cost of living crisis. We anticipate people and development remaining a focus for the future.

### **Risk: Systems, policies and procedures**

Consistent with the previous two areas of risk we anticipate systems, policies and procedures requiring focus and investment into 2023/24 and beyond. This is because moving to a remote by default and digital first mindset necessitates adaptation in our established systems, policies and procedures.

## **FINANCIAL AND RESOURCE MANAGEMENT**

This report is produced for the performance of the charity up to the 31 March 2023. For this year, the Covid-19 pandemic followed by the cost of living crisis have had a major impact on individuals, companies and charities. CFG was not isolated from that.

CFG's key income lines are membership (charities and corporate entities), our Annual Conference and our Annual Fundraising Dinner. As our income for 2022/23 is due to renewals that took place predominantly in February and March, this again held up for the year. However, the longer-term impact of high inflation and the cost of living is yet to be fully felt by the charity sector and could therefore impact this income stream in the future.

Both the Annual Conference and the Annual Fundraising Dinner were held in-person for the first time since 2019, helping us to start the recovery to pre-pandemic income levels.

This impact on our incoming financial resources has again been mitigated in 2022/23 through the generosity of funders and through reducing our spend on different areas. It is a testament to our team at CFG that we have still delivered all the support to the sector that we have and have been a strong voice for the sector.

Current estimates of our net income for the 2023/24 financial year show a continuation of the positive movement, which will mean that there will be a further rebuilding of reserves.

Pre-pandemic plans included a potential deficit as part of a spend down of reserves. Running deficits every year is not sustainable, so the Trustees have set an expectation that we should return, as soon as possible, to a breakeven annual financial position and have stated the following principles for CFG going forward:

- We will continue to trade our way through the global crisis, pivoting services where necessary to continue our support to the sector.
- The Trustees are determined that CFG will continue to avoid redundancies (and at the time of this report, none have been made at CFG as a result of the pandemic, and none are planned).
- We will continue to advocate on behalf of the sector for more support for the vital work charities do. Therefore, at the time of producing this report, on the basis of current financial information, the Trustees consider it is appropriate for the going concern basis to be adopted in preparing the financial statements in this report.

## REMUNERATION: HOW WE DECIDE TO PAY STAFF

CFG is an accredited Living Wage employer and we are committed to ensuring that we pay our staff fairly and in a way which ensures we attract and retain the right skills to have the greatest impact in delivering our charitable objectives.

In accordance with the Statement of Recommended Practice (SORP) CFG discloses:

- all payments to trustees (no trustees receive 'pay')
- the number of staff in receipt of more than £60,000 and above (in bands of £10,000)
- pensions and other benefits.
- CFG has a remuneration committee, which meets annually, is comprised of the CFG Chair, Vice Chair, Treasurer and one other (who shall be appointed by the Chair), which sets the pay for all staff. The CEO and Director of Finance and Operations are in attendance for the meeting (leaving for the discussion regarding their remuneration respectively) and no members of the executive are members of the committee. The main responsibilities of the Committee are to:
  - Review the CFG salary banding and make sure amendments are appropriate to ensure that CFG salaries remain competitive.
  - Determine the remuneration package of the Chief Executive.
  - Approve the annual percentage increase in the payroll for all staff (which can be zero) taking into account the average RPI for the previous year.
  - Approve any consolidated pay awards and staff salary increases outside of the annual review process as recommended from time to time by the Chief Executive.
  - Approve any non-consolidated pay awards (bonus) as recommended by the Chief Executive.
  - Determine pension arrangements and ensure that contractual terms on termination are fair to the individual and the charity, that poor performance is not rewarded and a duty to mitigate loss is recognised.

For the financial year 2022/23 CFG awarded a cost of living uplift in salary of 2.25%, reviewing in the light of the potential economic impact of Covid-19 (2022: nil). Two members of staff, the CEO and the Director of Finance & Resources, earned more than £60,000 per annum.

In determining CFG's remuneration policy, the remuneration committee takes into account all factors which are deemed necessary. The objective of the policy is to ensure that the Chief Executive and staff team are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the charity. The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other charities ensuring CFG remains sensitive to the broader issues e.g. pay and employment conditions elsewhere.

## EQUALITY, DIVERSITY AND INCLUSION (EDI)

Despite the work we have undertaken in previous years, we acknowledge there is still much to do to make sure our activities and our internal organisation matches our commitment to equality, diversity and inclusion.

We regularly review our progress towards ensuring that staff, Trustees and members are not subjected to practices that lead to inequality, lack of diversity or exclusion. One of our trustees is our EDI champion on the board. However, we are disappointed that following staff changes our staff-led diversity forum has been relatively inactive during the financial year. Our EDI strategy remains focused on:

- CFG as a place of work
- CFG as a membership body
- CFG's role in the wider sector

Alongside other charity infrastructure bodies, CFG continues to take part in collaborative working on addressing racism, chaired by James Watson-O'Neil of Signhealth.

In our recruitment we follow the #ShowTheSalary and #NonGradsWelcome campaigns' guidance: we make sure we only ask for educational qualifications which are relevant to the role advertised and do not specify education to degree level for roles unless a degree is of direct relevance to fulfilling the role tasks and responsibilities. Salaries for roles are included in adverts as we recognise failure to do so acts as a disproportionate discouragement to women and people from the global majority and/or disadvantaged backgrounds. Our recruitment packs, staff handbook and other documentation has been reviewed and uses inclusive language.

We have committed to ongoing improvements and to ensuring that future reports include our performance against targets and relevant benchmarks where possible. However, data collection relating to protected characteristics remains difficult with a small staff team and we are disappointed to have not yet reached the position where we can make relevant disclosures. We will continue to listen to our staff and Trustees through various communications channels, including our annual staff survey, to challenge our assumptions and monitor our performance.

We have published several pieces on our website and in other publications, and we will continue to develop CFG's position as thought leaders on EDI and leadership, as well as sharing and amplifying voices from across the sector with lived experience, practical information and thought-provoking discussions.

## FUNDRAISING

As the Covid-19 pandemic started to impact CFG's finances in 2020/21, CFG registered for the first time with the Fundraising Regulator, as we sought to start to raise funds to bridge the shortfall in income.

We have continued to be registered with the Fundraising Regulator although our direct fundraising has been at a low level, almost exclusively through [our appeal video](#), first shown at our in-person 2022 Annual Fundraising Dinner.

We only raised funds through a JustGiving page, through which supporters of our work could make donations. Gift Aid has also been collected by JustGiving on our behalf on donations

made. Supporters have been made aware of the JustGiving page through our website, mailings to members and through social media channels, thereby protecting the general public from unreasonable intrusion or pressure.

No other fundraising activities were undertaken.

We are pleased to report that no complaints regarding any fundraising activities with stakeholders have been received.

## Statement of the Board of Trustees' responsibilities

The Trustees are responsible for preparing the strategic report, the report of the Board of Trustees 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 income and expenditure of the group 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 charity 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.

The trustees have confirmed that, so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

### APPOINTMENT OF AUDITORS

Mazars LLP were reappointed during the year as our auditors and they will be proposed for reappointment in the coming year.

## CFG's Board of Trustees (as of 07 December 2023)

### GARY FORSTER, CHAIR OF THE BOARD OF TRUSTEES

Gary joined Publish What You Fund as CEO in July 2018 after taking a career break to travel with his wife. Before this he was the CEO of the INGO Transaid from 2011 until 2017, having joined the organisation as a volunteer in 2006. With a background in logistics from his time at Procter and Gamble, and qualifications in Public Health from the London School of Hygiene and Tropical Medicine, Gary has spent much of his career designing, implementing and evaluating health programmes throughout sub-Saharan Africa.

### ANGELA LINTON

Angela is Chief Operating Officer at The National Foundation for Youth Music. Angela has a breadth of experience working in charitable organisations across the cultural sector. As well as having had previous experience of being a trustee and undertaking company secretary duties, Angela is a member of the Living Wage Foundation, Third Sector Steering Committee and actively advocates for the payment of the real living wage. Angela is committed to equality of opportunity and supporting emerging leaders develop their leadership skills, knowledge and personal confidence.

### MWIZA MKANDAWIRE

Mwiza is the Head of Finance and Administration at Transaid, an INGO where she has been since 2019. Prior to that she worked at arts charity Artsadmin Ltd for 11 years. Mwiza is a qualified chartered accountant and a CFG Inspiring Financial Leadership Alumni. Before joining Artsadmin Ltd in 2008 she worked with various organisations in both the commercial and charity sectors in Malawi. She has excellent knowledge and understanding of charity finance and is a trustee of two arts charities.

### TIM NICHOLLS

Tim is Director of Finance and Resources/Company Secretary at The Arts Society based in Central London. He is also Chairman of North Kent Volunteer Centre. Tim has held senior finance positions within the charity sector for over ten years. Before his move to the charity sector, he enjoyed a successful career in the NHS. Until 2021, Tim was an elected Council Member of the Association of Accounting Technicians (AAT).

### KEVIN O'BRIEN

Kevin joined the CFG Board in December 2018 having joined the not-for-profit sector in July 2016 as Director of Finance & Corporate Resources at Young Lives vs Cancer. Kevin then moved to a similar role at RSPCA before moving to Be First - a regeneration and social housing developer. Before joining the charity sector, Kevin held various finance roles in several large, global and multinational corporates in manufacturing, trading and property. Kevin is CIMA qualified. Kevin is an independent member of the Finance Committee at The Lullaby Trust.

## KELLY RYDER

Kelly is Head of Finance for the Orchard Trust, a charity based in the Forest of Dean who support adults with learning and physical disabilities to live independent and fulfilled lives. Prior to this, Kelly worked for many years in the financial services industry and then in finance for a global manufacturing company, where she obtained her AAT qualification.

## STELLA SMITH

Stella is an independent consultant specialising in leadership and strategy in the charity sector. Since setting up her practice in 2006, she has worked with a wide range of organisations, from large household names to small community groups in the UK, Europe and Africa. Her career started as an English teacher first in Greece and then with VSO in China before going on to work in strategy and change management at RNIB and Centrepont. She has been a trustee with VSO and Chair of Y-Gen, a north London charity focused on developing life skills for young people. She has written numerous articles and guides on charity sector management.

## HUGH WALLACE

Hugh Wallace is Chief Information Officer at Research Data Scotland, a charity focused on enabling access to public sector data about people, places and businesses.

Prior to that he led a high-profile programme to deliver a common payments platform in Scottish Government and support digital service development within Scotland's Social Security agency. His previous roles include leading the digital teams at Oxfam and National Museums Scotland, as well as heading up the design function in a digital agency.

*Gary Forster*

[Gary Forster \(Jan 30, 2024 21:34 GMT\)](#)

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By order of the Board, 07 December 2023

# Independent auditor's report to the members of Charity Finance Group

## Opinion

We have audited the financial statements of Charity Finance Group (the 'charity') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity and the group's affairs as at 31 March 2023 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

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

## Conclusions relating to going concern

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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## Other information

The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report which includes the Directors' Report 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 Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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

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

### **Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement set out on page 41, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

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

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

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the charity and its activities, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements, Charities Act 2011, tax legislation, safeguarding, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud and money laundering.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax the Companies Act 2006 and the Charities Statement of Recommended Practice.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to income recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:


- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of the audit report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

  
Nicola wakefield (Jan 31, 2024 16:05 GMT)

Nicola Wakefield

(Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

Date: 31/01/2024

## Financial statements 2022/23

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
		£	£	£	£
<b>Income</b>					
Donations	2	98,555	-	98,555	100,864
Income from charitable activities	3	1,271,189	-	1,271,189	1,057,146
Income from trading activities	4	132,012	-	132,012	3,000
Investment income	5	6,879	-	6,879	148
Other income		6,050	-	6,050	116,362
<b>Total income</b>		<u>1,514,685</u>	<u>-</u>	<u>1,514,685</u>	<u>1,277,520</u>
<b>Expenditure</b>					
Expenditure on charitable activities	6	1,518,850	-	1,518,850	1,364,685
<b>Total expenditure</b>		<u>1,518,850</u>	<u>-</u>	<u>1,518,850</u>	<u>1,364,685</u>
<b>Net (expenditure) and net movement in funds for the year before transfers</b>					
		(4,166)	-	(4,166)	(87,165)
Transfer between funds		<u>7,046</u>	<u>(7,046)</u>	<u>-</u>	<u>-</u>
<b>Net income/(expenditure) and net movement in funds for the year</b>					
		2,880	(7,046)	(4,166)	(87,165)
<i>Reconciliation of funds</i>					
Total funds, brought forward		266,772	7,046	273,818	360,983
<b>Total funds, carried forward</b>		<u>269,652</u>	<u>(0)</u>	<u>269,652</u>	<u>273,818</u>

There are no recognised gains or losses other than those in the statement of financial activities. Therefore, no statement of total recognised gains or losses has been prepared.

The notes on pages 51 to 62 form part of these financial statements.

## Financial statements 2022/23

### BALANCE SHEETS

	Notes	2023		2022	
		£	£	£	£
		Charity	Group	Charity	Group
<b>Fixed assets</b>					
Tangible fixed assets	8	-	-	3,950	3,950
Investments	8.1	10,000	-	10,000	-
<b>Current assets</b>					
Debtors	9	504,547	452,085	411,941	529,788
Short term deposits	9.1	297,538	297,538	340,659	340,659
Cash at bank and in hand		418,257	654,114	430,697	509,294
		<u>1,220,342</u>	<u>1,403,737</u>	<u>1,183,297</u>	<u>1,379,741</u>
<b>Liabilities</b>					
Creditors falling due with in one year	10	<u>(956,269)</u>	<u>(1,103,779)</u>	<u>(886,985)</u>	<u>(1,059,873)</u>
<b>Net current assets</b>		264,073	299,958	296,312	319,868
Creditors falling due after one year	10	(30,306)	(30,306)	(50,000)	(50,000)
<b>Net assets</b>		<u>243,767</u>	<u>269,652</u>	<u>260,262</u>	<u>273,818</u>
<b>The funds of the charity</b>					
Unrestricted funds:					
General	11	152,010	177,895	144,941	158,497
Designated	11	91,757	91,757	108,275	108,275
Restricted funds	11	-	-	7,046	7,046
<b>Total charity funds</b>		<u>243,767</u>	<u>269,652</u>	<u>260,262</u>	<u>273,818</u>

The notes on pages 51 to 62 form part of these financial statements.

Approved by the Trustees on 07 December 2023 and signed on their behalf by Gary Forster (Chair):

  
Gary Forster (Jan 30, 2024 21:34 GMT)

## Financial statements 2022/23

### CONSOLIDATED STATEMENT OF CASH FLOWS

	2023		2022	
	£	£	£	£
<b>Cash Flows from Operating Activities</b>				
Net Expenditure	(4,166)		(87,165)	
Adjustments for:				
Depreciation	3,950		57,215	
Interest Expense	1,105		148	
Trade and Other Receivables	77,703		(254,435)	
Trade and Other Payables	231,865		318,703	
<b>Cash Flows generated / (used by) from Operations</b>	<b>310,457</b>		<b>34,466</b>	
Interest paid	(1,105)		(148)	
<b>Net Cash Flow from Operating Activities</b>	<b>309,352</b>		<b>34,318</b>	
<b>Cash Flows from Finance Activities</b>				
Repayment of loan	(207,653)			
		<b>(207,653)</b>		
<b>Net Increase / (Decrease) in Cash</b>		<b>101,699</b>		<b>34,318</b>

	At 1 April 2022	Cash Flows	At 31 March 2023
Cash at bank	509,294	144,820	654,114
Cash on deposit	340,659	(43,121)	297,538
	<b>849,953</b>	<b>101,699</b>	<b>951,652</b>

## Financial statements 2022/23

### NOTES TO THE FINANCIAL STATEMENTS

#### Accounting policies

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)) and the Companies Act 2006.

The Charity Finance Group meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The principal accounting policies of the Group are set out below:

#### Consolidation

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the charity and of its subsidiary undertaking, namely CFDG Trading Limited. The results of the subsidiary are consolidated on a line-by-line basis.

The charity has availed itself of paragraph 3(3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities. No separate SOFA or income and expenditure account has been presented for the charity alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

#### Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of CFG.

#### Recognition of income

All income (including grants) is accounted for as soon as CFG has entitlement to the income, there is certainty of receipt and the amount is quantifiable.

#### Donated facilities

Donated facilities are included at the value to CFG i.e., the value CFG would have paid in the open market. Although SORP 2019 recommends that the value of donated facilities is included in voluntary income, they are included under the relevant category of income for charitable activities because CFG considers this gives a fairer presentation.

#### Members' subscriptions and events & conferences and deferred income

Subscriptions and events income are accounted for in the year to which they apply. Subscription income received during the year that relates to a subsequent financial accounting period is carried forward as a creditor in the balance sheet and shown as deferred subscriptions income. It is accrued in line with the benefits received.

## **Pensions**

Contributions to our defined contribution group personal pension scheme are charged to revenue according to the period to which they relate.

## **Expenditure**

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing CFG to the expenditure. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of the resources. Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity. Overheads and other salaries are allocated between expenses headings based on time spent.

The cost of the Annual Fundraising Dinner covers direct expenditure on the dinner together with the appropriate allocation of staff and support costs.

Charitable activities include expenditure associated with the operation of CFG and the provision of our services.

## **Operating leases**

Rentals paid under operating leases are charged to expenditure on a straight-line basis over the terms of the leases. The rent-free period incentive on the lease of 15/18 White Lion Street, London, N1 9PG, has been spread over the term to the first break in the lease i.e., five years.

## **Going concern**

Free unrestricted reserves of CFG at the year-end amount to £177,895. After consideration of the current strategic plan for 2023/24 and with an aligned high-level, three-year budget agreed, the Trustees consider there is a reasonable expectation that the CFG group has adequate resources to continue in operational existence for the foreseeable future. The Trustees are also satisfied with the controls in place for monitoring and flexing the budget throughout the years. There are no material uncertainties that would impact on the charity's ability to continue. Accordingly, we continue to adopt the going concern basis in preparing this annual report and financial statements.

## **Intangible and Tangible Fixed assets**

All fixed assets are stated at historical cost less depreciation. Assets with a cost more than £2,000 and which are intended to be of ongoing use to CFG in carrying out its activities are capitalised as fixed assets.

Depreciation/amortisation is charged on all tangible/intangible fixed assets at 25% of cost per annum, so as to write them off over their expected useful lives.

## **Significant judgements and estimates**

No significant judgements or estimates have been required in the production of these accounts.

## **Investments**

The investment in the subsidiary CFDG Trading Limited is valued at cost.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Results from the trading activities of the subsidiary

The charity has one wholly owned subsidiary which is incorporated in Great Britain. CFDG Trading Limited was incorporated on 5th February 2009 to raise funds via commercial activities and sponsorship for CFG. CFDG Trading Limited donates taxable profits to CFG under Gift Aid, subject to its working capital requirements being maintained

	2023	2022
<b>CFDG Trading Limited</b>		£
Turnover	410,022	301,708
Cost of sales	(141,265)	(158,979)
<b>Gross profit</b>	<b>268,757</b>	<b>142,729</b>
Administrative expenses	199	(25,053)
<b>Operating profit</b>	<b>268,956</b>	<b>117,676</b>
Interest receivable	-	-
<b>Profit before tax and Gift Aid distribution</b>	<b>268,956</b>	<b>117,676</b>
Fund balance brought forward	23,556	67,121
Distribution to parent charity	(256,627)	(161,241)
Retained in subsidiary	35,885	23,556
<b>Balance sheet</b>		
Current assets	573,984	287,107
Current liabilities	(538,099)	(263,551)
<b>Net assets</b>	<b>35,885</b>	<b>23,556</b>
Share capital	10,000	10,000
Reserves	25,885	13,556
<b>Total funding</b>	<b>35,885</b>	<b>23,556</b>

## NOTES TO THE FINANCIAL STATEMENTS

2. Donations	Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
	£	£	£	£
Donations & Grants	98,555	-	98,555	100,864
	<u>98,555</u>	<u>-</u>	<u>98,555</u>	<u>100,865</u>

3. Income from charitable activities	Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
	£	£	£	£
Developing Skills, Learning, Knowledge and Practice	849,626	-	849,626	735,786
Inspiring Financial Leadership	358,800	-	358,800	252,944
Encouraging a Supportive Environment	62,763	-	62,763	68,416
	<u>1,271,189</u>	<u>-</u>	<u>1,271,189</u>	<u>1,057,146</u>

4. Income from trading activities	Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
	£	£	£	£
Other Trading Activities	132,012	-	132,012	3,000
	<u>132,012</u>	<u>-</u>	<u>132,012</u>	<u>3,000</u>

5. Investment income	Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
	£	£	£	£
Bank interest	6,879	-	6,879	148
	<u>6,879</u>	<u>-</u>	<u>6,879</u>	<u>148</u>

## NOTES TO THE FINANCIAL STATEMENTS

6. Expenditure on charitable activities :-	Staff costs	Support costs	Other direct costs	Total 2023	Total 2022
Analysis for total expenditure				£	£
<b>Raising funds</b>	<b>22,486</b>	<b>8,603</b>	<b>6,168</b>	<b>37,257</b>	<b>28,392</b>
<b>Charitable activities</b>					
Develop skills, learning, knowledge & practice	535,825	204,138	191,569	931,532	759,975
Inspire financial leadership	140,196	53,635	29,380	223,211	269,691
Encourage a supportive environment	218,242	83,493	25,115	326,850	306,627
	<u>916,749</u>	<u>349,869</u>	<u>252,232</u>	<u>1,518,850</u>	<u>1,364,685</u>
Total expenditure 2021-22	910,698	334,398	119,589	1,364,685	

7. Analysis of support cost	Raising funds	Develop skills, learning, knowledge & practice	Inspire financial leadership	Encourage a supportive environment	Total 2023	Total 2022
					£	£
<b>Support cost</b>						
Premises & Office Services	2,556	60,895	15,932	24,802	104,185	91,807
IT & Communications	1,869	44,536	11,653	18,140	76,198	90,698
Human Resources, Recruitment & Training	1,345	32,052	8,386	13,055	54,838	50,078
Financial Costs	1,337	31,001	8,335	12,974	53,647	26,271
Depreciation	97	2,309	604	940	3,950	57,215
Governance (incl External Audit)	1,399	33,345	8,725	13,582	57,051	18,329
	<u>8,603</u>	<u>204,138</u>	<u>53,635</u>	<u>83,493</u>	<u>349,869</u>	<u>334,398</u>

All support costs are allocated on the basis of staff time. Staffing support costs have not been analysed as the majority of CFG staff work directly on activities and the amount that can be allocated to support is therefore not material.

## 7.1. Net outgoing resources

### a) These are stated after charging:

	2023	2022
	£	£
Auditor's remuneration		
Audit	25,000	7,296
Non-audit services	1,500	1,515
Depreciation	3,950	57,215
Operating lease premises	75,991	74,031

### Operating lease commitments

The minimum payments, which CFG is committed to make in the coming year under operating leases, are as follows:

Group and Charity property	2023	2022
	£	£
Leases which expire:		
Within one year	51,945	80,000
Within one to two years	-	51,945
Within two to five years	-	-
	51,945	131,945

### b) Valuation of donated resources

Donated facilities are included at the value to CFG. These are largely made up of meeting and training venues, audio-visual equipment and refreshments.

	2023	2022
	£	£
Raising funds	-	-
Charitable activities		
Develop skills, learning, knowledge & practice	139	22,523
Inspire financial leadership	-	39
Encourage a supportive environment	-	13
Total	139	22,575

## 7.2. Trustees and employee information

### a) Trustee information

No remuneration was paid to or waived by any Trustee during the year (2022: Nil). No expenses for travel and subsistence were reimbursed to trustees during the year (2022: Nil).

### b) Employee information

i) Employee numbers	2023	2022
	No.	No.
Full time equivalent number of staff employed during the year was:	17.3	19.2
Average headcount during the year was:	18.0	20.2
ii) Employee costs	£	£
Salaries	768,022	777,113
Social security	82,649	82,730
Pension	61,078	60,669
<b>Sub-total salaried staff</b>	<b>911,749</b>	<b>920,512</b>
Holiday pay accruals	-	(7,995)
Other	-	(1,819)
<b>Total employee costs</b>	<b>911,749</b>	<b>910,698</b>

Within the above figures, there were no redundancy payments made to employees (2022: no payments).

iii) The number of employees whose total pay amounted to £60,000 or above for the year is as follows:

	2023	2022
	No.	No.
Above £90,000	1	0
£80,001 - £90,000	0	1
£70,001 - £80,000	1	0
£60,001 - £70,000	0	1

Total pay for this purpose includes gross salary but excludes expenses. Systems are in place for the correct management of expenses.

### iv) Benefits

Only two members of staff included in the above bandings for 2023 (2022: 2 employee) have benefits accruing under CFG's group pension arrangement. The employer contributions into the group personal pension scheme during the year on behalf of these members of staff amounted to £15,575 (2022: £14,987).

There were seventeen active members of staff in total accruing benefits under the group's personal pension schemes as at 31 March 2022 (2022: Fifteen).

### c) Remuneration of Key Management Personnel

The total of employee benefits including pension contributions received by Key Management Personnel in 2023 is £321,004 (2022: £259,037). CFG's Board had defined that "key management personnel" would be based on our scheme of delegation where significant control had been delegated to the CEO and others; namely Directors or those making decisions of a significant nature. As a result, the following roles have been included; CEO, Director of Commercial Services, Director of Policy and Engagement and Director of Finance and Operations.

### d) Pensions

CFG offers an auto-enrolment compliant group personal pension scheme which is currently administered and managed by The Peoples Pension. For previously signed up employees CFG has a group pension scheme which is currently administered and managed by Aegon. New employees are enrolled at an employee contribution rate of 3%. CFG pays twice the percentage that the employee contributes up to a maximum of 10%. The amount of outstanding contributions as at 31 March 2023 was £3,865 (2022: £7,445).

## 8. Tangible and Intangible fixed assets - Group and Charity

	Office Furniture (Tangible fixed assets) £	Computers (Tangible fixed assets) £	Software (Intangible fixed assets) £	Total 2023 £
<b>Cost</b>				
As at 1 April 2022	27,522	18,573	218,281	264,376
Additions	-	-	-	-
Disposals	-	-	-	-
<b>As at 31 March 2023</b>	<b>27,522</b>	<b>18,573</b>	<b>218,281</b>	<b>264,376</b>
<b>Depreciation/Amortisation</b>				
As at 1 April 2022	(27,522)	(18,573)	(214,331)	(260,426)
Charge for the year	-	-	(3,950)	(3,950)
Disposals	-	-	-	-
<b>As at 31 March 2023</b>	<b>(27,522)</b>	<b>(18,573)</b>	<b>(218,281)</b>	<b>(264,376)</b>
<b>Net book value</b>				
<b>As at 31 March 2023</b>	-	-	-	-
<i>As at 31 March 2022</i>	-	-	3,950	3,950

The above fixed assets are used to support all of CFG's activities. As at 31st March 2023, CFDG Trading Ltd had no fixed assets.

### 8.1. Investment

	subsidiary No.	2023 Charity £	2022 £
At historic cost:			
Investment in Subsidiary-CFDG Trading Ltd	10,000	10,000	10,000
		<u>10,000</u>	<u>10,000</u>

Principal Subsidiary Undertakings	Registered in	Percentage	No. of £1
CFDG Trading Limited	England & Wales	100%	10,000

Company No: 06810640

Registered Office: 15-18 White Lion Street, London N1 9PG

9. Debtors	2023		2022	
	£	£	£	£
	Charity	Group	Charity	Group
Trade debtors	169,244	363,274	236,550	434,297
Bad debt provision	(5,831)	(52,162)	(3,668)	(59,417)
Deposits	11,410	11,410	11,410	11,410
Amounts due from subsidiary undertakings	200,160	-	28,569	-
Prepayments	129,563	129,563	104,678	109,096
Accrued income	-	-	34,402	34,402
	<u>504,547</u>	<u>452,085</u>	<u>411,941</u>	<u>529,788</u>
<b>Short Term Deposits</b>				
Other debtors	<u>297,538</u>	<u>297,538</u>	<u>340,659</u>	<u>340,659</u>
	<u>297,538</u>	<u>297,538</u>	<u>340,659</u>	<u>340,659</u>

All amounts fall due within one year.

10. Creditors	2023		2022	
	£	£	£	£
	Charity	Group	Charity	Group
Trade creditors	17,871	17,871	78,711	78,771
Other creditors	32,127	32,127	19,627	19,627
Accruals	28,071	35,071	13,321	17,321
Deferred income	622,365	953,303	518,804	723,683
Amounts due to subsidiary undertakings	190,428	-	62,094	-
Bank loan- Current portion	12,041	12,041	200,000	200,000
Taxation and social security	-	-	-	-
VAT Control Account	49,501	49,501	(12,990)	13,053
Net Salary	-	-	(27)	(27)
Pension Contributions	3,865	3,865	7,445	7,445
	<u>956,269</u>	<u>1,103,779</u>	<u>886,985</u>	<u>1,059,873</u>

All deferred income brought forward at the beginning of the year was released to income during the year (2022: same). All deferred income relates to membership fees and event bookings in advance.

**Creditors falling due after one year**

Bank loan	30,306	30,306	50,000	50,000
	<u>30,306</u>	<u>30,306</u>	<u>50,000</u>	<u>50,000</u>

The loan listed above (2022: value £250,000) was provided by Social Investment Business FM Ltd, under the UK Government's Coronavirus Business Interruption Loan Scheme (CBILS). The loan term is 5 years; interest rate in year 1 was 9% and 7% in subsequent years; there was a 12 month repayment holiday; there are no early repayment fees. £200,000 was repaid in 2022/23.

11. Outline Summary of Fund Movements	Balance at 01/04/2022	Income	Expenditure	Transfer between funds	Balance at 31/03/2023
	£	£	£	£	£
<b>Restricted funds:</b>					
Small Charities Programme	7,046			(7,046)	-
	<u>7,046</u>	<u>-</u>	<u>-</u>	<u>(7,046)</u>	<u>-</u>
<b>Designated funds:</b>					
Fixed Assets Reserves	3,950		3,950		-
IFL Training	39,325	31,932	12,500	(32,000)	26,757
Qualification Training Contracts	15,000				15,000
Future investment	50,000				50,000
	<u>108,275</u>	<u>31,932</u>	<u>16,450</u>	<u>(32,000)</u>	<u>91,757</u>
<b>Unrestricted fund:</b>					
Free Reserves	158,497	1,482,753	1,502,400	39,046	177,895
	<u>266,772</u>	<u>1,514,685</u>	<u>1,518,850</u>	<u>7,046</u>	<u>269,652</u>
<b>Total funds</b>	<u><u>273,818</u></u>	<u><u>1,514,685</u></u>	<u><u>1,518,850</u></u>	<u><u>-</u></u>	<u><u>269,652</u></u>

Analysis of charitable funds - previous year

	Balance at 01/04/2021	Income	Expenditure	Transfer between funds	Balance at 31/03/2022
	£	£	£	£	£
<b>Restricted funds:</b>					
Small Charities Programme	7,046	-	-	-	7,046
Membership Bursary Fund	26,448	(26,448)	-	-	-
	<u>33,494</u>	<u>(26,448)</u>	<u>-</u>	<u>-</u>	<u>7,046</u>
<b>Designated funds:</b>					
Fixed Assets Reserves	61,165	-	57,215	-	3,950
IFL Training	27,137	35,717	13,259	(10,270)	39,325
Qualification Training Contracts	15,000	-	-		15,000
Future investment	-	-	-	50,000	50,000
	<u>103,302</u>	<u>35,717</u>	<u>70,474</u>	<u>39,730</u>	<u>108,275</u>
General funds	224,187	1,268,251	1,294,211	(39,730)	158,497
	<u>327,489</u>	<u>1,303,968</u>	<u>1,364,685</u>	<u>-</u>	<u>266,772</u>
<b>Total funds</b>	<u><u>360,983</u></u>	<u><u>1,277,520</u></u>	<u><u>1,364,685</u></u>	<u><u>-</u></u>	<u><u>273,818</u></u>

## 12. Related party transactions

During the year ending 31 March 2023, the charity charged its subsidiary £141,265 for management fees relating to CFDG Trading Ltd's activities (2022: £158,979). CFDG Trading Ltd donated £256,627 to CFG from its profits (2022: £161,241). There were no other related party transactions. As at 31 March, the balance due from CFDG Trading Ltd to CFG was £9,732 (2022: £33,525 balance due to CFDG Trading Ltd from CFG).

In addition, the following related party transactions are noted with the following trustees:

Avtar Boparai	Director of CFDG Trading Ltd
Kevin O'Brien	Director of CFDG Trading Ltd
Kelly Ryder	Finance Manager, The Orchard Trust (£1,370.50)
Kerry Shea	FD, Everybody Health and Leisure (£1,343.00)
Mwiza Mkandawire	Head of Finance, Transaid Worldwide Services (£807.00)
Saf Rahbour	Independent Audit Committee Member, UNICEF UK (£2,025.00)
	Director of Finance & Operations, Tropical Health and Education Trust (£430.00)

## 13. Summary of Assets and Liabilities by Fund

Current Year	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Intangible Fixed Assets	-	-	-	-
Tangible Fixed Assets	-	-	-	-
Current Assets	1,311,980	91,757	-	1,403,737
Current Liabilities	(1,103,779)	-	-	(1,103,779)
Long-term Liabilities	(30,306)	-	-	(30,306)
<b>Totals</b>	<b>177,895</b>	<b>91,757</b>	<b>-</b>	<b>269,652</b>

Prior Year	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Intangible Fixed Assets	-	3,950	-	3,950
Tangible Fixed Assets	-	-	-	-
Current Assets	1,291,415	104,325	7,046	1,402,786
Current Liabilities	(1,082,918)	-	-	(1,082,918)
Long-term Liabilities	(50,000)	-	-	(50,000)
<b>Totals</b>	<b>158,497</b>	<b>108,275</b>	<b>7,046</b>	<b>273,818</b>

## 14. Events after the reporting period

### i) Adjusting events

There are no adjusting events that took place after the reporting period.

### ii) Non-adjusting events

There are no non-adjusting events that took place after the reporting period.

## 15. Comparative statement of financial activities

For the year ended 31 March 2022

(incorporating the income and expenditure account)

	Notes	Unrestricted Funds £	2022 Restricted Funds £	Total Funds £
<b>INCOME FROM:</b>				
<b>Donations and legacies</b>		127,312	(26,448)	100,864
<b>Charitable activities</b>				
Develop skills, learning, knowledge & practice		735,786	-	735,786
Inspire financial leadership		252,944	-	252,944
Encourage a supportive environment		68,416	-	68,416
<b>Other trading activities</b>				
Fundraising events		3,000	-	3,000
<b>Investments</b>		148	-	148
<b>Other</b>		116,362	-	116,362
<b>TOTAL INCOME</b>		<b>1,303,968</b>	<b>(26,448)</b>	<b>1,277,520</b>
<b>EXPENDITURE ON:</b>				
<b>Raising funds</b>		28,392	-	28,392
<b>Charitable activities</b>				
Develop skills, learning, knowledge & practice		759,975	-	759,975
Inspire financial leadership		269,691	-	269,691
Encourage a supportive environment		306,627	-	306,627
<b>TOTAL EXPENDITURE</b>		<b>1,364,685</b>	<b>-</b>	<b>1,364,685</b>
<b>NET INCOME / (EXPENDITURE)</b>		<b>(60,717)</b>	<b>(26,448)</b>	<b>(87,165)</b>
<b>TOTAL FUNDS BROUGHT FORWARD AT 1 APRIL</b>		<b>327,489</b>	<b>33,494</b>	<b>360,983</b>
<b>TOTAL FUNDS CARRIED FORWARD AT 31 MARCH</b>		<b>266,772</b>	<b>7,046</b>	<b>273,818</b>

## 16. Lease commitments

The Charity is exercising the break clause to exit the lease on its offices at 15-18 White Lion Street, London, in November 2023 and the lease commitment within 1 year is £49,534.









# CFG Accounts 2022-23 - FINAL

Final Audit Report

2024-01-31

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**THE CHARITY FINANCE GROUP**

England & Wales - Charity number 1054914

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# Accounts

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# Leading the Way for our community

## Charity Finance Group Annual Report and Financial Statements 2021/22

Registered Company number: 03182826

**The Charity Finance Group (CFG) exists to develop a financially confident, dynamic and trustworthy charity sector.**

CFG is the charity that inspires a financially confident, dynamic and trustworthy charity sector. We do this by championing best practice, nurturing leadership and influencing policy makers.

Our 1,500 member charities, including members from our partner associations, turn to us to develop their finance management knowledge and skills. Collectively, these charities manage more than £20bn of funds or a third of the entire UK charity sector's income.

For more information, please visit: [www.cfg.org.uk](http://www.cfg.org.uk)

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## Why Charity Finance Group exists

Our aim is to maximise charities' positive impact on those they serve through improving the effectiveness of financial management.

To achieve this impact and objects, our work is focused on achieving three main outcomes:

### OUTCOME 1

Well-developed skills, learning, knowledge and practice

### OUTCOME 2

Effective governance and leadership, with finance at the heart of it

### OUTCOME 3

A supportive and understanding operating environment

## A message from our Chair and CEO

At the time of writing last year's annual report, we already knew the pandemic would not be transitory. Indeed, we predict that we will be living with Covid-19 and its aftereffects for some significant time to come. Alongside this, we now face a number of other significant challenges: war in Ukraine, energy price explosion, high inflation, political turmoil and a cost of living crisis.

These are all matters of such magnitude that to describe them as 'a perfect storm' would seem wholly inadequate. At what point does continual and unprecedented change become the new state of being? Is this our 'new normal'?

It's essential that we do not become desensitised by the enormity of these. As charities, individuals, communities and as a sector, we must not allow ourselves to be distracted from our purposes. And we must not give way to the notion that the difference we make is insufficient.

It is against this backdrop that we reflect on CFG's past year of activities and share with you some of the highlights in this annual report. Despite the wider operating challenges we've faced, and still face, we continue to make a positive difference.

During the pandemic, changes in our communications were driven at speed. In this financial year, we have focused even more keenly on what being digital first means for CFG and our community. You can read more on that later in this report.

We also recognised that the Covid-19 pandemic had taken its toll on our staff and wider stakeholders. So, we have sought out new ways to energise our community, and boost our sector and, vitally, support the wellbeing of our staff.

CFG's finances are still challenging, but we are confident that not only will we survive and rebuild, but that the investments we have made will transform our systems, improve our ways of working and create new opportunities to support even more members and partners.

Together, we are continuing to lay the groundwork for further adjustments, to ensure we are prepared for whatever the world throws at us next. And we couldn't have done this without you. We extend our thanks to every member of the CFG community:

Our charity members who make up this vibrant and supportive community, and astound us daily with their passion, sense of purpose, insights and generosity of spirit.

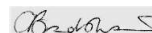
Our corporate partners who, yet again, generously shared their expertise and resources, ensuring the quality and timeliness of our offer remains leading class.

Our CFG trustees, volunteers and staff who work so hard to make so many incredible conversations, connections and experiences happen, every day for our members and partners.

And our gratitude extends to the foundations that have supported us with vital funding when we needed it most. Thank you.



Gary Forster, Chair



Caron Bradshaw, CEO

## Strategic goals for 2021 and beyond

Our three main areas of leadership focus for the year 2021 and beyond are:

- 1. Be the 'go-to' body**
- 2. Promote and support financial leadership at all levels**
- 3. Use our position to convene powerful networks**

### **1. Be the go-to body**

Our priority is to maintain our position as a trusted and respected source of guidance across the UK charity sector on strong financial management, as well as governance and broader management issues, that will determine financial security.

We draw on our expertise and stature to be a bold, brave and confident advocate for the sector, both in partnership with other sector bodies and as an individual organisation. CFG also draws upon its learning and experience to continually improve.

We strive to be an 'exemplar' organisation and share, where relevant, our own knowledge and experience, recognising that we have common purposes and experiences with our members.

### **2. Promote and support financial leadership at all levels**

CFG promotes and supports the development of financial leadership skills of individuals working within the charity sector, irrespective of their background or career stage.

We strive to be relevant and inclusive of all those who wish to develop their financial skills, whether it be for the benefit of their organisation, their own professional development and/or the wider sector.

### **3. Use our position to convene powerful networks**

We use our position as a membership organisation to bring together different groups within and with the sector. CFG connects individuals and organisations so that they can:

- Support each other's learning and knowledge, leading to great social impact
- Position finance at the heart of decision making, to drive effective governance and sustainable operations
- Inform, instigate and shape better policy (regulation and legislation) and enhance public understanding in order to nurture a supportive environment

## Meeting and reporting on public benefit

The Trustees confirm they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

As volunteers, the Trustees do not receive any private benefit from being on the Board of Charity Finance Group.

As of March 2022, there were 169,000 charities in England and Wales registered with the Charity Commission, plus many more exempted or excepted charities and a host of voluntary organisations, community organisations, social enterprises and faith groups which share a commitment to social purposes. These charitable organisations work across a range of issues providing help to the vulnerable, delivering social change and making the world a better place to live.

To work effectively and achieve the greatest impact for their beneficiaries and communities, they need to be financially well-led and managed.

Through good financial management and leadership, charities can make the best use of their resources. This enables them to better achieve their charitable purposes. This is accepted across the charity sector and by regulators.

Charity Finance Group provides public benefit by carrying out activities and providing services which improve financial management and leadership in the charity sector. We deliver a range of training, guidance and support for charity staff and trustees.

We also work to improve the operating and regulatory environment for charities so that they can carry out their missions effectively. We inspire different thinking about finance and its importance to charities' work.

By helping charities to improve their financial management and performance, we improve the effectiveness of charities, thereby supporting millions of beneficiaries in the UK and around the world.

Improving the work of charities and helping their sustainability in a volatile and often unpredictable environment, we deliver significant public benefit.

This report shares many of CFG's activities and achievements during the year, as set against our strategic aims and our plans for 2021/22.

## Financials at a glance

	Total income (2022)	Total income (2021)	Total income (2020)	Total expenditure (2022)	Total expenditure (2021)	Total expenditure (2020)
Outcome 1: Develop skills, learning, knowledge and practice	735,786 (+21%)	610,165 (-39%)	999,547 (-8%)	759,975 (+6%)	716,404 (-34%)	1,084,060 (+2%)
Outcome 2: Inspiring financial leadership	252,944 (-29%)	356,669 (-18%)	435,059 (+2%)	269,691 (-16%)	322,638 (-11%)	363,290 (+7%)
Outcome 3: Encourage a supportive environment	68,416 (+17%)	58,569 (-35%)	90,437 (-15%)	306,627 (-2%)	313,008 (-11%)	350,681 (+21%)

## Performance at a glance

### CHARITY MEMBERSHIP

	Year 2021/22	Year 2020/21	Year 2019/20	Difference
Number of charity members	1,499	1,493	1,451	+6
CFG reach (number of individuals)*	4,752	5,349	5,489	-597
Midlands reach*	546	185	188	+361
Northern reach*	598	264	223	+334
South west and Wales reach*	573	222	218	+351
London and south east reach*	3,035	822	822	+2,213
Number of helplines	7	7	6	-
Number of Special Interest Groups (SIGs)*	5	5	6	-
SIG engagement	377	Data not previously collected	Data not previously collected	Data not previously collected
Online support forums**	2	Data not previously collected	Data not previously collected	Data not previously collected

### DATA AND DATA ANALYSIS IN 2021/22

\* In 2021/22, we took the decision to focus on engagement and measure the number of actively engaged individuals across each of our charity members. To do this we have made changes to the way we gather and analyse data and in 2021/22 we undertook a cleansing of our data. Therefore, there has been a drop in the number of contacts on our database during the year, despite the number of individual charity members remaining stable. The way we analyse data by region has also changed and therefore the 2020/21 and 2021/22 figures are not comparative. In time, we expect to see an increase in the number of individuals we're engaging with.

\*\* CFG established two new online support forums in 2021 – a group for Finance Leaders, for those new to the sector and those wanting to share their support and knowledge, and one for ARTS for those working in the arts sector.

## CORPORATE MEMBERSHIP

	Year 2021/22	Year 2020/21	Year 2019/20	Difference
Corporate members	109	102	127	+7
New corporate members	25	11	16	+14
Exhibitors at events	8*	29*	76	

\*This is the number of all exhibitors, but for one event only – our online Annual Conference 2021. Exhibitors were not able to attend other events during the lockdown and therefore we cannot make a fair comparison. However, we are delighted that by the end of March 2022, more than 18 organisations had booked to exhibit. In total, 41 exhibitors, not including sponsors, were present at the 2022 Annual Conference in June. This figure will be included in next year’s annual report.

## EVENTS AND TRAINING

	Year 2021/22	Year 2020/21	Year 2019/20	Difference
Total number of events	30	29	77	+1
Number of conferences	12	9	13	+3
Annual Conference attendees (all)	422	417	521	+5
Total number of delegates at CFG events	2,860	1,848*	3,010	+1,012
South west and Wales Conference	0*	0*	61	-*
Northern Conference	0*	0*	54	-*
Midlands Conference	0*	0*	55	-*

\*As above, due to government restrictions, we were unable to hold regional, in-person events in 2021. The figures above reflect this change in delivery method and the impact on delegate and exhibitor numbers. CFG organised, convened and led on numerous informal meetings that provided opportunities to network, share intelligence and work on topic-specific issues.

## MEDIA AND OTHER SERVICES

	Year 2021/22	Year 2020/21	Year 2019/20	Difference
Twitter followers	11,573	11,418	10,700	+155
Greatest reach (Top tweet)*	40,651	38,068 impressions	Data not collected	+2,583
Website total page views	91,847	79,845*	273,181	+12,002
Website unique page views	68,279	60,691*	211,658	+7,588
New service - Number of webinars	7	9	17	-2

## FURTHER COMMENTARY

### MEMBERSHIP

CFG's membership renewals process underwent a change in emphasis in mid-2021. This development continued into 2022, with an ongoing focus on improving data capture and improving communications. This meant that the renewals process was significantly shorter, saving weeks of staff time in processing and follow-up especially during our main renewals period in April/May. By automating and streamlining the renewals process we have been able to spend time speaking to our members, focusing on their needs, and actively engaging them in CFG membership.

### EVENTS AND TRAINING

Our events and training programme continued to be delivered online during 2021/22. This delivery model and the impact of further lockdowns led to a scaling back of larger events, the organisation of many smaller, more regular events for members and the cancellation of regional, in-person events. Online delivery meant that geography no longer acted as a barrier to accessing CFG events and training, improving accessibility for many.

### MEDIA

Once again, we increased our social media reach in 2021/22, with new followers and a growing audience. Last year, we included data on our greatest one-off reach with social media posts. This is useful in understanding our potential reach to external audiences.

The two-phase website improvement project we mapped out at the end of 2020 began mid-2021 and phase 1 was successfully completed by January 2022. Phase 2 began in February 2022 and was completed in June 2022. These improvements mean that we can more efficiently collect and analyse data, providing more in-depth data on visitor behaviour. The improvements have also provided us with the digital building blocks we need to deliver more content to members and our other stakeholders. This in turn gives us more opportunities to work with our charity members and corporate partners. More on this in the forthcoming 2022/23 annual report.

[View our 2020/21 Trustees' Annual Report.](#)

## Report of the Board of Trustees

### 2021/22 AIMS – PROGRESS SUMMARY

It has been another busy and challenging year for CFG, our members, partners, and the wider sector. In April 2021, we were still trying to make sense of the Covid-19 crisis – what it meant for us as an organisation, those we exist to serve and the wider sector and society.

In the previous year, the pandemic pressed pause on many activities, within the sector and also within government. In 2021/22, we saw many of those activities resume and a sense that we were heading back to 'business as usual'. Work continued apace on many of the activities we had brought forward, such as the drive to becoming 'digital first' and new, exciting projects launched.

Our relentless focus on providing members and partners with the support and opportunities they needed during the year continued. Our achievements were underpinned by sound financial management, as well as investment in our organisation's systems and processes, many of which had dramatically changed in the previous year because of the pandemic.

Our achievements were also underpinned by the commitment of our staff and volunteers. At the beginning of 2021, as we looked ahead to another year of uncertainty and the threat of a second lockdown, we could see the toll that the pandemic had taken on people working in the charity sector.

In January 2021, a [survey by Third Sector](#) showed that more than nine out of ten charity workers said they had felt stress, overwhelm or burnout. Many had put in extra hours to ensure their charity's sustainability and stability. There was little doubt that the sector was starting to feel the effects of moving at pace for long periods to keep providing public benefit. For many charities, this level of delivery was achieved against all odds and a backdrop of increasing demand and decreasing funds.

This 'burden of effort', as [a study by Pro Bono Economics](#) described it later in the year, led to 75% of charity leaders reporting their concerns for other paid staff. The watchword was 'burnout'. Nearly half of those leaders had similar concerns about their volunteers.

This was not lost on anyone at CFG. As the 2021/22 financial year came round, it became clear that CFG was not immune to stress and burnout. We wanted to do more, not only to directly address the 'wellbeing gap', but to shape an inclusive culture and environment where all staff could thrive and be the best versions of themselves.

We recognise that our people are our main stakeholder group – a high power, high interest group. If we cannot invest in their wellbeing, growth and development, then we undermine all that we are trying to deliver and achieve. We refocused on our culture, brand and people.

Through this work we have gone 'back to basics' and invested in the systems and processes we need for the 21<sup>st</sup> century. As a result, we've increased and improved the opportunities and support we provided to members and partners.

It is thanks not only to our staff, but also to our volunteers, charity members, corporate partners and sector partners that we have so much positive news to report in this 2021/22 Trustees' Annual Report.

## How did we do?

### BE THE GO-TO BODY

OUR STRATEGIC GOAL	KEY ACHIEVEMENTS/ OUTPUTS	WHAT WE'VE LEARNED
<p><b>Be the go-to body</b></p> <p><b>Be the go-to body</b> CFG is the most trusted and respected source of guidance in the UK on strong financial management as well as the governance and broader management issues that will determine financial security.</p>	<p>Played a pivotal role in the development and launch of the newly formed Civil Society Group and has been instrumental in piecing together a strategy and plan for future work.</p> <p>Led the sector's response to CSR/Budget, and also led the sector's response to the various fiscal events, working closely with other bodies.</p> <p>CFG's CEO was part of the sector's engagement with DCMS.</p> <p>Continued to work on SORP engagement and the revision of the SORP. The CEO remained a committed member of the SORP Committee.</p> <p>Supported the IFR4NPO project as UK country champion.</p> <p>Submitted a number of responses to important consultations on charity finance subjects like the future funding of DB schemes (The Pensions Regulator).</p>	<p>Collaborating in constrained times makes better use of resources.</p> <p>CFG's expertise in financial matters is trusted but we need to focus on securing better data for the sector to make the case for a resilient and sustainable funding model.</p> <p>When we work together it is possible for the narrative assigned to the sector to be changed positively.</p> <p>There is demand for our input from beyond our existing members.</p>

PROMOTE AND SUPPORT FINANCIAL LEADERSHIP AT ALL LEVELS

OUR STRATEGIC GOAL	KEY ACHIEVEMENTS/ OUTPUTS	WHAT WE LEARNED
<p>Promote and support financial leadership at all levels:</p> <p>CFG promotes and supports the development of financial leadership skills to individuals working in the charity and social change sector irrespective of their background or career stage.</p>	<p>Delivered an online Annual Conference over four days, with nearly 70 speakers with 44 speaker presentations and ‘clinics’ providing thought leadership, technical support and consultancy from our corporate partners, sponsors and exhibitors.</p> <p>Conducted a range of online member meetings, covering a wide selection of topics, some sector-specific and others on core topics and Covid-19 related themes.</p> <p>Deepened our understanding of member need across our Special Interest Groups (SIGs), as well as providing space for networking and knowledge sharing.</p> <p>Successfully transferred our flagship <i>Inspiring Financial Leadership</i> course with partners Sayer Vincent and Centre of Charity Effectiveness (at Bayes) online.</p> <p>Continued to deliver an innovative approach to mentoring with the virtual format, removing geographical barriers to participation.</p> <p>Launched <i>The Finance Journey 2.0</i>, the second edition of our team and individual development tool.</p> <p>Offered bursaries for smaller charities and supported BAME and BAME-led organisations through IFL bursaries.</p>	<p>The demand and need for technical, professional and personal development remains high.</p> <p>This seems certain to remain a core part of our offer and content.</p> <p>The need for wider transformational skills and business recovery/turnaround skills is growing.</p> <p>We have a real opportunity to use the refreshed <i>Finance Journey</i> to support organisations and finance leaders to develop effective and transformational finance functions.</p> <p>Participation continued to increase in some areas as a result of easy digital access. As a result, our digital systems and processes require flexing and updating and we need to ensure that they are fit for a more online world.</p>

## USE OUR POSITION TO CONVENE POWERFUL NETWORKS

OUR STRATEGIC GOAL	KEY ACHIEVEMENTS/ OUTPUTS	WHAT WE'VE LEARNED
<p><b>Use our position to convene powerful networks; to bring together different groups within and with the sector to:</b></p> <p>a) support one another's learning and knowledge leading to greater social impact</p> <p>b) position finance at the heart of decision making (driving effective governance and sustainable operations), and</p> <p>c) inform, instigate and shape better policy (regulation and legislation) and enhance public understanding of charities so that charities operate in a supportive environment.</p>	<p>Continued to lead the Finance and Funding Group of the infrastructure coalition (alongside CIOF) and the corresponding DCMS working group on Finance. The Infrastructure coalition developed into The Civil Society Group with CFG taking a lead role.</p> <p>Grew our lively discussion/enquiry group which members described as a lifeline during Covid-19.</p> <p>Attracted more followers to our social media channels, helping to diversify and grow our networks and communities online.</p> <p>Increased our number and diversity of corporate partners.</p> <p>Offered some tailored affinity deals and brought charities and corporate partners together.</p>	<p>The ability to bring together our corporate and charity members to tackle problems and co-create possible solutions was evident in our work, for example responding to The Pensions Regulator on the DB Funding Code proposals.</p> <p>This method enriches both our experience and the understanding of our partners and was successful in opening a channel of communication with The Pensions Regulator which should ultimately benefit charities and those we serve in a resource efficient way.</p> <p>CFG is very well-placed to bridge different industries and sectors, but we are not always well-known outside of the charity and non-profit sector. We need to build on the connections we have already made.</p>

## Read all about it!

### Leading the way for our community

By Caron Bradshaw OBE, Chief Executive Officer, Charity Finance Group

This year marked an interesting and, in many ways, an exciting point in CFG's history. Like so many organisations, we were caught in a strange hiatus. We were still experiencing a global crisis and pandemic, but we were no longer managing an emergency. In 2021/22, CFG was primarily focused on achieving three things:

1. **Stabilising** the organisation, and the sector as a whole.
2. **Energising** our people, our stakeholders and our wider community.
3. **Preparing** for whatever was going to come next.

#### Stability and transformation

This year, we've had to strike a balance between stabilising the organisation post-pandemic, whilst, at the same time, exploring and cementing new ways of working, and continuing to deliver support to our members, partners and wider stakeholders.

We knew that it was vital to look ahead and make sense of what came to be described as the 'new normal'. In looking at how to futureproof our organisation, we were asking many of those questions common to our members: 'Do we keep the physical office?' and 'Should we return to holding face-to-face meetings and events? If so, when?'

Then there were those questions which we're always asking ourselves, but in 2021/22 had a slightly different complexion: 'How do our members and partners want to engage with us?' and 'What do they need to make sense of this altered political and financial landscape?'

One of the areas we've had to focus on much more keenly is our digital processes and systems. In 2020, our digital transformation was supercharged and, as we moved from emergency to crisis mode, we took the opportunity to pause and really examine what was working, what wasn't and what needed to improve.

Much of the work that came out of this was foundational – ensuring that we were putting in place the right building blocks for future development. And, as is always the case with technology, that work is ongoing.

#### A legacy of partnership

Collaborative working has been a positive part of the pandemic's legacy. In our previous annual report, 'The Power of Partnerships', we looked at the importance of further close working with organisations and individuals. CFG has been instrumental in setting out the next phase of collaboration within the wider sector and has played a leading role in the formation of the new Civil Society Group.

This work not only strengthens each of the collaborating organisations but, importantly, it also ensures that our sector continues to speak up with one clear, impactful voice where we can, and celebrate the differences in views when we cannot. I'm proud of CFG's contributions to this work. Together, we are able to have more informed and fruitful discussions with government, key policymakers and the media.

#### Putting people first

The crises we have faced, and continue to face, have led people in the sector to question their purpose and reimagine how they want to live and work. It's no secret that many people have been experiencing

burnout. And there is now a very real danger that, as the cost of living crisis bites deeper, people will leave their purpose-driven jobs in search of greater financial reward elsewhere.

CFG is acutely aware of the toll these crises have taken on our staff, stakeholders and wider community. And we understand the risk that poses too. This year, we took strides to invest in our greatest asset – our people. This work began with a survey to better understand the thoughts and feelings of staff and how they felt at work. From this, we honed in on developing and nurturing a culture and working environment that is diverse, inclusive and, importantly, I feel, enjoyable!

This year, we worked together as a whole team to truly understand and shape CFG's values. And we have undertaken to invest in more training and staff development. Is it worth it? Yes, it absolutely is. Is it necessary? I think it's essential. And do we always get it right? Of course we don't, but our commitment right across the organisation is unquestionable.

#### **Building resilience, ensuring effectiveness**

This year, we have had tremendous support from several foundations who gave us emergency funding to bridge the financial gap. And, although we ended the year with a sizeable deficit, it is one that is manageable and survivable. Unlike many other charities, we did not see a complete hollowing out of our reserves. They are seriously reduced but we had, and still have, the opportunity to invest in rebuilding our resilience and in new activities that support our charitable objectives.

This work included the successful delivery of a second online annual conference where, thanks to our sponsors, we delivered four full days of rich, high-quality content to more than 400 members and partners.

During the year, we were able to offer two new bursaries. The first, launched with

generous support from Garfield Weston, meant that we welcomed nearly 200 small charities into membership whilst covering their membership fees.

The second bursary supported BAME and BAME-led organisations by providing them with free access to our flagship leadership training course, *Inspiring Financial Leadership*. This was thanks to the support of our course partners, Bayes Business School Centre for Charity Excellence and Sayer Vincent.

Our other exciting launches included 'The Finance Journey 2.0'. This development tool for charity finance teams and individuals saw an important update in 2021, thanks to a brilliant team of volunteers and staff, led by Simon Hopkins. We are looking forward to developing this tool further still in the year ahead, so watch this space!

On top of this new work, our 'drumbeat activities' continued with the same energy and enthusiasm as in previous years. We had another very successful Gift Aid Awareness Day in October and continued to support other campaigns. We responded to a plethora of government consultations and led on current topics such as net zero. It's important that we remember and celebrate these successes and I hope this annual report will give you a good flavour of those highlights.

As we look ahead, it is both scary and exciting. My granny used to say that the physiological response to fear and excitement is the same; it's just your mindset that makes it different.

So, I'm confident that in 2021/22 we have built the foundation that will help us face into those challenges in the same way we have done before – with energy, optimism, and hope. And, of course, we will be armed with our shared values of **support, dynamism and integrity**.

Thank you for being a part of this journey.

## Case study: Creating a supportive space for finance leaders

**“Charity finance can be scary. The operating environment and regulations can change quickly and for those coming into it from another sector, it can be daunting.”**

When Jon King left his role at Kent University to join the Social Care Institute for Excellence (SCIE) as Head of Finance and Corporate Resources, he was acutely aware that he was facing a new set of financial and technical challenges, as well as a new sector with its own regulatory framework.

“I joined SCIE in August 2021, having spent almost 18 years working in a variety of finance roles at the University of Kent,” explains Jon.

“During my tenure there, I was very lucky to have a large support network which included being chair of a finance special interest group, where my group could tackle strategic financial issues and share best practice.”

Joining Charity Finance Group was the first step in Jon’s search for similar professional support. He says: “Being new to this sector, it was very important to me to feel supported, to be able to bounce ideas off colleagues who have perhaps experienced similar issues and, in turn, share advice and support where I could too.

“I knew that CFG provided a range of resources and tools, through the magazine, the CFG website and so on. When I spoke to the team, I realised that there could be even more support.”

Following conversations with CFG’s membership team, Jon hit upon the idea of establishing a group for finance leaders new to the charity sector. And in

December 2021, CFG launched the Charity Finance Leaders group to provide a dedicated space for finance professionals looking for support.

The idea was to bring together professionals from smaller charities, to share knowledge and resources, and connect with their peers.

The group instantly took off and has grown steadily in the past year. Finance leaders from more than 25 charities from across the UK now meet regularly to share their best practice, discuss tricky issues and scan the horizon.

Jon continues: “Sometimes you just want to be able to ask a silly question without feeling like it is a silly question. So, it’s a support group where you’re not judged.

“Many of us in the group are at a similar place in our finance journey and we cover a wide range of topics. It has been brilliant so far, really exciting and very rewarding.

“I would like to give a special mention to the membership team, and Zoe Bennett [Senior Membership and Insight Officer, CFG] in particular, because without her I’d be lost. She has given the group so much time and support.”

The group holds regular meetings online and uses an online discussion forum where members can post questions as and when they arise. Jon says the group’s expertise is diverse and growing, but there’s always room for more!

“We are always looking to welcome new members to the group. The more we are, the more we can help each other to flourish and grow.”

## **CFG NEWS AND HIGHLIGHTS SPRING 2021 (Q1)**

### **Overseas aid budget cuts spark outcry**

CFG joins with international development charities, including the Small International Development Charities Network to speak up against the government's "devastating" 80% cuts to the international aid budget.

### **CFG celebrates Mentoring Scheme success**

On the second anniversary of its launch, CFG celebrates its Mentoring Scheme, which continues to go from strength to strength. CFG's team looks to its future, setting down the foundations to welcome even more charity finance professionals into the peer mentoring network.

### **CFG bursary boosts small charities**

Thanks to generous support from Garfield Weston, CFG launches a new membership bursary to cover the cost of membership for 200 small charities. The bursary gives those small charities adversely impacted by the Covid pandemic the opportunity to join CFG membership for one year and access all the support, events and resources available through membership.

### **CFG marks Mental Health Awareness Week**

CFG staff, members and partners take time out to mark Mental Health Awareness Week 2021. This year's theme is 'nature' and CFG staff share what they've done to reconnect with nature and improve their mental health and wellbeing. In advance of the awareness week, the team talks to mental health charities and shares their advice and ideas for improving wellbeing at work.

### **Queen's Speech and what it means for charities**

CFG reports on the Queen's Speech and how it will impact charities. The bills affecting CFG members included the Charities Bill, the Subsidy Control Framework Bill and the Dormant Assets Bill. The Charities Bill legislates for the proposals outlined in the Law Commission's review on technical issues in charity law. CFG responded to each of the consultations before the bills were announced and noted positive changes, including the unlocking of almost £880m for social and environmental initiatives.

## People and processes: the key to stability

By Rui Domingues, Director of Finance and Operations, Charity Finance Group

In early 2021, we began to look ahead to make sense of the landscape post-Covid-19. As restrictions began to lift we could start to think about our priorities for the future, as well as what we needed to do to rebuild our finances and ensure we were once again on a sustainable footing.

For the finance and operations directorate, it meant primarily focusing on three things – our people and CFG as an employer; our infrastructure, facilities and systems, from the office through to the technology we use; and, of course, ensuring we remained financially sustainable and secure.

### Our finances and infrastructure

We came into the year with a significant deficit, but during the year we were able to halve that amount. That allows us to look towards rebuilding our reserves soon.

We accessed the Resilience and Recovery Loan Fund which provided us with a crucial safety net during the year. This loan, which we've now repaid in part, was in addition to the government support via Coronavirus Job Retention Scheme (CJRS), which meant that we didn't have to look to make any redundancies.

We also received generous grant funding during the year. This helped us through the worst of the pandemic. The grants, which totalled more than £100,000, allowed us to invest in new and improved systems and technologies, more fit for the virtual world that we continue to work in. This included greater investment in our website, and our virtual event tools and technologies.

Most significantly, however, the grant funding meant that we could provide even more support to our members. During the year we welcomed new charities into membership by developing a small charity bursary scheme, with the help of Garfield

Weston.

One of the big questions we had to answer during the year was what to do with our office. We knew that at some point we would re-open, and this prospect was positively welcomed by staff and other stakeholders. However, we needed to ensure that it was fit for purpose and well managed. Since reconfiguring the office, we have successfully sub-let part of it.

### Our people

The financial strain of the year is well-documented, and we've seen the longer-term impact of Covid-19 too. Going into 2021, we knew that our staff were exhausted and feeling the effects of working in new and isolated ways. This shift presented us with an opportunity to rethink how we engage with our staff and come together as teams.

Work to improve internal communications deepened during the year and this work is ongoing, alongside our work on values and culture. At the heart of it, we want CFG to be a great place to work and grow.

We were reading about and seeing across the sector the phenomenon that was dubbed the 'Great Attrition' or 'Great Resignation'. And we could see that the cost of living crisis that began to unfold in 2021 and 2022 would likely compound the challenges of staff retention.

At this point, I want to pay tribute to the team. During this challenging period, they continued to invest in their own personal learning, growth and development, and they undertook whole team training and development opportunities with enthusiasm.

This training programme was created by our HR Manager and covered a wide range of topics and skills. It has helped to deepen

our understanding of important issues around diversity and inclusion and has given us new insights into the work of our members and their communities.

The training has also given us the skills we need to better support, coach and feed back to one another, allowing us to have more meaningful conversations and find solutions more effectively. This has become more important than ever as we continue to work remotely.

The team has also worked to embed CFG's new organisational structure along with new processes and systems. This has allowed us to respond and communicate more efficiently, not only internally, but with our members and other stakeholders.

### **The challenges ahead**

We have come a long way during this financial year, having improved our financial position and invested in our people, processes and activities.

It cannot be underestimated just how tough this financial year has been and we remain cognisant of the cost of living crisis and increasing rates of inflation. This poses a threat to the financial health and the wellbeing of the organisation – and our people, members and wider communities. But the steps we took in this financial year give us every chance of continued success and future growth.

### **Member support**

Alongside the support we've given to staff, we've looked to see how we can support our members too, particularly when it comes to providing grants for our programmes.

We're not out of the woods yet, but I'm again blown away by the way our members have renewed with us and new members have come on board, recognising the benefits and community that CFG provides for them.

Throughout this period of renewal and going back to basics, members continued to attend courses and events, renew their membership and work with us in increasingly collaborative ways.

We thank them for continuing to support us and seeing the value that we bring to them and to the sector more widely.

## CFG NEWS AND HIGHLIGHTS: SUMMER 2021 (Q2)

### CFG welcomes charity funding report

CFG welcomes the publication of the Commons Public Accounts Committee's report of their inquiry into the government's support for charities during the initial Covid-19 pandemic, to which CFG submitted evidence.

### Levelling up the UK's social needs

Charity think tank Think NPC publishes a report that shows the public think the most important aspects to an area being levelled up are reduced homelessness, reduced poverty (36%), lower levels of crime (34%), and lower levels of unemployment (32%). This is contrary to the government's approach of emphasising physical infrastructure as a means to levelling up.

### No bounce back for fundraising events

As the economy springs back to life, more than 50% of charities say they are pessimistic about events, with smaller charities being hit hardest. The results of the latest Covid Charity Tracker Survey, which is published by Pro Bono Economics, CFG and Chartered Institute of Fundraising, show that more than one in five charities have reduced their spending on fundraising.

### CFG publishes Charities Bill briefing

CFG joins with sector partners to produce a briefing paper on the Charities Bill. Written for Peers, the joint briefing paper will inform the second reading Committee Stage in the House of Lords. This important piece of work not only sets out the clauses of the Charities Bill that CFG supports but raises areas of concern on behalf of charities.

### Restoring Trust: CFG responds

CFG responds to a government consultation on restoring trust in audit and corporate governance. The consultation is part of government plans 'to strengthen

the UK's framework for major companies and the way they are audited.' CFG's response to the government's white paper and consultation has been submitted on behalf of CFG's charity members and is endorsed by 16 large charity and corporate members, including British Heart Foundation, National Trust, Great Ormond Street Hospital and Oxfam.

### Leading the Way: Annual Conference

CFG announces that HSBC Private Banking, Oracle NetSuite, Sarasin & Partners and SmartSimple are this year's CFG Annual Conference sponsors. As well as being the 2021 headline sponsors, HSBC Private Banking will present a session on how charities can lead the way in achieving net zero.

### CFG champions IFR4NPO project

CFG urges members to get involved in the second part of IFR4NPO's consultation on international reporting, following its own consultation submission to the IFR4NPO project.

### New bursary for BAME organisations

CFG launches a new bursary to give BAME and BAME-led organisations free access to CFG's flagship leadership training course. The bursary covers 15 places on the Inspiring Financial Leadership (IFL), run in partnership with Sayer Vincent and the Centre for Charity Effectiveness. Caron Bradshaw, CEO, comments: "Over the past 19 months, BAME communities have been significantly and disproportionately impacted by Covid-19 and this has increased the pressure on BAME-led charities. We're proud to be launching this new bursary scheme in time for the new IFL cohort to begin in October."

## Great values: the beating heart of charity

**CFG's HR Manager, Laura Millar, talks about the work CFG is doing to understand the charity's values and how these can drive the charity's work, ethos and wellbeing.**

### It starts with our values

Core values are the principles and beliefs that form the bedrock of an organisation's culture. They are an agreed set of words or statements that we all strive to work by, and they help us to understand what behaviours lead to success.

For us at CFG, our values shape identity, culture and brand. And they help us to understand not only *what* the charity wants to achieve, but *how* we set out to achieve it.

As we headed into the 2021/22 financial year, we realised that our values needed to be dusted off and shared once again with the whole team, not only for those who were new to CFG – and there were many new faces! – but for those longer-serving team members who had seen rapid change due to the pandemic and CFG's 2020 restructure.

But what were our values? Had they remained the same as those we had set out in 2018? Or were they different? And how should we start articulating them?

These were the questions we put to staff, with the help of an external consultant already familiar with CFG. This work presented a rare but important opportunity to come together as a whole team, to think about our core values and how they drive our behaviours and, ultimately, lead not to CFG's success, but the successes of our members, partners and the wider sector.

We soon learned that the process of determining our values was, in itself, really important for the team. Not only did it give everyone the chance to talk about what they believed our organisational values to

be; it gave us time to connect in ways we wouldn't have normally. For an organisation that was still working remotely in 2021, these were important and valuable interactions.

Over the course of several online workshops and follow-up conversations, we managed to tease out which values bind us and how they relate to the way we do things on a day-to-day basis.

### It takes time and thought

This work wasn't easy. It demonstrated that words mean many different things to different people, and it showed us all that words matter. Perhaps the most difficult part of this exercise was boiling down all our conversations to just three values and words, whilst trying not to lose their meaning and value.

For our values to have *meaning* we need to go further than simply agreeing them and understanding where they came from. For our values to *retain* their meaning, they need to connect with our daily working lives and the work that we do. They must be a rallying point for employees.

We're excited to share this work with you. We believe our values underpin who we are and who we aspire to be. Our values are the foundation of everything we do, ensuring that the way we **SUPPORT** our members and other stakeholders is driven by **DYNAMISM** and has **INTEGRITY** at its core.



## Deepening engagement, creating opportunities

By Sarah Lomax, Director of Commercial Services, Charity Finance Group

**2021/22 was my first full financial year in post and reflecting back we have much to celebrate.**

At the beginning of April 2021, we began our membership renewals process. This performed strongly, and we were delighted to see so many members renewing their membership, and new members joining up too.

We introduced a rolling membership model that allows us to be much more agile with our annual memberships, on both the corporate partner and charity member sides. From an engagement and commercial perspective, the move to rolling membership will benefit CFG and members in the longer term.

All members now benefit from a full year of membership. This seamless approach gives us more time to engage with members.

During the year, the Large Charities Special Interest Group was relaunched and our Mentoring Scheme went from strength to strength. We were also approached to provide SORP training for Charities Institute Ireland, cementing our reputation as the 'go-to' body for charity finance.

We were delighted to receive grants from Rank Foundation, Pears Foundation and Barrow Cadbury. Our Garfield Weston grant came to an end, with 196 small charities with income under £1m benefitting from the grant.

Also, during the year, we created a one-off bursary for our Inspiring Financial Leadership course for BAME-led organisations. And we launched the second edition of 'The Finance Journey' in October 2021.

These are all reasons to step back and reflect on our successes, but, of course, the activities don't stop there!

### **Delivering more for more members**

On the back of our success engaging more small charities with the Garfield Weston grant, we launched a small charities programme on our website that includes articles ranging from financial strategy and contingency planning to mental health and wellbeing.

We also set to work to produce a series of CFG guides for small charities, covering insolvency, gift aid, fraud, reserves just to name a few. If you are part of a small charity finance team, do check it out as we think you will find it useful!

The membership team has worked hard to deliver programmes and activities that help our members grow professionally and personally, and there has been a significant focus on the development of our special interest groups.

Through these groups, we have been able to offer more events, roundtables, webinars and discussion forums. The high engagement in these groups, and the connections that are being made, demonstrate the need to create even more spaces for our members to connect and grow in.

Since the pandemic our training courses have had to shift online, and although very powerful when delivered face-to-face, the virtual training sessions also continue to go from strength to strength and we are capitalising on that. We've welcomed participants from across the UK and it has enabled us to break down geographical barriers.

Seeing our training courses performing so

well digitally is fantastic. Another highlight is our series of technical update conferences that are held twice a year and attract well over 100 delegates each time. They are clearly popular with our members and fulfil their need for regular charity finance updates.

#### **Support when we needed it most**

Our flagship Inspiring Financial Leadership course, with our partners Bayes Business School and Sayer Vincent, has continued to be extremely popular and we were delighted to be able to offer BAME and BAME-led organisations the opportunity to join the course free of charge in 2021.

As Covid-19 restrictions were rolled back, it was challenging to stick to our approach of delivering our Annual Conference for 2021 in a digital, virtual format and balance different interests. Although the feedback from charity members favoured a digital event, many of our corporate partners were keen to return to a physical format.

We were delighted to work with HSBC as our headline sponsor of the Annual Conference in 2021, and we're grateful to all our sponsors and exhibitors for supporting our second digital Annual Conference. It was a huge success and received excellent feedback from delegates, speakers and supporters.

#### **Working together to build back better**

From a team perspective, we have been continuing to build our working relationships remotely, supporting each other with our endeavours and working towards projects that will benefit our members.

We have strengthened our engagement with charity members through our special interest groups, and with our corporate partners with an account management approach.

We have also been taking more time to understand and interrogate our data. The insights we have gained are helping us to

develop and shape our strategic and commercial thinking.

During the year, the directorate has put in place the building blocks for more and deeper engagement with members. They have scrutinised our processes and systems, from how we deliver digital events through to how we launch and develop new networks and groups.

By taking a fresh look at the ways in which we work and connect with one another, we've been able to ensure that what we deliver remains of high quality and is fit for the future.

#### **Where next?**

These are exciting times for CFG. Since spring 2022, we've been able to meet once again face-to-face. Our Annual Conference in June 2022 was incredibly exhilarating for all who attended (more on that in next year's Trustees' Annual Report!)

With the return to business as usual following the pandemic, we are once again looking at new opportunities to grow our membership and support even more organisations.

We are now looking to provide services in Scotland which we are very excited about. A number of CFG members and corporate partners are based in Scotland or have a presence there, so we are looking to develop those relationships and build our networks there. We continue to receive enquiries from charitable organisations in Scotland, so there is a clear demand for our services and support there.

We're really looking forward to getting out and about in the coming year, and connecting with even more members in more places!

## Case study: Reaping the rewards of membership

***“There’s always a good chance that you’ll meet someone through CFG who’s been through it before or is going through it at the same time.”***

At the heart of CFG’s mission is the desire to support charity finance professionals on their finance journey, by providing information, training, conferences and networking opportunities.

For Sharon Martin, CFG membership plays a vital role in her personal growth, as well as the smooth management of Born Free where she has been the Chief Financial Officer since May 2021.

Before joining Born Free, Sharon held similar leadership roles at Cats Protection and RSPCA – both significantly larger charities. Before that, Sharon worked at the Charity Commission.

“When you move into the charity sector, from another sector, or from a larger charity to a smaller one, as I have done, you don’t necessarily have the same level of resources and support at your fingertips.

“One of the biggest challenges you face is being in charge of your own learning. No one is going to do it for you, so you must be proactive in that. That’s why I was really keen to become a part of CFG when I moved to Born Free.”

One of the first specialist areas Sharon needed to get up to speed on at Born Free was leading and managing overseas operations. She explains: “This was my first big exposure to working with charities that also have bases and officers overseas, so that was a big, new learning curve for me.

“Being part of CFG and its overseas special interest group has really helped, particularly with an issue we’ve been

dealing with on the use of consultants that are employed overseas. It’s a very complex area and just getting in touch with other charities and hearing their experiences, which has all been facilitated by CFG, has been really, really helpful.”

But not only is it the big, complex issues that Sharon has felt supported with, it’s the smaller things too. Sharon continues: “I think one of the things the charity sector is really noted for is how well everyone works together and how collegiate it is. So, we might share a policy, and avoid reinventing the wheel. For smaller charities like Born Free that’s invaluable; you can save a lot of headspace and time.”

With the cost of living crisis starting to bite, and charitable organisations looking to do even more with a lot less, CFG provides space for charity leaders to connect and learn from one another. But there’s also another important benefit: “Getting specialist professional and legal advice can be expensive and there are always new issues popping up to deal with.

“And there’s always a good chance that you’ll meet someone through CFG who’s been through it before or going through it at the same time. I can save quite a bit of money too!”

## CFG NEWS AND HIGHLIGHTS AUTUMN 2021 (Q3)

### Charity sector optimism grows

More than one third of charities felt more positive about their situation between April and June 2021 when compared to the previous three months. The optimism comes despite 66% of charities saying that they face a hike in demand for their services, as well as staff shortages. The Covid Charity Tracker Survey, by CFG, Pro Bono Economics and CloF, shows the majority of charities said they did not expect to see job losses because of furlough ending.

### Charities urged to act on pensions

CFG and partners urge members to act to avoid the potential pitfalls of new pensions rules. The new regulations, expected to come into force in 2022, will change how charities and other employers fund their defined benefit pension schemes. The changes could mean that charities have less time to deal with shortfalls in their pension scheme and will have to increase annual contributions. Following collaboration with members and partners, CFG provided feedback to The Pensions Regulator on the new rules on behalf of charity members.

### Collaboration at heart of campaign

On Thursday 7 October, the sector took part in CFG's flagship campaign: Gift Aid Awareness Day. Hundreds of charities took to social media to urge donors to #TickTheBox. In a first for the campaign, CFG collaborated with a group of charities, large and small, to launch a short video to explain why ticking the box matters. The video receives more than 30,000 impressions on twitter on the day. Other activities on the day include a gift aid webinar with HMRC, a member helpline with Buzzacott and the launch of an updated edition of *CFG's Guide to Gift Aid*.

### Time to invest in social infrastructure

CFG and a coalition of 20 other infrastructure bodies, which represent thousands of charities across the UK, calls on government to urgently invest in social infrastructure to build back better. The group says that government must work more closely with civil society if it is to keep its promises on levelling up. In a submission to the Treasury's autumn spending review, the group sets out a series of recommendations, including a call to cancel the cut to Universal Credit.

### 'The Finance Journey' 2.0 launched

The second edition of the highly anticipated *The Finance Journey* is launched at CFG's Annual Conference. The publication is a tool for the development and leadership of charity finance teams and professionals. The new edition includes case studies and research from charities which set out how the model has been used in real-world settings. It also reflects the ongoing integration with CFG's flagship leadership course – *Inspiring Financial Leadership* (IFL), run in partnership with Bayes Business School and Sayer Vincent.

### CFG Annual Conference 2021 success

Helen Stephenson, CEO of the Charity Commission for England and Wales, got CFG's Annual Conference 2021 off to a flying start with a presentation on the Commission's work during the Covid-19 crisis and what it sees as the priorities for the regulator going forward. Stephenson looked at the effect of the pandemic on the sector, noting that around one quarter of the smallest charities (those with income under £10,000) stopped all services during the lockdown. However, Stephenson predicted that the worst was yet to come for charities as the after-effects of the pandemic and the cost of living started to take hold.

## Shaping policy and driving digital forward

By Dr Clare Mills, Director of Policy & Communications, Charity Finance Group

**It's exciting to be writing for the 2021/22 Trustees' Annual Report – the first in my new role as Director of Policy and Communications.**

I came into post in January 2022, towards the close of the financial year. We were still all feeling the impact of the pandemic, but we were excited about the coming year, and hopeful for a return to some normality, including our in-person events.

### **Policies and partnerships**

When I joined CFG I was already familiar with the charity's policy and communications activities. I had collaborated with my predecessor, Roberta Fusco, Caron Bradshaw and other members of CFG's team on the sector's joint campaigns, including #NeverMoreNeeded.

CFG's policy work is about influencing and horizon scanning. It's about knowing what's going on politically and economically, and understanding how that impacts our members, the wider charity sector and all those organisations that are purpose-driven.

Our members are charities, social enterprises, community and voluntary groups. They operate across all sectors, from health and housing to arts and culture, and their beneficiaries, members and communities are equally diverse.

To represent their interests and provide high-quality resources and opportunities, it's vitally important that CFG understands and shares what's coming down the line, whether it's a change in pensions rules or new charity regulation. Equally, we must keep abreast of the global and societal issues that affect our stakeholders, such as the cost of living crisis and net zero.

During the financial year, the team continued to work closely with policymakers, parliamentarians, sector and corporate partners and many more individuals and organisations on a wide range of policy-focused activities. This work was also supported by expert volunteers and consultants, to whom we are extremely grateful.

Our partnership working with other charity sector bodies and leaders, which was so crucial in 2020/21, continued in 2021/22, culminating in the launch of The Civil Society Group in November 2021.

The Civil Society Group brings sector leaders together to exchange information and ideas, and work together to build positive and effective relationships with government. It's a forum where we can speak with one voice when we agree or support each other when we take differing positions. Above all, it is a collaborative place where the value, contribution, impact and absolute necessity of a thriving charitable sector is at the heart of our work.

Our work on the effects of the Covid-19 pandemic continued, and this included the joint sector campaign on [gift aid emergency relief](#). Other notable areas of policy work included our support of the crucial IFR4NPO project. As UK country champion, we wholeheartedly believe in this exciting initiative to develop the world's first internationally applicable financial reporting guidance for non-profit organisations (NPOs).

One of our most significant pieces of policy work began in late summer 2021 when The Pensions Regulator launched its long-awaited consultation on draft changes to the Defined Benefit Pension Code. In

partnership with pensions consultants LCP LLP, we analysed the draft regulations, consulted with our members and submitted a response.

Other policy work included continued engagement on Charities SORP, with CFG being invited to be an engagement partner and convenor.

### **Driving digital first forwards**

In 2021, the team undertook a review of CFG's website to enhance the way we share and promote our content and improve our users' experiences. Following conversations with other CFG team members, charity members, corporate partners and trustees, a series of small but vital website projects launched.

The first of these aimed to make some fundamental changes to the structure of the website, to allow for more data gathering and smoother content delivery. The first round of improvements went live in January 2022 and, although many of these changes were set behind the scenes, they have meant that we can create more opportunities for commercial activities, such as website advertising and sponsored content delivery.

This work underpinned further improvements which culminated in the exciting launch of CFG's Knowledge Hub in June 2022. More on that in next year's Trustees' Annual Report!

Our work to improve our digital 'shop window' has been driven by our 'digital first' strategy. It's a phrase we hear a lot, but it can mean different things to different people.

So, what does 'digital first' mean for CFG? For us, it is a new mindset that informs behaviours and tactics. It impacts everything we do, from how we present information and data to our stakeholders and audiences, to how we gather and use data and information from them (or not!).

If we're looking to solve a problem or create a new opportunity, product or service, we review all possible digital solutions and approaches. If we can't deliver something digitally, we ask ourselves why and question whether its delivery is integral to furthering our vision and strategy.

At the heart of this thinking is the desire to make our systems and processes efficient, easier to use, accessible and, importantly, a seamless and enjoyable experience. We are still on the first stretch of our 'digital first' journey – it has no final destination – but this year we've made giant leaps forward in our approach to external and internal digital communications, which ultimately benefit our members, partners and other stakeholders.

### **Reaching out**

We've had numerous opportunities during the year to communicate our vision and work more widely. We are now one of the first ports of call for sector journalists when they are researching and developing stories on charity sustainability, finance and policy.

Thanks to greater engagement through our social media channels, our reach continues to grow. Our Gift Aid Awareness Day campaign goes from strength to strength. In 2021, we not only supported charities to talk about the importance of gift aid, we took the chance to thank those who donate.

For the first time, we collaborated with more than 20 charities to co-create a short film to explain the importance of gift aid. Launched on Gift Aid Awareness Day, the video had more than 5,321 views in one day and that figure has risen since. In total, participating charities created 6.2 million impressions on twitter on campaign day.

Through our policy and communications work we are cementing CFG's reputation as the 'go-to' body in charity finance. We've also been able to support our members and

other stakeholders in their personal and professional development through the regular sharing of professional resources and publications. And we've been able to bring together and grow influential networks.

Our most notable publication in 2021/22 was the relaunch of 'The Finance Journey' and we are looking forward to evolving that digitally in 2023. Other notable work was our research on net zero which laid the path to some important discussions within the sector. That work, which took place at the end of 2021, has since informed the publication of 'Charities and the Path to Net Zero', a new CFG publication delivered in October 2022.

### **Looking ahead**

The challenges that lay ahead are not insignificant. The cost of living crisis has increased pressure on the charity sector and many other factors are making for a difficult operating environment.

Despite this, I'm optimistic about the future. The team is working hard on several new digital and communications projects and, working with colleagues across the whole of CFG, we continue to deliver high quality information and resources for our members.

I would like to thank the team for all their hard work during the year. They've kept ahead on policy and campaign work, continued to deliver high-quality content to members, and have worked incredibly hard and effectively, meaning we're in a good place for the next stage of our digital journey.

I'd also like to thank my predecessor, Roberta Fusco, who steered the policy and communications ship through turbulent waters in 2020/2021, ready to make new waves!

I also thank you for making me feel so welcome this year. Along with the team, I look forward to working with you on more

exciting policy and communications projects in 2023 and beyond. There's no doubt that I've joined CFG at an exciting time!

## Member interview: A guide star for life

**“We want to be professional. We want to be the best that we can be. And we want to be legal and up to date. CFG provides this.”**

Steve Murrill has been a chartered accountant for almost 20 years. He has worked for charities large and small, in different parts of the country and overseas. For most of his working life, CFG has been there every step of the way, to provide support, professional guidance and a listening ear.

Steve, who now works part-time as Finance Manager with faith organisation Philo Trust, explains: “I’ve worked for World Vision, which is one of the world’s major charities, and I’ve worked for some very small charities. You need different skills in both. I have found that CFG gives me access to people and knowledge in both arenas, which I’ve really appreciated.”

Among the challenges Steve has tackled is bringing a charity back from the brink of insolvency. Steve explains: “The people I met from CFG at that time helped me determine the way forward. The accounting system needed to change, and I got a lot of support, especially when we moved to the new system. We weren’t sure at the time whether the charity was going to make it, but it’s still here to this day. Being a member of CFG in those early days was very, very helpful.”

Steve says that alongside the technical support CFG provides, there is also an element of credibility that is brought to the finance role: “I found I was able to go into new roles as the professional. I could push back with confidence and say: ‘No, this is the way to do it.’ To have that kind of back-

up through organisations like CFG was invaluable.

“Membership is massive value for money, especially when you don’t have a large team to bounce ideas around with and you’re looking for support and encouragement.”

Today, Steve continues to attend CFG events and training, and most recently attended CFG’s Annual Conference. He continues: “I met one of the speakers afterwards. We sat down and talked for about an hour about what we were struggling with. It was the lack of judgement that I found so helpful, and the offer to get in touch again.

“From a CPD point of view, CFG provides what I need and what the organisation needs. We’re a small charity. We want to be professional. We want to be the best that we can be. And we want to be legal and up to date. CFG provides all this, as a professional guide, but also as a mentoring guide too.”

Steve says he is now considering joining CFG’s Mentoring Scheme and giving something back in a volunteering capacity.

Talking about the challenges and joys of working in the charity sector more generally, he shares a short story:

“There’s this man walking along the beach, and there are thousands of starfish on it. He sees a child pick up a starfish and throw it back into the sea. There are literally thousands, but the child just keeps picking them up and throwing them into the sea. The man says: ‘What are you doing? You’re not going to make any difference!’ The boy replies: ‘I’m making a difference to this one though’, and throws it in.

“Sometimes we think we can always do more to help, but you have made a difference. If we’ve helped one person, we’ve helped.”

## **CFG NEWS AND HIGHLIGHTS: WINTER 2021/22 (Q4)**

### **Charities urged to sign Fraud Pledge**

During Fraud Awareness Week 2021, CFG urges charities to sign the Fraud Pledge and commit to some simple steps to prevent charity fraud. The Charity Commission's most recent figures estimate some £8.6m income was lost between April 2020 and March 2021. As one of the campaign's supporters, and co-founder of the Fraud Pledge, CFG urges all members to keep fraud front of mind.

### **CFG responds to the government's spending review**

CFG sifts through the details of the Autumn Budget and Spending Review to share a briefing for members and the wider community. Caron Bradshaw OBE, says: "Today's budget could be described as the good, the bad and the ugly. There's no doubt that it includes some welcome announcements. We're delighted that the Chancellor has acted upon many of the sector's recommendations. But it's what's missing from the budget that spells bad news for millions."

### **The Civil Society Group launches**

The Civil Society Group – an informal collaboration of organisations representing members and groups from across the charity sector and wider civil society – announces its official launch. The Civil Society Group will increase collaboration between the infrastructure, representative and member organisations working across civil society.

### **Net zero: can we do more?**

The charity sector must do more to reduce carbon emissions and tackle climate change, says CFG following the results of a survey among members. Eight in ten charities (84%) surveyed said that they do not yet have a net zero objective and only

14% said they currently report on their carbon emissions. In 2022, CFG will publish a guide to net zero, sponsored by PwC and charity fund managers CCLA.

### **Purposeful and Empowering: AC2022**

Purposeful and Empowering will be the theme for the 2022 CFG Annual Conference. CFG invites members to share their best practice and case studies and looks forward to welcoming them to what is hoped to be among the first live, in-person events in 2022.

### **New CFG director welcomed**

CFG is delighted to announce the appointment of Dr Clare Mills as the charity's new Director of Policy & Communications. Clare joins from NAVCA (National Association for Voluntary and Community Action) and will join CFG in January 2022. She brings a wealth of experience from both the public and not-for-profit sectors.

### **New CFG trustees announced**

CFG welcomes two new trustees to its board: Mwiza Mkandawire and Kelly Ryder. Mwiza is Head of Finance and Administration at Transaid and Kelly is Head of Finance for the Orchard Trust. They bring with them a wealth of financial expertise, as well as experience from both the charity and commercial sector.

### **CFG trials first 'wellbeing week'**

As part of ongoing work on culture and looking after its people, CFG announces that it will trial its first 'wellbeing week' in January 2022. Caron Bradshaw OBE, explains: "As the sector that exists to deliver positive impact and change, if we can't be the leaders in safety, wellbeing and happiness in the workplace, then who can?"

## Review of financial position

### CFG'S BUSINESS MODEL

CFG has a history of working in partnership and through collaboration. This means that where others are meeting needs in a cost-effective way CFG will avoid duplication. But during the pandemic working together wasn't just about efficiency, it was about efficacy. The sector needed to work together to address sector-wide and profound challenges. CFG's business model was perfectly positioned to lean into a new appetite for collaboration across the sector.

CFG currently earns nearly all income through membership fees, sponsorship and delegate fees, supplemented by modest grant income. The brilliant core support received from the Paul Hamlyn Foundation of core funding over five years from 2018 was supplemented by a further emergency grant of £20k. We were also grateful for emergency Covid-19 crisis support from the Rank Foundation (who provided £25k of funding), Barrow Cadbury Trust (£15k), the Pears Foundation (£15k) and Esme Fairbairn (£20k). This recognition of the importance of not only supporting the work of CFG with core funding, but also the role of infrastructure in the ecosystem of the sector, is hugely appreciated and we are very grateful.

Our funding model is predicated on the fact that corporate partners want to engage with us for two main purposes; to connect with not-for-profit organisations that may purchase their products and services, and to support the wider sector through sharing their expertise, financially supporting CFG's provision of services and hosting our activities.

During the pandemic we sought to maintain as many opportunities as possible for continued networking and exchanges of expertise. However, with many of the established methods of bringing together our communities face-to-face closed off, the team had to amend our offer rapidly to deliver remotely. Our annual fundraising event could not take place and instead we ran three smaller digital events with generous support from Crowe, Price Bailey and Ecclesiastical. Income generated in this way did not match the levels achieved through face to face events in previous years but was still hugely important, and we were able to maintain this element of our business model, preserving the underlying role for future years post-pandemic.

Corporate support subsidises the cost of services to our charity members. Without corporate partners' support CFG could not effectively deliver to the sector without changing our business model. During the financial year grant funding took on greater importance as anticipated and we expect this need to remain for the next financial year at least.

The challenge for the business model over the next two financial years remains monetising the activities delivered digitally and bridging the financial impact brought about by restrictions in movement and appetite for face-to-face events. We are applying lessons from last year and looking for ways to build on our digital offering.

### RESULTS FOR THE YEAR

For the financial year 2021/22 the Trustees had planned a deficit for CFG, which totalled at year end a deficit of £87,165; £60,716 if just looking at unrestricted funds (2021: deficits of £159,396 and £185,844 respectively). Income improved slightly in 2021/22, £1,277,520 compared to £1,239,686 in 2020/21. Expenditure, £1,364,685, was again slightly lower than the £1,399,082 spent in 2020/21, a decrease of 2.5%, reflecting the effect of the pandemic on CFG's operations.

As a result, funds have been moved from various designated funds in the year to ensure that we stay within our target unrestricted reserves range of £175,000 to £280,000. Free reserves at the end of 2021/22 stand at £158,497, compared to £224,187 for 2020/21. Designated funds have been retained to continue to support employees at CFG who are undertaking long-term professional courses, so that CFG can continue to stand behind these personal development goals. A new future development fund has been set up to continue our digital first journey. This decision has taken CFG's reserves below the lower end of the acceptable reserves policy level, which helps the Trustees to balance the short-term needs to pivot the delivery model to digital with longer-term financial resilience. To offset this, a breakeven budget is planned for 2022/23.

Our strategy had involved a planned deficit in 2021/22. But the effects of the pandemic on both the sector in general, on our members and on our ability to operate pushed the emphasis onto responding to and withstanding the economic storm. With a return to a more normal operating environment expected in future years, we envisage reinstating designated funds to help us deliver our strategy to support members.

## RESERVES POLICY

As part of the annual budget setting process, CFG's Finance and Audit Committee reviewed CFG's Reserves Policy. It was confirmed that the policy agreed previously was still valid and that CFG maintained free reserves:

- To provide a sustainable and appropriate level of working capital;
- To allow for periods of unexpected drops in planned income;
- To cope with sudden short-term increases in planned expenditure;
- To provide cover for other risks, contingencies or unforeseen events (these would have a low likelihood of occurring but, if they did, would have a significant effect on CFG).

The agreed reserves range has remained the same; £175,000 to £280,000. The basis of our calculations will be reviewed again as we emerge from the response phase of the crisis. It is important that the experience informs our decisions regarding risk-based reserves. Our available free reserves as at 31 March 2022 were £158,497 (2020/21: £224,187) just below the current agreed range. The Board will at times designate funds from free reserves for specific costs that fall outside the normal business as usual expenditure, or back into free reserves to withstand other pressures. Any funds received that can only be lawfully used for a specific charitable purpose will be held as restricted funds.

## INVESTMENT POLICY

CFG receives income on an annual basis through membership subscriptions, sponsorship, grants and other sources. We plan activities on a rolling three-year basis and budget to expend all anticipated income, except for retaining a prudent amount in reserves. We have no permanent endowment and provide for capital expenditure within the budget. The only funds of CFG that are not expendable within 12 months of receipt are reserves and any grants or contracts for activities over a longer period. Consequently, the Board of Trustees does not consider that it is prudent to invest income for the longer-term. Our policy is therefore to retain funds as cash and place them on bank deposit at the best rate obtainable.

As a result, the Board of Trustees considers that it is not appropriate for CFG to adopt an ethical investment policy at this time.

## Structure, management and governance

### STRUCTURE

Charity Finance Group (CFG) was incorporated by guarantee on 29 March 1996 and registered in England and Wales, changing our name from the Charity Finance Directors' Group on 20 March 2015. The charity has been trading as CFG since 2012.

We have no share capital and the guarantee is limited to £1 per member. The governing document is the Memorandum and Articles of Association of the company, which was amended on 6 November 2014 by Group Members' special resolution and on 5 October 2017 following a Company Member Resolution.

The Board of Trustees are the directors of the company, and we have one wholly-owned trading subsidiary, CFDG Trading Limited, which carries out all trading activities for CFG. See note 2 to the financial statements.

### THE BOARD

The Board consists of up to ten Trustees, all able to serve two terms of three years. Up to seven are required to be elected from CFG's membership, and the Board may appoint three non-member Trustees in order to bring in wider necessary skills and experiences.

Member Trustees are elected by their fellow members. The Office Holders are allowed a further period of appointment if they would have less than two years in the role due to their appointment date, subject to a maximum period of service as Trustee of eight years. Non-member Trustees are appointed after an open recruitment process. The Chair and office holders of the Board are appointed by the Trustees from among their number. The Board meets four times a year and holds additional strategy planning sessions and away days in order to closely engage with the work CFG delivers.

The Board receives fortnightly updates on day-to-day activities, new risks and progress against key objectives. This provides the Board with regular and valuable information in order to carry out their duties and responsibilities. Sub-committees and task and finish sub-groups of the Board are convened to expedite the execution of duties.

During the pandemic additional meetings were undertaken as necessary to ensure the sustainability of CFG and careful management of cash flow and expenditure was undertaken.

Sub-committees, currently: Nominations Committee; Remuneration Committee; and Finance & Audit Committee. They are governed by their own terms of reference and delegated duties are approved by the full Board. Subcommittees are served by Trustees and co-opted independent appointees. A special advisor and expert forums/ad hoc working groups provide support and advice to the Board and staff.

### BOARD INDUCTION AND CONDUCT

Trustees sign a code of conduct and complete a register of interests, which is reviewed annually. Induction support and a Trustee handbook are provided to new Trustees by the staff team and Chair. The handbook includes a copy of relevant policies, procedures, governance information and role descriptions.

## MANAGEMENT

Day-to-day management of CFG is delegated to the CEO. Performance and risk are monitored against strategic objectives. CFG's average headcount during the year to 31 March 2022 was 20.2, representing 19.2 full-time equivalent roles.

## RISK MANAGEMENT

CFG's strategic risks are defined as those matters which could inhibit or, if managed appropriately, advance the achievement of our charitable objects as articulated in our outcomes' framework. Trustees do not fix whether something is a strategic risk by category or by nature but rather have adopted a dynamic approach which considers the appropriate risk response to a wide range of variables.

The major risk elements have been reviewed and systems or procedures have been established to manage them. The Board of Trustees are satisfied that reasonable steps are being taken to limit the probability and the impact of risk. CFG continues to view active risk management as a day-to-day aspect of running the organisation. Risk is the responsibility of every member of staff and all Trustees. It has been embedded into staff activities, reporting and Board meetings ensuring CFG has the best opportunity to prevent issues arising, minimise risks and maximise opportunities.

The senior management team review risk on a regular basis, especially when considering changes to plans or new opportunities. The Trustees review a 'risk issues' log at Finance & Audit Committee (twice a year) and Board meetings (once a year) in order to monitor the effectiveness of CFG's risk management. Key changes in risk are reported to the Board as required and it is a standing agenda item at every Board meeting.

Pre-pandemic, the majority of risk issues recorded in our risk issues log related to people and development (specifically around restructure and capacity); systems, policies and procedures (reflecting a focus of the consolidation year); and financial and resource management (reflecting the impact of the restructure and a planned deficit).

From the latest review, the most frequently occurring risks arising were in the following categories:

- Financial & Resource Management
- Reputation
- People & Development

### **Risk: Financial & Resource Management**

In common with the whole economy CFG has been hard hit by the pandemic. This is because the impact of the Covid-19 pandemic was felt for financial year 2020/21 and also well into 2021/22. We have been able to capitalise on earlier decisions around structure and technology to ensure delivery of products and services to our members.

As our charity members and corporate partners feel the lasting impact of the economic consequences of Covid-19 we will have to take steps to reduce expenditure and maximise income. Our physical resources, such as our office accommodation, and our digital capacity will feature heavily in our considerations as we focus on delivering our charitable objectives in a challenging operating environment which will be open to further change. The strength of financial skills at both executive and board level gives us confidence that the financial risks can be well managed.

#### **Risk: Reputation**

CFG has played a pivotal role in the run-up to year end in relation to policy issues, engaging with the government and across the sector. This presents a risk and an opportunity in relation to reputation. Sector commentators, to whom the activities of CFG and the wider sector collaborative working is less visible, have been negative in their view about the relationship between government and the sector. Whilst CFG has not been the subject of negativity directly, this presented a reputational risk during the year which continues beyond the period of this report. In addition, as a bold and forthright commentator, CFG may from time to time be viewed as being at odds with government policy, the sector regulator or commentators. However, we recognise the importance of our reputation to our policy and engagement work and therefore we will continue to ensure that the arguments we present, and the dialogue around those arguments, remains balanced, evidence-based and brave.

#### **Risk: People & Development**

The effect of the pandemic on our members of staff, including working remotely and under full capacity, has been felt more and more keenly over the last 12 months. We have been proud to have maintained our staff levels against the fiscal turbulence in the sector and the wider economy, and we are confident we have in place actions to enable CFG to respond appropriately and to ensure the well-being of our team. However, we anticipate people and development remaining a focus for 2022/23 and beyond.

## **FINANCIAL AND RESOURCE MANAGEMENT**

This report is produced for the performance of the charity up to the 31 March 2022. For this year, the Covid-19 pandemic started to have a major impact on individuals, companies and charities. CFG was not isolated from that.

CFG's key income lines are membership (charities and corporate entities), our Annual Conference and our Annual Fundraising Dinner. As our income for 2021/22 is due to renewals that took place predominantly in February and March, this again held up for the year, but the longer-term impact on charities is yet to be fully felt and could therefore impact this income stream in the future, especially when the effect of the war in Ukraine and the cost-of-living crisis are taken into account.

Both the Annual Conference and the Annual Fundraising Dinner, usually being face-to-face events, were severely impacted by the virus and the lockdowns that were put in place to help save lives. These events pivoted to being online events, but the financial drop in income had a significant impact on our finances for the year.

This impact on our incoming financial resources has again been mitigated in 2021/22 through the use of government support (predominantly through the Coronavirus Job Retention Scheme from the UK Government), through generosity from funders and through reducing our spend on different areas, including adapting to deliver our annual conference as a fully digital event. It is a testament to our team at CFG that we have still delivered all the support to the sector that we have and have been a strong voice for the sector.

Current estimates of our net income for the 2022/23 financial year show that we are likely to still be running a deficit, which will mean that there will be a further drawdown on reserves, although again reduced from the 2021/22 level.

Pre-pandemic plans included a potential deficit as part of a spend down of reserves. Running deficits every year is not sustainable, so the Trustees have set an expectation that we should return, as soon as possible, to a breakeven annual financial position and have stated the following principles for CFG going forward:

- We will continue to trade our way through the global crisis, pivoting services where necessary to continue our support to the sector.
- The Trustees are determined that CFG will continue to avoid redundancies (and at the time of this report, none have been made at CFG as a result of the pandemic, and none are planned).
- We will continue to make use of government financial support packages, as long as they remain in place.
- We will continue to advocate on behalf of the sector for more support for the vital work charities do. Therefore, at the time of producing this report, on the basis of current financial information, the Trustees consider it is appropriate for the going concern basis to be adopted in preparing the financial statements in this report.

## REMUNERATION: HOW WE DECIDE TO PAY STAFF

CFG is an accredited Living Wage employer and we are committed to ensuring that we pay our staff fairly and in a way which ensures we attract and retain the right skills to have the greatest impact in delivering our charitable objectives.

In accordance with the Statement of Recommended Practice (SORP) CFG discloses:

- all payments to trustees (no trustees receive 'pay')
- the number of staff in receipt of more than £60,000 and above (in bands of £10,000)
- pensions and other benefits.
- CFG has a remuneration committee, which meets annually, is comprised of the CFG Chair, Vice Chair, Treasurer and one other (who shall be appointed by the Chair), which sets the pay for all staff. The CEO and Director of Finance and Operations are in attendance for the meeting (leaving for the discussion regarding their remuneration respectively) and no members of the executive are members of the committee. The main responsibilities of the Committee are to:
  - Review the CFG salary banding and make sure amendments are appropriate to ensure that CFG salaries remain competitive.
  - Determine the remuneration package of the Chief Executive.
  - Approve the annual percentage increase in the payroll for all staff (which can be zero) taking into account the average RPI for the previous year.
  - Approve any consolidated pay awards and staff salary increases outside of the annual review process as recommended from time to time by the Chief Executive.
  - Approve any non-consolidated pay awards (bonus) as recommended by the Chief Executive.
  - Determine pension arrangements and ensure that contractual terms on termination are fair to the individual and the charity, that poor performance is not rewarded and a duty to mitigate loss is recognised.

For the financial year 2021/22 CFG again did not award cost of living uplift in salary, reviewing in the light of the potential economic impact of Covid-19 (2021: nil). Two members of staff, the CEO and the Director of Finance & Resources, earned more than £60,000 per annum.

In determining CFG's remuneration policy, the remuneration committee takes into account all factors which are deemed necessary. The objective of the policy is to ensure that the Chief Executive and staff team are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the charity. The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other charities ensuring CFG remains sensitive to the broader issues e.g. pay and employment conditions elsewhere.

## EQUALITY, DIVERSITY AND INCLUSION (EDI)

Despite the work we have undertaken in previous years, we acknowledge there is still much to do to make sure our activities and our internal organisation matches our commitment to equality, diversity and inclusion.

We regularly review our progress towards ensuring that staff, Trustees and members are not subjected to practices that lead to inequality, lack of diversity or exclusion. One of our trustees is our EDI champion on the board, and we have a staff-led diversity forum, agreed an EDI strategy focusing on:

- CFG as a place of work
- CFG as a membership body
- CFG's role in the wider sector

Alongside other charity infrastructure bodies, CFG continues to take part in collaborative working on addressing racism, chaired by James Watson-O'Neil of Signhealth.

In our recruitment we follow the #ShowTheSalary and #NonGradsWelcome campaigns' guidance: we make sure we only ask for educational qualifications which are relevant to the role advertised and do not specify education to degree level for roles unless a degree is of direct relevance to fulfilling the role tasks and responsibilities. Salaries for roles are included in adverts as we recognise failure to do so acts as a disproportionate discouragement to women and people from BAME and/or disadvantaged backgrounds. Our recruitment packs, staff handbook and other documentation has been reviewed and uses inclusive language.

We have committed to ongoing improvements and to ensuring that future reports include our performance against targets and relevant benchmarks where possible. We will continue to listen to our staff and Trustees through various communications channels, including our annual staff survey, to challenge our assumptions and monitor our performance.

We have published several pieces on our website and in other publications, and we will continue to develop CFG's position as thought leaders on EDI and leadership, as well as sharing and amplifying voices from across the sector with lived experience, practical information and thought-provoking discussions.

## FUNDRAISING

As the Covid-19 pandemic started to impact CFG's finances in 2020/21, CFG registered for the first time with the Fundraising Regulator, as we sought to start to raise funds to bridge the shortfall in income.

We only raised funds through a JustGiving page, through which supporters of our work could make donations. Gift Aid has also been collected by JustGiving on our behalf on donations made. Supporters have been made aware of the JustGiving page through our website, mailings to members and through social media channels, thereby protecting the general public from unreasonable intrusion or pressure.

No other fundraising activities were undertaken.

We are pleased to report that no complaints regarding any fundraising activities with stakeholders have been received.

## Statement of the Board of Trustees' responsibilities

The Trustees are responsible for preparing the strategic report, the report of the Board of Trustees 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 income and expenditure of the group 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 charity 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.

The trustees have confirmed that, so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

### APPOINTMENT OF AUDITORS

Mazars LLP were reappointed during the year as our auditors and they will be proposed for reappointment in the coming year.

## CFG's Board of Trustees (as of November 2022)

### GARY FORSTER, CHAIR OF THE BOARD OF TRUSTEES

Gary joined Publish What You Fund as CEO in July 2018 after taking a career break to travel with his wife. Before this he was the CEO of the INGO Transaid from 2011 until 2017, having joined the organisation as a volunteer in 2006. With a background in logistics from his time at Procter and Gamble, and qualifications in Public Health from the London School of Hygiene and Tropical Medicine, Gary has spent much of his career designing, implementing and evaluating health programmes throughout sub-Saharan Africa.

### ARATI PATEL

A Fellow of the Chartered Association of Certified Accountants, Arati has over 25 years of experience in the charity sector. Currently she is interim Director of Finance at I CAN. Prior to her current role she has held the position of Director of Finance and Operations at Barts Charity and St George's Hospital Charity. Arati has led on several change management programmes, including CRM systems implementation and digital projects. Arati is passionate about using her role as a Trustee to not only serve CFG members and further the aims of the charity, but also to use it as a platform to raise awareness of challenges affecting the sector.

### KERRY SHEA

Kerry is the Finance Director at [Everybody Sport and Recreation](#), a charity which encourages individuals to improve their health through participation in recreation. Kerry previously worked for VAST, where she established their very successful Community Accountancy project. As a Chartered Management Accountant she trained in industry, then moved over to the public sector before joining the Voluntary Sector in 2008. Kerry is very passionate about charity finance and believes that finance teams are in a unique position to influence and drive their organisations, and so change the shape of the whole sector.

### STELLA SMITH

Stella is an independent consultant specialising in leadership and strategy in the charity sector. Since setting up her practice in 2006, she has worked with a wide range of organisations, from large household names to small community groups in the UK, Europe and Africa. Her career started as an English teacher first in Greece and then with VSO in China before going on to work in strategy and change management at RNIB and Centrepont. She has been a trustee with VSO and Chair of Y-Gen, a north London charity focused on developing life skills for young people. She has written numerous articles and guides on charity sector management.

## KEVIN O'BRIEN

Kevin joined the CFG Board in December 2018 having joined the not-for-profit sector in July 2016 as Director of Finance & Corporate Resources at Young Lives vs Cancer. Kevin then moved to a similar role at RSPCA before moving to Be First - a regeneration and social housing developer. Before joining the charity sector, Kevin held various finance roles in several large, global and multinational corporates in manufacturing, trading and property. Kevin is CIMA qualified. Kevin is an independent member of the Finance Committee at The Lullaby Trust.

## SAF RAHBOUR

Saf joined the CFG Board in September 2019. She is currently Director of Finance & Operations at The Tropical Health and Education Trust (THET). As a CIMA qualified Chartered Management Accountant, Saf has over 15 years' experience working within the non-profit and INGO sector. Her roles have included supporting senior management and board members through strategic leadership and operational support, leading teams during transition phases, and delivering financial management training and guidance to country directors, finance managers and project staff based across Africa, Asia, and MENA regions. Saf is passionate about championing best practice, especially the essence of inspiring financial leadership.

## AVTAR BOPARAI

Avtar is a Fellow of the ACCA and currently works as a Professional Development Expert for Corndel Ltd teaching the Data Technician Apprenticeship, where he is able to utilise his Finance experience and passion for Data/Technology to enable future Data Professionals. Previously he has worked as a Finance Director at Ambition Institute and Head of Finance at Barnardo's. He joined the CFG Board in October 2019. Avtar trained and qualified as an accountant in industry before moving into the not-for-profit sector in 2015.

## KELLY RYDER

Kelly is Head of Finance for the Orchard Trust, a charity based in the Forest of Dean who support adults with learning and physical disabilities to live independent and fulfilled lives. Prior to this, Kelly worked for many years in the financial services industry and then in finance for a global manufacturing company, where she obtained her AAT qualification.

## MWIZA MKANDAWIRE

Mwiza is the Head of Finance and Administration at Transaid, an INGO where she has been since 2019. Prior to that she worked at arts charity Artsadmin Ltd for 11 years. Mwiza is a qualified chartered accountant and a CFG Inspiring Financial Leadership Alumni. Before joining Artsadmin Ltd in 2008 she worked with various organisations in both the commercial and charity sectors in Malawi. She has excellent knowledge and understanding of charity finance and is a trustee of two arts charities.

*Gary Forster*

Gary Forster (Dec 21, 2022 10:03 GMT)

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By order of the Board, 21 December 2022

## Financial statements 2021/22

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2022  
(incorporating the income and expenditure account)

	Notes	Unrestricted Funds £	2022 Restricted Funds £	Total Funds £	2021 Total Funds £
<b>INCOME FROM:</b>					
Donations and legacies		127,312	(26,448)	100,864	108,917
<b>Charitable activities</b>					
Develop skills, learning, knowledge & practice		735,786	-	735,786	610,165
Inspire financial leadership		252,944	-	252,944	356,670
Encourage a supportive environment		68,416	-	68,416	58,569
<b>Other trading activities</b>					
Fundraising events		3,000	-	3,000	37,150
Investments		148	-	148	379
Other		116,362	-	116,362	67,836
<b>TOTAL INCOME</b>		<b>1,303,968</b>	<b>(26,448)</b>	<b>1,277,520</b>	<b>1,239,686</b>
<b>EXPENDITURE ON:</b>					
Raising funds		28,392	-	28,392	47,032
<b>Charitable activities</b>					
Develop skills, learning, knowledge & practice		759,975	-	759,975	716,404
Inspire financial leadership		269,691	-	269,691	322,638
Encourage a supportive environment		306,627	-	306,627	313,008
<b>TOTAL EXPENDITURE</b>	3	<b>1,364,685</b>	<b>-</b>	<b>1,364,685</b>	<b>1,399,082</b>
<b>NET (EXPENDITURE)</b>		<b>(60,717)</b>	<b>(26,448)</b>	<b>(87,165)</b>	<b>(159,396)</b>
<b>TOTAL FUNDS BROUGHT FORWARD AT 1 APRIL</b>		<b>327,489</b>	<b>33,494</b>	<b>360,983</b>	<b>520,379</b>
<b>TOTAL FUNDS CARRIED FORWARD AT 31 MARCH</b>		<b>266,772</b>	<b>7,046</b>	<b>273,818</b>	<b>360,983</b>

There are no recognised gains or losses other than those in the statement of financial activities. Therefore, no statement of total recognised gains or losses has been prepared.

For Companies House purposes, total income is £1,254,945 (2021: £1,238,508) and total expenditure is £1,342,110 (2021: £1,397,904), which is total income and expenditure as shown above, both net of gifts in kind of £22,575 (2021: £1,179). All the above amounts relate to continuing activities.

For the charity, total income is £1,296,033 (2021: £1,152,278) and total expenditure is £1,500,873 (2021: £1,365,356).

## Financial statements 2021/22

### BALANCE SHEETS

As at 31 March 2022  
Company no: 3182826

	Notes	2022		2021	
		Group £	Charity £	Group £	Charity £
<b>Fixed assets</b>					
Intangible assets	6	3,950	3,950	61,165	61,165
Investments	7	-	10,000	-	10,000
		<b>3,950</b>	<b>13,950</b>	<b>61,165</b>	<b>71,165</b>
<b>Current assets</b>					
Debtors	8	552,833	434,986	298,398	253,855
Short term deposits		340,659	340,659	340,511	340,511
Cash at bank and in hand		509,294	430,697	475,124	319,805
		<b>1,402,786</b>	<b>1,206,342</b>	<b>1,114,033</b>	<b>914,171</b>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	9a	(1,082,918)	(910,030)	(814,215)	(681,474)
		<b>319,868</b>	<b>296,312</b>	<b>299,818</b>	<b>232,697</b>
<b>Net Current assets</b>					
		<b>319,868</b>	<b>296,312</b>	<b>299,818</b>	<b>232,697</b>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	9b	(50,000)	(50,000)	-	-
		<b>273,818</b>	<b>260,262</b>	<b>360,983</b>	<b>303,862</b>
<b>Total assets less current liabilities</b>					
		<b>273,818</b>	<b>260,262</b>	<b>360,983</b>	<b>303,862</b>
<b>Funds</b>					
Unrestricted funds:	10				
Free reserves		158,497	144,941	224,187	167,066
Designated funds					
Fixed asset reserve		3,950	3,950	61,165	61,165
Inspiring financial leadership		39,325	39,325	27,137	27,137
Business improvements		-	-	-	-
Qualification training contracts		15,000	15,000	15,000	15,000
Future investment		50,000	50,000	-	-
Restricted funds					
Garfield Weston		-	-	26,448	26,448
Small charities programme		7,046	7,046	7,046	7,046
		<b>273,818</b>	<b>260,262</b>	<b>360,983</b>	<b>303,862</b>

The charity generated a deficit of £43,600 for the year ended 31 March 2022 (2021: a deficit of £213,078). The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The notes on pages 47 to 57 form part of these accounts. The accounts were approved and authorised for issue by the Board of Trustees on 21 December 2022 and signed on their behalf by:

*Gary Forster*

Gary Forster (Dec 21, 2022 10:03 GMT)

**Gary Forster**  
Chair

*Avtar Boparai*

**Avtar Boparai**  
Chair of Finance & Audit Committee

## Financial statements 2021/22

### CONSOLIDATED STATEMENT OF CASH FLOWS

As at 31 March 2022  
Company no: 3182826

	2022		2021	
	£	£	£	£
<b>Cash Flows from Operating Activities</b>				
Net Expenditure	(87,165)		(159,396)	
Adjustments for:				
Depreciation	57,215		59,440	
Interest Expense	148		379	
Trade and Other Receivables	(254,435)		79,367	
Trade and Other Payables	318,703		(229,857)	
<b>Cash Flows generated / (used by) from Operations</b>		<b>34,466</b>		<b>(250,067)</b>
Interest paid		(148)		(379)
<b>Net Cash Flow from Operating Activities</b>		<b>34,318</b>		<b>(250,446)</b>
<b>Cash Flows from Investing Activities</b>				
Purchase of IT Systems/Equipment	-		-	
		-		-
<b>Net Increase / (Decrease) in Cash</b>		<b>34,318</b>		<b>(250,446)</b>
	At 1 April 2021	Cash Flows	At 31 March 2022	
Cash at bank	475,124	34,170	509,294	
Cash on deposit	340,511	148	340,659	
	<u>815,635</u>	<u>34,318</u>	<u>849,953</u>	

## Financial statements 2021/22

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. Accounting policies

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)) and the Companies Act 2006.

The Charity Finance Group meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The principal accounting policies of the Group are set out below:

#### Consolidation

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the charity and of its subsidiary undertaking, namely CFDG Trading Limited. The results of the subsidiary are consolidated on a line-by-line basis.

The charity has availed itself of paragraph 3(3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities. No separate SOFA or income and expenditure account has been presented for the charity alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

#### Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of CFG.

#### Recognition of income

All income (including grants) is accounted for as soon as CFG has entitlement to the income, there is certainty of receipt and the amount is quantifiable.

#### Donated facilities

Donated facilities, as described in note 4b below, are included at the value to CFG i.e., the value CFG would have paid in the open market. Although SORP 2019 recommends that the value of donated facilities is included in voluntary income, they are included under the relevant category of income for charitable activities because CFG considers this gives a fairer presentation.

#### Members' subscriptions and events & conferences and deferred income

Subscriptions and events income are accounted for in the year to which they apply. Subscription income received during the year that relates to a subsequent financial accounting period is carried forward as a creditor in the balance sheet and shown as deferred subscriptions income. It is accrued in line with the benefits received.

## **Pensions**

Contributions to our defined contribution group personal pension scheme are charged to revenue according to the period to which they relate.

## **Expenditure**

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing CFG to the expenditure. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of the resources. Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity. Overheads and other salaries are allocated between expenses headings based on time spent.

The cost of the Annual Fundraising Dinner covers direct expenditure on the dinner together with the appropriate allocation of staff and support costs.

Charitable activities include expenditure associated with the operation of CFG and the provision of our services.

## **Operating leases**

Rentals paid under operating leases are charged to expenditure on a straight-line basis over the terms of the leases. The rent-free period incentive on the lease of 15/18 White Lion Street, London, N1 9PG, has been spread over the term to the first break in the lease i.e., five years.

## **Going concern**

Free unrestricted reserves of CFG at the year-end amount to £158,497. After consideration of the current strategic plan to 2021/22 and with an aligned three-year budget agreed, the Trustees consider there is a reasonable expectation that the CFG group has adequate resources to continue in operational existence for the foreseeable future. The Trustees are also satisfied with the controls in place for monitoring and flexing the budget throughout the years. There are no material uncertainties that would impact on the charity's ability to continue. Accordingly, we continue to adopt the going concern basis in preparing this annual report and financial statements.

## **Intangible and Tangible Fixed assets**

All fixed assets are stated at historical cost less depreciation. Assets with a cost more than £2,000 and which are intended to be of ongoing use to CFG in carrying out its activities are capitalised as fixed assets.

Depreciation/amortisation is charged on all tangible/intangible fixed assets at 25% of cost per annum, so as to write them off over their expected useful lives.

## **Significant judgements and estimates**

No significant judgements or estimates have been required in the production of these accounts.

## **Investments**

The investment in the subsidiary CFDG Trading Limited is valued at cost.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. Results from the trading activities of the subsidiary

The charity has one wholly owned subsidiary which is incorporated in Great Britain. CFDG Trading Limited was incorporated on 5th February 2009 to raise funds via commercial activities and sponsorship for CFG. CFDG Trading Limited donates taxable profits to CFG under Gift Aid, subject to its working capital requirements being maintained

	2022	2021
	£	£
<b>CFDG Trading Limited</b>		
Turnover	301,708	330,847
Cost of sales	<u>(158,979)</u>	<u>(120,000)</u>
<b>Gross profit</b>	<b>142,729</b>	<b>210,847</b>
Administrative expenses	<u>(25,053)</u>	<u>(33,726)</u>
<b>Operating profit</b>	<b>117,676</b>	<b>177,121</b>
Interest receivable	-	-
<b>Profit before tax and Gift Aid distribution</b>	<b>117,676</b>	<b>177,121</b>
Fund balance brought forward	67,121	13,439
Distribution to parent charity	<u>(161,241)</u>	<u>(123,439)</u>
Retained in subsidiary	23,556	67,121
<b>Balance sheet</b>		
Current assets	287,107	265,385
Current liabilities	<u>(263,551)</u>	<u>(198,264)</u>
<b>Net assets</b>	<b>23,556</b>	<b>67,121</b>
Share capital	10,000	10,000
Reserves	<u>13,556</u>	<u>57,121</u>
<b>Total funding</b>	<b>23,556</b>	<b>67,121</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 3. Expenditure analysis

#### a) Analysis for total expenditure

	Staff costs		Support costs		Other direct costs		Total 2022		Total 2021	
	£	£	£	£	£	£	£	£	£	£
<b>Raising funds</b>	22,338		8,202		(2,148)		28,392			47,032
<b>Charitable activities</b>										
Develop skills, learning, knowledge & practice	532,288		195,450		32,237		759,975			716,404
Inspire financial leadership	139,271		51,139		79,281		269,691			322,638
Encourage a supportive environment	216,801		79,607		10,219		306,627			313,008
<b>Total expenditure</b>	<b>910,698</b>		<b>334,398</b>		<b>119,589</b>		<b>1,364,685</b>			<b>1,399,082</b>
<b>Total expenditure 2020-21</b>	<b>921,817</b>		<b>385,073</b>		<b>92,192</b>		<b>1,399,082</b>			

Within total expenditure, the "Other direct costs" column includes costs of £22,575 (2021: £1,179) relating to services donated to CFG that were not incurred by CFG (see Note 4b). Had these services not been donated, CFG would have incurred this cost.

#### b) Analysis of support costs

	Raising funds		Develop skills, learning, knowledge & practice		Inspire financial leadership		Encourage a supportive environment		Total 2022		Total 2021	
	£	£	£	£	£	£	£	£	£	£	£	£
Premises & Office Services	2,252		53,660		14,040		21,856		91,808			93,583
IT & Communications	2,225		53,010		13,870		21,592		90,697			136,997
Human Resources, Recruitment & Training	1,228		29,270		7,658		11,922		50,078			12,273
Financial Costs	644		15,355		4,018		6,254		26,271			71,796
Depreciation	1,403		33,441		8,750		13,621		57,215			59,440
Governance (incl External Audit)	450		10,713		2,803		4,363		18,329			10,984
	<b>8,202</b>		<b>195,449</b>		<b>51,139</b>		<b>79,608</b>		<b>334,398</b>			<b>385,073</b>

All support costs are allocated on the basis of staff time. Staffing support costs have not been analysed as the majority of CFG staff work directly on activities and the amount that can be allocated to support is therefore not material.

## NOTES TO THE FINANCIAL STATEMENTS

### 4. Net outgoing resources

*a) These are stated after charging:*

	2022 £	2021 £
Auditor's remuneration		
Audit	7,296	12,215
Non-audit services	1,515	1,515
Depreciation	57,215	59,440
Operating lease premises	74,031	76,002

#### Operating lease commitments

The minimum payments, which CFG is committed to make in the coming year under operating leases, are as follows:

Group and Charity property	2022 £	2021 £
Leases which expire:		
Within one year	80,000	80,000
Within one to two years	51,945	80,000
Within two to five years	-	29,370
	131,945	189,370

*b) Valuation of donated resources*

Donated facilities are included at the value to CFG. These are largely made up of meeting and training venues, audio-visual equipment and refreshments.

	2022 £	2021 £
Charitable activities		
Develop skills, learning, knowledge & practice	22,523	620
Inspire financial leadership	39	15
Encourage a supportive environment	13	544
Total	22,575	1,179

## NOTES TO THE FINANCIAL STATEMENTS

### 5. Trustees and employee information

#### a) Trustee information

No remuneration was paid to or waived by any Trustee during the year (2021: Nil). No expenses for travel and subsistence were reimbursed to trustees during the year (2021: Nil, no trustees).

#### b) Employee information

i) Employee numbers	2022	2021
	No.	No.
Full time equivalent number of staff employed during the year was:	19.2	21.1
Average headcount during the year was:	20.2	21.9
ii) Employee costs	£	£
Salaries	777,113	791,685
Social security	82,730	80,234
Pension	60,669	51,093
<b>Sub-total salaried staff</b>	<b>920,512</b>	<b>923,012</b>
Holiday pay accruals	(7,995)	(1,195)
Other	(1,819)	-
<b>Total employee costs</b>	<b>910,698</b>	<b>921,817</b>

Within the above figures, there were no redundancy payments made to employees (2021: no payments).

#### iii) The number of employees whose total pay amounted to £60,000 or above for the year is as follows:

	2022	2021
	No.	No.
£80,001 - £90,000	1	1
£70,001 - £80,000	0	0
£60,001 - £70,000	1	0

Total pay for this purpose includes gross salary but excludes expenses. Systems are in place for the correct management of expenses.

#### iv) Benefits

Only two members of staff included in the above bandings for 2022 (2021: 1 employee) have benefits accruing under CFG's group pension arrangement. The employer contributions into the group personal pension scheme during the year on behalf of this member of staff amounted to £14,987 (2021: £8,859).

There were nineteen active members of staff in total accruing benefits under the group's personal pension schemes as at 31 March 2022 (2021: twenty).

#### c) Remuneration of Key Management Personnel

The total of employee benefits including pension contributions received by Key Management Personnel in 2022 is £259,037 (2021: £276,258). CFG's Board had defined that "key management personnel" would be based on our scheme of delegation where significant control had been delegated to the CEO and others; namely Directors or those making decisions of a significant nature. As a result, the following roles have been included; CEO, Director of Commercial Services, Director of Policy and Engagement and Director of Finance and Operations.

#### d) Pensions

CFG offers an auto-enrolment compliant group personal pension scheme which is currently administered and managed by The Peoples Pension. For previously signed up employees CFG has a group pension scheme which is currently administered and managed by Aegon. New employees are enrolled at an employee contribution rate of 3%. CFG pays twice the percentage that the employee contributes up to a maximum of 10%. The amount of outstanding contributions as at 31 March 2022 was £7,445 (2021: £7,243).

## NOTES TO THE FINANCIAL STATEMENTS

### 6. Tangible and Intangible fixed assets - Group and Charity

	Office Furniture (Tangible fixed assets)	Computers (Tangible fixed assets)	Software (Intangible fixed assets)	Total 2022
	£	£	£	£
<b>Cost</b>				
As at 1 April 2021 and 31 March 2022	27,522	42,972	218,281	288,775
Disposals	-	(24,399)	-	(24,399)
<b>As at 31 March 2022</b>	<b>27,522</b>	<b>18,573</b>	<b>218,281</b>	<b>264,376</b>
<b>Depreciation/Amortisation</b>				
As at 1 April 2021	(27,522)	(42,972)	(157,116)	(227,610)
Charge for the year	-	-	(57,215)	(57,215)
Disposals	-	24,399	-	24,399
<b>As at 31 March 2022</b>	<b>(27,522)</b>	<b>(18,573)</b>	<b>(214,331)</b>	<b>(260,426)</b>
<b>Net book value</b>				
<b>As at 31 March 2022</b>	-	-	3,950	3,950
<i>As at 31 March 2021</i>	-	-	61,165	61,165

The above fixed assets are used to support all of CFG's activities. As at 31st March 2022, CFDG Trading Ltd had no fixed assets.

### 7. Investments

	Shares in subsidiary undertaking No.	Charity £
At historic cost:		
At 1 April 2021 and at 31 March 2022	10,000	10,000
<b>Principal Subsidiary Undertakings</b>	<b>Registered in</b>	<b>Percentage of capital held</b>
CFDG Trading Limited	England & Wales	100%
		<b>No. of £1 ordinary shares held</b>
		10,000

Company No: 06810640

Registered Office: 15-18 White Lion Street, London N1 9PG

## NOTES TO THE FINANCIAL STATEMENTS

### 8. Debtors

	2022 Group £	Charity £	2021 Group £	Charity £
Trade debtors	397,924	255,928	229,552	143,564
Other debtors	11,410	11,410	11,190	11,190
Prepayments and accrued income	143,499	139,079	57,656	52,406
Amounts owed by subsidiary	-	28,569	-	46,695
	<b>552,833</b>	<b>434,986</b>	<b>298,398</b>	<b>253,855</b>

All amounts fall due within one year.

### 9. Creditors

#### a) Creditors: amounts falling due within one year

	2022 Group £	Charity £	2021 Group £	Charity £
Trade creditors	104,813	78,711	40,664	42,982
Deferred income	723,684	518,804	558,454	408,567
Pension contributions outstanding	7,445	7,445	7,243	7,243
Taxation and social security creditors	(12,990)	(12,990)	49,454	49,454
Other creditors and accruals	59,966	55,966	158,400	154,400
Short-term loan	200,000	200,000	-	-
Amounts owed to subsidiary	-	62,094	-	18,828
	<b>1,082,918</b>	<b>910,030</b>	<b>814,215</b>	<b>681,474</b>

All deferred income brought forward at the beginning of the year was released to income during the year (2021: same). All deferred income relates to membership fees and event bookings in advance.

#### b) Creditors: amounts falling due after one year

	2022 Group £	Charity £	2021 Group £	Charity £
Long-term loan	50,000	50,000	-	-
	<b>50,000</b>	<b>50,000</b>	<b>-</b>	<b>-</b>

The loan listed above (value £250,000) was provided by Social Investment Business FM Ltd, under the UK Government's Coronavirus Business Interruption Loan Scheme (CBILS). The loan term is 5 years; interest rate in year 1 was 9% and 7% in subsequent years; there was a 12 month repayment holiday; there are no early repayment fees.

## NOTES TO THE FINANCIAL STATEMENTS

### 10. Outline Summary of Fund Movements

Fund	Balance b/f 1st April 2021 £	Income £	Expenditure £	Transfers between funds £	Balance as at 31st March 2022 £
<b>Unrestricted Funds</b>					
Free Reserves	224,187	1,268,251	(1,294,211)	(39,730)	158,497
<b>Designated Funds</b>					
Fixed Assets Reserves	61,165	-	(57,215)	-	3,950
IFL Training	27,137	35,717	(13,259)	(10,270)	39,325
Qualification Training Contracts	15,000	-	-	-	15,000
Future investment	-	-	-	50,000	50,000
<b>Restricted Funds</b>					
Small Charities Programme	7,046	-	-	-	7,046
Membership Bursary Fund	26,448	(26,448)	-	-	-
<b>Total expenditure</b>	<b>360,983</b>	<b>1,277,520</b>	<b>(1,364,685)</b>	<b>-</b>	<b>273,818</b>

**Free reserves** are those reserves that are wholly at the discretion of the trustees to utilise for our charitable objectives.

The **Fixed Assets Reserves** equates to the Net Value of CFG's Fixed assets and therefore cannot be easily converted into cash balances.

The **IFL Training** fund ring-fences surpluses made through the IFL course.

The **Qualification Training Contracts** fund is to be used to support staff members undertaking professional qualifications.

The **Future Investment** designated fund has been set aside to fund digital first and other strategic initiatives.

The restricted fund for the **Small Charities Programme** relates to the balance of funding given by Esmee Fairbairn Foundation which will be used to support small charities improve their financial capabilities.

The restricted fund for the **Membership Bursary Fund** relates to funding given by Garfield Weston Foundation to be used to support small charities to allow them to benefit from CFG's services.

### 11. Related party transactions

During the year ending 31 March 2022, the charity charged its subsidiary £158,979 for management fees relating to CFDG Trading Ltd's activities (2021: £120,000). CFDG Trading Ltd donated £161,241 to CFG from its profits (2021: £123,439). There were no other related party transactions. As at 31 March, the balance due to CFDG Trading Ltd from CFG was £33,525 (2021: £27,867 balance due from CFDG Trading Ltd to CFG).

In addition, the following related party transactions are noted with the following trustees:

Avtar Boparai	Director of CFDG Trading Ltd
Kelly Ryder	Finance Manager, The Orchard Trust - £761: - £336 membership fee - £425 delegate fees for events
Kerry Shea	FD, Everybody Health and Leisure - £905: - £671 membership fee - £154 delegate fees for events
Kevin O'Brien	Director of CFDG Trading Ltd
Mwiza Mkandawire	Head of Finance, Transaid Worldwide Services - £1,278: - £599 membership fee - £679 delegate fees for events
Saf Rahbour	Independent Audit Committee Member, UNICEF UK - £1,588: - £1,588 membership fee Director of Finance & Operations, Tropical Health and Education Trust - £681: - £371 membership fee - £308 delegate fees for events

## NOTES TO THE FINANCIAL STATEMENTS

### 12. Summary of Assets and Liabilities by Fund

Current Year	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Intangible Fixed Assets	-	3,950	-	3,950
Tangible Fixed Assets	-	-	-	-
Current Assets	1,291,415	104,325	7,046	1,402,786
Current Liabilities	(1,082,918)	-	-	(1,082,918)
Long-term Liabilities	(50,000)	-	-	(50,000)
<b>Totals</b>	<b>158,497</b>	<b>108,275</b>	<b>7,046</b>	<b>273,818</b>

Prior Year	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Intangible Fixed Assets	-	61,165	-	61,165
Tangible Fixed Assets	-	-	-	-
Current Assets	1,038,402	42,137	33,494	1,114,033
Current Liabilities	(814,215)	-	-	(814,215)
Long-term Liabilities	-	-	-	-
<b>Totals</b>	<b>224,187</b>	<b>103,302</b>	<b>33,494</b>	<b>360,983</b>

### 13. Events after the reporting period

*i) Adjusting events*

There are no adjusting events that took place after the reporting period.

*ii) Non-adjusting events*

The only non-adjusting event to note for these accounts was the future effect of the global Covid-19 pandemic. This has been discussed in more depth throughout this document and the Board are satisfied that it does not change the going concern basis used to produce these accounts.

In June 2021, CFG received a loan under the Coronavirus Business Interruption Loan Scheme of £250,000, to help with future cash flow pressures. In July 2022, £200,000 of this loan was repaid, with £50,000 retained to help fund our "digital first" journey.

## NOTES TO THE FINANCIAL STATEMENTS

### 14. Comparative statement of financial activities

For the year ended 31 March 2021

(incorporating the income and expenditure account)

	Notes	Unrestricted Funds £	2021 Restricted Funds £	Total Funds £
<b>INCOME FROM:</b>				
<b>Donations and legacies</b>		82,469	26,448	108,917
<b>Charitable activities</b>				
Develop skills, learning, knowledge & practice		610,165	-	610,165
Inspire financial leadership		356,670	-	356,670
Encourage a supportive environment		58,569	-	58,569
<b>Other trading activities</b>				
Fundraising events		37,150	-	37,150
<b>Investments</b>		379	-	379
<b>Other</b>		67,836	-	67,836
<b>TOTAL INCOME</b>		<b>1,213,238</b>	<b>26,448</b>	<b>1,239,686</b>
<b>EXPENDITURE ON:</b>				
<b>Raising funds</b>		47,032	-	47,032
<b>Charitable activities</b>				
Develop skills, learning, knowledge & practice		716,404	-	716,404
Inspire financial leadership		322,638	-	322,638
Encourage a supportive environment		313,008	-	313,008
<b>TOTAL EXPENDITURE</b>		<b>1,399,082</b>	<b>-</b>	<b>1,399,082</b>
<b>NET INCOME / (EXPENDITURE)</b>		<b>(185,844)</b>	<b>26,448</b>	<b>(159,396)</b>
<b>TOTAL FUNDS BROUGHT FORWARD AT 1 APRIL</b>		<b>513,333</b>	<b>7,046</b>	<b>520,379</b>
<b>TOTAL FUNDS CARRIED FORWARD AT 31 MARCH</b>		<b>327,489</b>	<b>33,494</b>	<b>360,983</b>

# Independent auditor's report to the members of Charity Finance Group

## Opinion

We have audited the financial statements of Charity Finance Group (the 'charity') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity and the group's affairs as at 31 March 2022 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

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

## Conclusions relating to going concern

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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## Other information

The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report which includes the Directors' Report 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 Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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

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

### **Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement set out on page 41, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

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

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

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the charity and its activities, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements, Charities Act 2011, tax legislation, safeguarding, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud and money laundering.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax the Companies Act 2006 and the Charities Statement of Recommended Practice.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to income recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:


- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of the audit report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

  
Nicola Wakefield (Dec 21, 2022 19:17 GMT)

Nicola Wakefield

(Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

Date: Dec 21, 2022

**THE CHARITY FINANCE GROUP**

England & Wales - Charity number 1054914

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# Accounts

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# THE POWER OF PARTNERSHIPS

Charity Finance Group  
Annual Report  
and  
Financial Statements 2020/21

Registered Company number: 03182826

**The Charity Finance Group (CFG) exists to develop a financially confident, dynamic and trustworthy charity sector.**

CFG is the charity that inspires a financially confident, dynamic and trustworthy charity sector. We do this by championing best practice, nurturing leadership and influencing policy makers.

Our 1,500 member charities, including members from our partners associations, turn to us to develop their finance management knowledge and skills. Collectively, these charities manage more than £20bn of funds or a third of the entire UK charity sector's income.

For more information, please visit: [www.cfg.org.uk](http://www.cfg.org.uk)

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## WHY CHARITY FINANCE GROUP EXISTS

Our aim is to maximise charities' positive impact on those they serve through improving the effectiveness of financial management.

To achieve this impact and objects, our work is focused on achieving three main outcomes:

### OUTCOME 1

Well-developed skills, learning, knowledge and practice

### OUTCOME 2

Effective governance and leadership, with finance at the heart of it

### OUTCOME 3

A supportive and understanding operating environment

## A MESSAGE FROM THE CHAIR AND CEO

Welcome to the Charity Finance Group's Trustees' Annual Report 2020/21. The term is frequently over-used, but the extraordinary events of the past 12 months warrant its use, the operational challenges faced by us all have been 'unprecedented'.

The level of uncertainty and volatility, the level of disruption and the size of the challenges we have endured have been more significant than anyone might have predicted or prepared for. CFG leant into the crisis with three principal considerations:

- CFG's members and ensuring that the support our beneficiaries need from us was maintained,
- CFG's place in the wider sector and ensuring that government did not overlook the needs of the sector, and
- CFG's own survival as a charity

We were extraordinarily impressed and proud of the efforts of the staff team and trustees across all three considerations.

Whilst our own survival was not more important than helping our beneficiaries or the wider sector, there is a practical reality that we cannot do the first two without ensuring our own sustainability. Our worst-case scenario as the year commenced was a funding gap of three quarters of a million pounds – one which would have wiped out our reserves entirely. To reduce that figure to a survivable deficit is testimony to the team and board. This year, more than any that has gone before, showed how creative, hard-working and pragmatic the executive and trustees of CFG are. We extend our heartfelt thanks to both the staff team and trustees for the determination, hard work and goodwill they have committed to CFG during 2020.

But we were not alone in rising to the challenge; the significant support shown by our members, funders, corporate partners and generous individuals helped massively. Our headline and main sponsors of the CFG Annual Conference, who patiently stuck with us as the circumstances continuously changed, and the exhibitors and delegates who, when it became clear a physical event would not take place, not only didn't demand refunds but also engaged so enthusiastically with the virtual events in May and December that they all deserve a special mention.

Huge thanks also to the three corporate partners who supported three alternative events to the CFG Annual Fundraising Dinner; Crowe for hosting a fun quiz night, and Ecclesiastical and Price Bailey for sponsoring technical events.

Whilst the funds raised were only a fraction of those raised by our Annual Dinners, these events helped ensure CFG survived. Additionally, we made some tough calls on service provision and took steps to temporarily close CFG in order to receive government support under the Coronavirus Job Retention Scheme.

The steps taken in the previous year and the in-built flexibility in our processes meant that we were able to pivot our offering at pace and retained the vast majority of the planned services. However, we went further and added content and free events to our offer to ensure that charities remained connected and supported during this most difficult challenge. CFG's support was #NeverMoreNeeded during this period.

We've always prided ourselves on working collaboratively with others but the last year has super-charged those principles. It was a year in which we worked closer with partners across the sector than ever before.

Our work leading a budget submission developed new meaning as the pandemic took hold. Together with NAVCA, DSC, NCVO, ACEVO and CIOF, CFG was instrumental in rapidly bringing together sector voices. It became apparent very early on in the financial year that we would need to dig deep and pull together if the sector was to avoid being plunged into irrecoverable crisis. Over the weeks and months that followed the number of partners increased, became more organised and pushed for significant support.

We didn't get everything we sought from government but there is no doubt in our minds that without the coordinated efforts of the coalition the sector's plight would have been far worse. The initial £750m provided by the government dwarfed previous government support for the sector (although this amount was eclipsed by the size of the income lost at c£10bn).

We ensured wider support schemes like the Retail Grants, CBILS/CLBLIS (business interruption loans) and furloughing mechanisms (CJRS) could be accessed by social change organisations. CFG's policy work became indispensable to these representations, and the discussions we had with both government and the regulator.

CFG are proud to have supported and driven many aspects of the work that minimised the fallout for many and, for others, was the difference between survival and collapse. We are pleased to have been able to flex and respond to member need, ensuring that at the time our members needed us most, we were there.

Finally, we are delighted and thankful to have mitigated the financial impact on CFG itself. We are not 'out of the woods' yet and we are under no illusions that 2021-22 is going to be simple. But the support of our fabulous network of social change organisations and corporate experts has meant that this task is much easier than it might otherwise have been.

Thank you for all your support during this year and for the future.

*Gary Forster*

[Gary Forster \(Jan 27, 2022 17:06 GMT\)](#)

Gary Forster

Chair

*Caron Bradshaw*

[Caron Bradshaw \(Jan 28, 2022 10:54 GMT\)](#)

Caron Bradshaw

CEO

## STRATEGIC GOALS FROM 2021 AND BEYOND

Our three main areas of leadership focus for the year 2021 and beyond are:

- 1. Be the 'go-to' body**
- 2. Promote and support financial leadership at all levels**
- 3. Use our position to convene powerful networks**

CFG's strategic priorities evolved in 2020 as we focused on our position within the wider sector, our levels and areas of influence, and how our own internal knowledge and experiences feed into what we do.

### **1. Go-to body**

Our priorities are to maintain our position as a trusted and respected source of guidance across the UK charity sector on strong financial management, as well as the governance and broader management issues, that will determine financial security.

We will draw on our expertise and stature to be a bold, brave and confident advocate for the sector. CFG also draws upon its learning and experience to continually improve.

We strive to be an 'exemplar' organisation and share, where relevant, our own knowledge and experience, recognising that we have common purposes with our members.

### **2. Promote and support financial leadership at all levels**

CFG promotes and supports the development of financial leadership skills of individuals working within the charity sector, irrespective of their background or career stage.

We strive to be relevant and inclusive of all those who wish to develop their financial skills, whether it be for the benefit of their organisation, their own professional development and/or the wider sector.

### **3. Use our position to convene powerful networks**

CFG uses its position as a membership organisation to bring together different groups within and with the sector. We connect individuals and organisations so that they can:

- Support each other's learning and knowledge, leading to great social impact
- Position finance at the heart of decision making, to drive effective governance and sustainable operations
- Inform, instigate and shape better policy (regulation and legislation) and enhance public understanding in order to nurture a supportive environment

## MEETING AND REPORTING ON PUBLIC BENEFIT

The Trustees confirm they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

As volunteers, the Trustees do not receive any private benefit from being on the Board of Charity Finance Group.

As of January 2021, there were 169,000 charities in England and Wales registered with the Charity Commission, plus many more exempted or excepted charities. These charities work across a range of issues providing help to the vulnerable, delivering social change and making the world a better place to live.

To do their work effectively and to achieve the greatest impact for their beneficiaries and communities, they need to be financially well-led and managed.

Through good financial management and leadership, charities can make the best use of their resources. This enables them to better achieve their charitable purposes. This is accepted across the charity sector and by regulators.

Charity Finance Group provides public benefit by carrying out activities and providing services which improve financial management and leadership in the charity sector. We deliver a range of training, guidance and support for charity staff and trustees.

We also work to improve the operating and regulatory environment for charities so that they can carry out their missions effectively. We inspire different thinking about finance and its importance to charities' work.

By helping charities to improve their financial management and performance, we improve the effectiveness of charities, thereby supporting millions of beneficiaries in the UK and around the world.

Improving the work of charities and helping their sustainability in a volatile and often unpredictable environment, we can deliver significant public benefit.

This report shares many of CFG's activities and achievements during the year, as set against our strategic aims and our plans for 2020/21.

## FINANCIALS AT A GLANCE

	Total income (2021)	Total income (2020)	Total expenditure (2021)	Total expenditure (2020)
Outcome 1: Develop skills, learning, knowledge and practice	610,165 (-39%)	999,547 (-8%)	716,404 (-34%)	1,084,060 (+2%)
Outcome 2: Inspiring financial leadership	356,670 (-18%)	435,059 (+2%)	322,638 (-11%)	363,290 (+7%)
Outcome 3: Encourage a supportive environment	58,569 (-35%)	90,437 (-15%)	313,008 (-11%)	350,681 (+21%)

## PERFORMANCE AT A GLANCE

### CHARITY MEMBERSHIP

	Year 2020/21	Year 2019/20	Difference
Number of charity members	1,493	1,451	+42
Number of primary and additional contacts*	5,349	5,489	-140
Charities joined CFG as members for the first time in 2020/21	31	118	-87
Midlands	185	188	-3
Northern	264	223	+41
South west and Wales	222	218	+4
London and south east	822	822	-
Number of helplines	7	6	+1
Number of Special Interest Groups (SIGs)*	5	6	-1

\* The number of CFG Special Interest Groups (SIGs) decreased by one in 2020/21. The relaunch of the Finance in Grant-making Special Interest Group (FIG SIG) was postponed and the Community Accountants group was inactive during the year. The ARTS Special Interest Group (ARTS SIG) was launched in 2020, the Faith SIG is set to be launched in 2021/22, along with the relaunch of the FIG SIG.

### CORPORATE MEMBERSHIP

	Year 2020/21	Year 2019/20	Difference
Corporate members	102	127	-25
New corporate members	11	16	-5
Exhibitors at events	29*	76	

\*This is the number of all exhibitors, but for one event only – Annual Conference 2020. Exhibitors were not able to attend other events during the lockdown and therefore we cannot make a fair comparison.

### EVENTS AND TRAINING

	Year 2020/21	Year 2019/20	Difference
Total number of events	29	77	-48
Number of conferences	9	13	-4
Annual Conference attendees (all)	417	521	-104
Total number of delegates at CFG events	1,848*	3,010	-1,162
South west and Wales Conference	0*	61	-61*
Northern Conference	0*	54	-54*
Midlands Conference	0*	55	-55*

\*As above, due to the lockdown, we were unable to hold regional, in-person events in 2020/21. The figures above reflect this change in delivery method and the impact on delegate and exhibitor numbers. CFG organised, convened and led on numerous informal meetings that provided opportunities to network, share intelligence and work on topic-specific issues.

## MEDIA

	Year 2020/21	Year 2019/20	Difference
Twitter followers	11,418	10,700	+718
Greatest reach (Top Tweet)*	38,068 impressions	Data not collected	N/A
Website total page views	79,845*	273,181	-193,336
Website unique page views	60,691*	211,658	-150,967
New service - Number of webinars	9	17	-8
Total Webinar live attendees	338	847	-509
Total Webinar replay attendees	265	320	-585

## FURTHER COMMENTARY

### MEMBERSHIP

With a new Head of Membership & Marketing in place, the membership renewals process underwent a change in emphasis to a more proactive approach that would secure a greater renewals rate and great engagement with members. There has also been a focus on improving data capture and improving the communications during the renewals period.

### EVENTS AND TRAINING

As stated above, the events and training programme shifted rapidly to online delivery and the programme for 2020/21 was condensed. This new delivery model and the lockdown led to a scaling back of larger events, the organisation of many smaller, more regular events for members and the cancellation of regional, in-person events. Online delivery meant that geography no longer presented a barrier to accessing CFG events and training.

### MEDIA

We increased our reach in 2020/21 through social media, with new followers and for the first time, we are including in the statistics our greatest one-off reach with social media posts. This is useful in understanding our potential reach to external audiences.

We also increased our reach to the media with a new Communications Manager in post. In the six-month period between September 2020 and February 2021, there were at least 52 separate articles mentioning Charity Finance Group, published across digital news media. We have no comparative data from the previous year of the same period, however, we have seen a steady increase in media coverage and mentions during the financial year, as well as an increase in content on our own news pages.

The decrease in website page views is due to a series of changes in Google's algorithms. At the end of financial year 2020 we mapped out a two-phase project for the website and are undertaking a series of improvements, designed to improve user experience and to deliver more content to members.

[View our 2019/20 Annual Report.](#)

# REPORT OF THE BOARD OF TRUSTEES

## 2020/21 AIMS – PROGRESS SUMMARY

It has been a year like no other for CFG, our members and partners, the wider sector and globally. As we headed into 2020/21, we, like so many others, had little idea of what lay ahead and how prolonged and deep the Covid crisis would be.

We were immediately plunged into that crisis and whereas we would normally meet in person to take stock of the year and reflect on our year's activities, achievements, and where we had fallen short, we found ourselves working remotely from home, working out what needed to be done to support CFG's members, staff and the sector in that moment.

The reflections of the previous 12 months on how CFG should and could evolve to keep pace with a volatile and ever-changing operating environment were brought into sharp focus. Immediately, many of the plans we had were either brought forwards, particularly those around our digital communications, and others had to be paused to be re-configured, such as our events and training programmes.

The investments we had made in previous years through the Future Investment Fund, and the restructuring process that we went through as the pandemic took hold, stood us in good stead. We were able to pivot quickly to new ways of working whilst maintaining close contact with our members. This was due to our focus in previous years on CFG's business model, processes, product development and data.

However, this wouldn't have counted for much if it had not been for CFG's staff and the incredible commitment they showed to delivering services and activities in new and sometimes challenging circumstances. Due to CFG's restructure of the previous financial year we were recruiting for four key positions during the financial year and these spanned finance & operations, commercial services, membership and communications.

In Q2, we recruited a new Director of Commercial Services, a new Head of Membership & Marketing and a new Communications Manager. These key roles boosted CFG's ability to deliver our strategy. However, due to the financial constraints faced, we were unable to recruit to the planned headcount meaning that the staff team capacity was squeezed.

Throughout the financial year it was necessary to constantly review capacity and strike a balance between mothballing our services (placing staff on furlough) and mobilising our team to deliver more.

We hope that through greater collaboration with partner organisations, the use of flexible furlough and greater creativity and innovation, we were able to maintain, and in some areas increase, support for our members whilst addressing the fiscal stress we were under.

## HOW DID WE DO?

### BE THE GO-TO BODY

OUR STRATEGIC GOAL	KEY ACHIEVEMENTS/ OUTPUTS	WHAT WE'VE LEARNED
<p><b>Be the go-to body</b></p> <p>CFG is the most trusted and respected source of guidance in the UK on strong financial management as well as the governance and broader management issues that will determine financial security.</p>	<p>CFG played a pivotal role in the coalition of infrastructure bodies (securing £750m emergency funding, amending support schemes such as CBILS and CVJRS for sector and took part in a number of campaigns #EveryDayCounts, #NeverMoreNeeded, #MobiliseNotMothball).</p> <p>CFG led the sector's response to CSR/Budget.</p> <p>CFG's CEO was part of the sectors engagement with DCMS.</p> <p>CFG's CEO was part of the working group determining the future of the infrastructure bodies coalition beyond the pandemic.</p> <p>Continued to lead SORP engagement and support the wider process through the CEO's membership of the SORP Committee and convening/supporting engagement strands.</p> <p>Supported the IFR4NPO project as country champion.</p> <p>Submitted a number of responses to important consultations in charity finance subjects like the future funding of DB schemes (The Pensions Regulator).</p>	<p>During the pandemic this strategic goal acquired renewed importance as we were called upon to provide data, insight and expert opinion on the funding and business models of the sector.</p> <p>However, our main focus was Covid-19 related, meaning capacity to address many of our core topics, from pensions to accounting, was squeezed.</p> <p>Financial constraints prevented the planned introduction of an entry level policy role aimed at using our place in the sector to increase diversity in policy formation. This meant our team was smaller than planned.</p> <p>We recognise that our resources and ambition are not currently matched and careful management will be required to maximise impact in constrained times.</p> <p>Member and partner input has been vital to our work and the mechanisms for tapping into this will need to be maintained.</p>

## PROMOTE AND SUPPORT FINANCIAL LEADERSHIP AT ALL LEVELS

OUR STRATEGIC GOAL	KEY ACHIEVEMENTS/ OUTPUTS	WHAT WE LEARNED
<p>Promote and support financial leadership at all levels;</p> <p>CFG promotes and supports the development of financial leadership skills to individuals working in the charity and social change sector irrespective of their background or career stage.</p>	<p>Delivered an online Annual Conference over five days providing 21 speaker presentations and 'clinics' providing technical help and consultancy from our 30+ sponsors, exhibitors and corporate partners.</p> <p>Conducted all planned member meetings online, covering a wide range of topics, some sector-specific and others touching on core topics and Covid-19 related themes.</p> <p>Relaunched our Overseas Special Interest Group and ran online meetings to discuss key issues, including the IFR4NPO consultation and merger of DFID and FCO, as well as provided space for networking and knowledge sharing.</p> <p>Successfully transferred our flagship <i>Inspiring Financial Leadership</i> course with partners Sayer Vincent and Centre of Charity Effectiveness (now Bayes) online.</p> <p>Launched a Mentoring scheme online with two cohorts and a total of 26 attendees taking part during the year. The virtual format meant there were no geographical boundaries and participants engaged from different regions of the country.</p>	<p>The demand and need for technical, professional and personal development remains high.</p> <p>Participation increased in some areas as a result of easy digital access.</p> <p>Member's access and engage with different elements of their career development and knowledge (CPD) requirements in a range of ways. CFG needs to amend and adapt the range and channels of delivery to remain relevant and meet demand.</p> <p>Greater segmentation and tailored support is demanded by members.</p> <p>Knowledge of key products and services could be improved to ensure greater support to charitable organisations and individuals working in charity finance.</p>

## USE OUR POSITION TO CONVENE POWERFUL NETWORKS

OUR STRATEGIC GOAL	KEY ACHIEVEMENTS/ OUTPUTS	WHAT WE'VE LEARNED
<p><b>Use our position to convene powerful networks; to bring together different groups within and with the sector to:</b></p> <p>a) support one another's learning and knowledge leading to greater social impact</p> <p>b) position finance at the heart of decision making (driving effective governance and sustainable operations), and</p> <p>c) inform, instigate and shape better policy (regulation and legislation) and enhance public understanding of charities so that charities operate in a supportive environment.</p>	<p>CFG led the Finance and Funding Group of the infrastructure coalition (alongside CIOF) and the corresponding DCMS working group on Finance.</p> <p>CFG refreshed the Large Charity Special interest group and undertook a number of online meetings for knowledge sharing and best practice development.</p> <p>A new Special Interest Group for the arts and culture sector (ArtSIG) was launched, and convened new policy roundtables on key topics, such as pensions, Brexit and gift aid.</p> <p>Regular CEO contributions to CFG's magazine <i>Finance Focus</i> and <i>Charity Times</i> ensured a continuous debate around key issues and brought communities online to reflect and debate.</p> <p>Attracted more followers to our social media channels, helping to diversify and grow our networks and communities online.</p>	<p>The ability to bring together our corporate and charity members to tackle problems and co-create possible solutions was evident in our work, for example responding to the DB funding code proposals.</p> <p>This method enriches both our experience and the understanding of our partners and was successful in opening a channel of communication with the Pensions Regulator which should ultimately benefit charities and those we serve in a resource efficient way.</p> <p>CFG is very well-placed to bridge different industries and sectors, but we are not always well-known outside of the charity and non-profit sector. We need to build on the connections we have already made.</p>

## READ ALL ABOUT IT!

It has been a year like no other. Read on for news stories and highlights from CFG in 2020/21.

### ADJUSTING OUR LENSES DURING A CRISIS

*By Caron Bradshaw OBE, Chief Executive Officer*

**Over the past year, the whole sector has experienced the impact of the Covid-19 pandemic and this has been at the front and centre of everything we've done. When the pandemic hit, CFG had three lenses through which we had to operate and respond to the pandemic.**

The first lens was around CFG's place in the wider sector and how we came together with other infrastructure organisations to ensure the sector had its voice heard. This was at the time the government was wrestling with its own responses and what was required from them, both from a fiscal point of view and in terms of practical advice and guidance.

CFG were at the heart of those conversations, and we played a pivotal role in bringing together a coalition of partners. We found great strength in the unprecedented levels of collaboration across the sector, which will continue long after this situation is over.

As a sector we've had to quickly pivot towards our services, delivering support in a very different way. They've had to be delivered in a time of increased demand and at exactly the time our income sources from nearly all our avenues had been cut off. So, it's been an incredibly challenging year for the whole sector.

At the same time, we've had to work in different ways with organisations and those that were not our official partners before the pandemic, for example mutual aid organisations, and new volunteers. Therefore, it has been an incredibly demanding world for the sector operationally, as well as financially, emotionally, and as organisations that employ individuals too.

The second lens we had to think about was our members. We asked ourselves how we should provide our charity and corporate members with the support and services they would expect outside of the pandemic. And we also thought about and recognised that our members had specific needs during the pandemic.

#### **Common challenges**

In common with all our members, our final and third lens was that we had our own challenges after suddenly abandoning the office in March 2020 and not going back. As of Summer 2021, many of us are still working from home or working in a hybrid manner.

We had to respond to our own income challenges; recognising that a lot of our income is generated through face-to-face activities. We've had to face financial and operational challenges, whilst also thinking about our staff wellbeing. We've encountered the challenges of isolation and being stripped of that support mechanism you get and the camaraderie that you experience when you're working physically together as a team.

As an organisation there were three parts to our response internally; practical, financial and pastoral. I think everyone has experienced the practical challenges around having an office space and whether we had the technology to carry on working. When we came into this pandemic, we anticipated the worst-case scenario of losing up to £750,000 in income, and not being able to easily identify the corresponding amount of expenditure without undermining our ability to deliver products and services, support the wider sector and our members – our charitable activities.

And the third aspect is about us as an employer. We have an ethos that our staff are human beings with lives outside work, and they do their best when they can bring their whole selves to work. We have leant into culture as being a really important part of who we are. That means recognising that not everyone is in the same boat and that we all have different circumstances at home.

### **Culture and change**

The culture of our organisation is about self-support, supporting each other, developing and working together. I have been quite surprised how much that culture had been reliant on the incidental conversations, the unstructured workspace and face-to-face environment.

Switching to digital and remote working has presented some significant challenges and, whilst we've all been working on a burning platform, goodwill has got us through. The aftermath of the pandemic is likely to create some tensions and challenges – not just for us, but all organisations – that we will all have to recognise and lean into. If we don't value and love our people, then we're not going to get the best out of them.

### **Restructuring during a crisis**

Coming into the new financial year, CFG had already gone through a process of self-reflection, and we had been looking at our business model and structure to make ourselves fit for the future.

We'd moved to our rolling strategy and had adopted several steps to try to make ourselves flexible and agile to respond to an ever-changing world – because life doesn't operate in nice, neat boxes, or linear lines.

In March 2020, we were in the middle of a restructure of CFG's staff and that presented a whole range of challenges – not just in terms of continuity and losing a lot of knowledge that had been built up over a period of time – as we said goodbye to some long-serving and skilled individuals as we restructured – but also in bringing on-board new people in a totally online environment – I have still not met some of my staff physically, face-to-face.

We had planned to recruit for some new roles to make that structure really perform for us, but the financial reality was that we had to pause some of those plans. This put extra pressure on staff. I want to pay tribute to those who have dug deep and carried the extra workload while their team members or line managers were still yet to be appointed. They've worked incredibly hard to ensure we carried on delivering to our members and to the sector.

The restructure in some ways was the worst of times in that it coincided with the pandemic, but equally, in other ways it has been the best of times as it has been an opportunity to really relish the challenge of onboarding new staff and ask ourselves questions like 'who are we?' and 'what is our brand?'

I was extraordinarily impressed and immensely proud of the efforts of our staff, and our trustees, our corporate supporters and our charity members in the way we've all come together to carry on.

From the bottom of my heart, I would like to say thank you to all those individuals and organisations who have stood by us during this difficult and challenging time. They have helped us to come through and have enabled us to deliver in a new and exciting way, at pace, to make those changes quickly.

Thank you.

## SPRING 2020 (Q1)

### **#EveryDayCounts campaign launch**

Many charities face the brink of collapse and others look to abandon or curtail services to survive the deepening Covid crisis. CFG is at the centre of the #EveryDayCounts campaign, encouraging charities to join the campaign and provide evidence to government. The team is taking an active role in the campaign by partnering with a wide range of sector organisations to develop policy responses and campaigns. Caron Bradshaw, CEO, CFG, comments that actions taken by charities is not about saving charity, but about saving the role charities play in society for the good of our beneficiaries. The campaign sets out that it is about helping charities play their part in responding to the unprecedented times and ensuring the most vulnerable in society are not the hardest hit during the crisis.

### **CFG continues its support as Covid-19 crisis deepened**

CFG continues to publish the latest information, tools and resources to members on Covid-19 and coronavirus. CFG's live Coronavirus guide is continually updated and news and guidance on government grants, schemes and other support is shared.

### **#NeverMoreNeeded coalition gets moving**

Following on from the #EveryDayCounts campaign, the coalition of civil society charities takes the next step in the joint campaign. The #NeverMoreNeeded campaign launches with a new website and information hub.

### **Commission publishes additional help**

Following consultation with CFG and others, the Charity Commission issues supplementary example tables to help trustees decide if they need to report a serious incident that is related to the coronavirus pandemic.

### **CFG and others raise the alarm on income shortfall**

CFG and other sector bodies continue to raise the alarm as charities face a huge predicted loss of more than £12bn as the Covid-19 crisis lengthens and they continue to grapple with the impact of social distancing measures.

### **Government support package is announced**

Chancellor Rishi Sunak makes a long-awaited announcement that the charity sector will receive a £750m package of measures to support it through the significant interruption caused by the Coronavirus. The announcement comes following significant pressure on the government from sector organisations, including CFG. The announcement is welcome, but concerns continue that it isn't enough.

## LEANING INTO THE THREE 'R'S

*By Rui Domingues, Director of Finance and Operations, CFG*

**I joined CFG in July 2020, and at the time of writing I'm marking my first anniversary as Director of Finance and Operations, leading a small team responsible for finance, HR, facilities and IT/technology.**

I've been a member of CFG for more than 20 years, but my directorship began right in the peak of the pandemic. That period was a very strange one for everybody, but looking back now there were three overlapping stages at CFG – the Response, the Recovery and the Renewal phases.

The Response phase – essentially a time of crisis management – was dominant for 2020 for us as a charity, for the sector, for the economy, for the world. This crisis management mode affected all aspects of the organisation – from the management of facilities, in particular the office and technology we use, and also our HR and staffing. And, of course, it impacted finances.

Like many other organisations, a lot of our delivery was via face-to-face conferences and training events, but in 2020 we just couldn't work like that any longer. We had to change delivery completely and we were aware that there could be a significant drop in our impact.

Despite being in the thick of that, CFG still managed to do some of the operational things that we'd planned to do, such as the restructuring of teams. But the most critical and key part of that phase was responding to a 40% drop in our income.

### **How did we respond?**

There were several things we did as a response to the pandemic and restrictions.

Firstly, just looking at the purely practical side – we had a closed office and we had to move to remote working for the whole staff team. Until then, we'd been using desktop computers, so we had to move very rapidly to laptops and Office 365. Staff set up their own mobile ways of working, some on kitchen tables, others in bedrooms. We all had to learn how to work remotely and blend our personal and professional lives that little bit more. The support we received from our technology partners was crucial during this period.

Another change we quickly implemented was that we changed how we did our reporting. It may seem counterintuitive, but rather than beef up the depth of our management accounting, we took a decision to go back to more basic reporting and monitoring during the year. We went to a very cash-based model, looking closely at our major outflows and cash inflows to make sure everything was balanced for the year. The Board was very supportive of this approach.

We made use of the schemes the government put in place, including the Coronavirus Job Retention Scheme. That support that central government gave meant that we did not have to make any redundancies.

After the year end, we also applied to the Coronavirus Business Interruption Loan scheme to give us a buffer for our cash as we move beyond that response phase into the next phases of recovery and renewal. We made a deficit in the year, but it was much lower than we'd originally projected earlier in 2020.

I believe we can confidently say that CFG is coming out of that crisis response phase now and in 2021 we are moving into the recovery and renewal phases. We opened our office in late summer/early autumn 2021. The team has been hard at work to ensure a Covid-safe environment and to make the office available to those who wish to use it.

Alongside the support we've given to staff, many of whom have been working in less-than-ideal situations from home, we've looked to see how we can support our members too, particularly when it comes to providing grants for our programmes.

### **Looking ahead**

As we look towards the renewal phase, we're considering the technology around hybrid events. However, we're still very mindful that our members really value the face-to-face interaction they experienced at past events, and we're looking at how to bring those back safely.

We're also conscious of the fact that by running events online, we've been able to welcome and support more charities from around the country to our events and this is something we want to continue.

We cannot underestimate just how tough this financial year has been, losing that amount of income overnight. However, that's what our reserves are there for – to help us weather those storms. From a finance perspective, we're now looking ahead and with a loan in place, if we need it, making sure that we're able to service it and thinking about the steps we need to take to rebuild our reserves.

As a team, we have to be more agile in some of the innovative work we're now exploring and learning to work in this blended way. We're refreshing our values and looking at how they filter through into our processes, behaviours and personal development plans.

It has been eye-opening to see the amount of work that people put in this past year and the team's commitment to supporting our members and the sector. But we do need to be careful: A lot of people now are feeling very stretched and we need to continue taking care of our colleagues.

### **Member support**

We're not out of the woods yet, as it's still a tough financial environment, but I'm just blown away by the way our members have renewed with us and new members have come on board, to see the benefits that CFG provides for them. Throughout the Response phase, members continued to sign up to online courses, and events, and they kept up their membership.

I want to say a really big thank you to CFG's members, charity and corporate, for continuing to support us and seeing the value that we bring to you and to the sector more widely. This support has really helped us enormously over the last year.

## SUMMER 2020 (Q2)

### **CFG renews commitment to EDI**

CFG renews its commitment to diversity, equality and inclusion in the wake of George Floyd's murder and mindful of the Black Lives Matters movement. CFG states: 'It is not enough to not be racist; we must be actively anti-racist. This focus on race equality also provides a prompt to think about diversity, equality and inclusion for all groups facing disadvantage and prejudice. We commit to do so and to turn these awful, shocking and outrageous events into a positive catalyst for change.'

### **CFG joins call for boost to Gift Aid amid pandemic fundraising shortfall**

As part of a coalition of leading voices in UK charities, CFG calls on the government to temporarily increase the level of Gift Aid that can be claimed on donations. CFG also writes to Danny Kruger MP with recommendations for his review into communities post Covid-19 to help civil society 'build back better'.

### **Government focuses on jobs in Economic Update**

CFG's policy team sets out a briefing on July's Economic Update, aided by commentary from CFG's corporate partners. Mostly it was all about the jobs, and no charity-specific measures were announced.

### **CEO's plea to sector – 'let's buzz as loudly as we can'!**

CEO Caron Bradshaw reaches out in a personal plea to the sector, urging them to 'buzz' as loudly as they can about the vital work they do. She writes: 'Like bees, we are an army of unnoticed workers. The

glue that keeps communities together and a bridge between the sectors. We are there when there is no profit to be made, in the spaces unoccupied by others, frequently holding up public services. Most people just don't know what is captured by that word 'charity'. Like the air we breathe or the bees who pollinate our plants, charities are all around us – trusted in our moments of individual and collective crisis. There for each and every one of us.'

### **CFG fundraises for first time to help close financial gap**

Caron Bradshaw pens an open letter on behalf of CFG to all CFG members, corporate partners, supporters and friends, stating: 'As you would expect we have acted quickly to cut costs, without impacting service or putting our staff team at risk and have found ways to protect and increase our income. We've held back on recruiting some vacancies, reduced overheads and I've taken a 12% pay cut... Despite early steps, we currently have a large funding gap which could be as much as half a million pounds by year-end.'

### **Research points to potential collapse in services**

The results of CFG's ongoing research with Pro Bono Economic and CloF, shows that more than half of charities are cutting back their services and warns of job losses. 85% of charities expect a negative financial impact and 70% think it will take more than a year for pre-Covid income levels to be restored. The research also shows how charities are responding in times of crisis, with 77% making more use of digital technology and 44% applying for government's emergency support.

## REACHING OUT DURING COVID-19

*By Sarah Lomax, Director of Commercial Services, CFG*

**The past year has been an interesting one, to say the least! I joined the organisation in August 2020, in the midst of the pandemic and to date I still haven't met my colleagues face-to-face and I still haven't been to the CFG office.**

I joined as part of the organisation's restructure of the senior management team, which also included a new head of membership and marketing. This post didn't previously exist at CFG, so in addition to joining a new organisation remotely, it has also been interesting to form a team in this manner.

It has presented its challenges, but we've been successful so far in working together smoothly and getting to know each other. One of the biggest challenges we had to meet head-on was turning our flagship annual conference into a multi-day digital event and I'd like to take this opportunity to thank all our sponsors, exhibitors, speakers and delegates who really rallied round us to make it one of our most successful conferences to date. We couldn't have done it without all of you!

At CFG, we're always looking to develop new relationships and convene partnerships and networks where we can to help our charity members manage their finances more effectively. So, for example, we've welcomed many more small charities into membership with the aid of Garfield Weston, who funded a bursary that we offered to charities with an income under £1m – ensuring that smaller charities are included and represented within our charity membership.

### Partnerships and networks

We have an excellent relationship with the Association of Independent Museums (AIM), which is moving from strength-to-strength. We've created a specialist interest group for the arts and we want to develop the relationships we currently have and develop new ones, to ensure that we're helping charities on the frontline to hone their financial skills.

Looking ahead, our plans for the future include adapting to new ways of working, training and attending events, and we are looking forward to returning to our Annual Conference and Annual Dinner physically in 2022.

Simultaneously, we want to keep the benefits that our rapid embrace of digital has brought us. We want to re-examine our membership benefits and services to ensure they remain relevant to our members, and ensure that our events and training offerings continue to help our members develop the skills they need to face their financial challenges throughout the pandemic and beyond. Our commercial team, in tandem with our excellent Corporate Partners, make certain that they provide relevant resources and expertise to help our charity members.

If I were to reflect on the past year, I would say that we are stronger together than alone and that's been illustrated both internally at CFG in the way the teams have really come together to face this, and externally through the partnerships that have been forged and strengthened in the face of the Covid crisis.

For me, this year has been that resilience is the Holy Grail and that personally and professionally you must take things one day at a time. After all, tomorrow is another day!

## AUTUMN 2020 (Q3)

### 'Tax after coronavirus' – joint charity sector response

Joint response to the Treasury Committee's inquiry into 'Tax after coronavirus'. CFG responds in a joint submission which sets out a number of core principles that underpin any future tax reform. As a minimum, existing charity tax reliefs should be protected and tax compliance and administration simplified.

### CFG reacts to 'Levelling up our communities' report

CFG broadly welcomes a report from Danny Kruger MP which sets out a Conservative vision for civil society. 'Levelling up our communities' 'is a clear indication to government that civil society and social enterprises are a vital component in our country's recovery from the Covid-19 pandemic. CFG says that it hopes the report will mark the beginnings of a vital dialogue between government, charities, social enterprises and wider civil society.

### CFG submits to Comprehensive Spending Review

CFG, along with the #NeverMoreNeeded coalition of civil society organisations, responds to the government's Comprehensive Spending Review.

### #TickTheBox day another success

CFG's annual Gift Aid Awareness Day is in its third year and in 2020 the campaign is #NeverMoreNeeded. This year's event sees hundreds of charities raising awareness to encourage donors to #TickTheBox.

### More news of sector redundancies

CFG research shows more than ¼ of charities have made redundancies and 1/5 expect to make cuts once the job retention scheme is withdrawn. "We invite government to work more closely with us, to explore the solutions we've already set out and help counter the enormous operational difficulties we now all face", says CFG's Roberta Fusco.

### Caron Bradshaw: Woman of the Year!

CFG's CEO Caron Bradshaw is named Woman of the Year (non-CCAB) at the Women in Finance and Accountancy Awards, fighting off strong competition from seven other finalists. The judges note that 'by focusing on a strategy of promoting financial leadership, Caron has cemented CFG as not only a go-to body for the sector, but as a promoter of financial excellence throughout all levels of the discipline.'

### Charities fear Christmas cash crisis

The latest data from the social sector lays bare the stark need for more government support for charitable organisations. The results from the joint Covid Charity Tracker Report show that charities are to face a very difficult winter.

### Coronavirus Job Retention Scheme extended

The Coronavirus Job Retention Scheme will be extended until the end of March 2020. CFG's Policy Manager, Richard Sagar, takes a look at what that means for the sector.

## POLICY AND PIXELS: HOW WE CONNECTED THE DOTS

*By Roberta Fusco, Director of Policy & Communications*

**Pick up any Trustees' Annual Report this year and words such as 'unprecedented', 'challenging' and 'difficult' will leap out time and again. For CFG, the past year has been all those things, but to those words I would also add 'reflective' and 'galvanising'.**

When the pandemic struck, CFG was in the midst of a restructure which saw the creation of new teams to better meet our members' needs. Being immediately plunged into 'response' mode meant that we had little time to settle, but it also meant that we worked even harder to quickly build new relationships.

### **Strengthening the sector's voice**

From the very beginning of the pandemic, CFG and other infrastructure organisations came together to share information, pool resources, coordinate and collaborate for and on behalf of the sector. In all these efforts, CFG took a leading role.

Our history of working in partnership put us in a good position. Through our previous collaborative efforts on the Treasury's spending reviews and budgets, we were able to carve a clear path to a set of coordinated recommendations and 'asks' to government. This work proved to be significant in securing the government's vital £750m rescue package.

The past year has been characterised by an almost exclusive focus on working together with others. The CFG policy team has had weekly online meetings with infrastructure bodies and other charities from across the UK. This close contact allowed us to coordinate ongoing policy and public affairs activities, agree joint messaging and lobbying efforts, share intelligence and gather real-time data.

Not only have we strengthened our ties with those organisations, but we have also forged new ones. One of the most notable of these is with Pro Bono Economics. Together with the Chartered Institute of Fundraising (CIOF), we ran a monthly 'tracker' survey to check the ongoing financial 'health' of the charity sector. The data we gathered helped us to make the case for more government support. The pandemic also meant more frequent meetings and information sharing with government and we also helped The National Lottery Community Fund set the criteria for their new crisis fund.

The Covid-19 crisis decimated income for many. Given the financial impact, CFG led on a number of submissions and briefings to government, both in front of and behind the scenes. Our joint 'Five Point Economic Plan' and other work was submitted to government and a large part of our work involved briefings to the House of Lords and the Commons, to departmental committees, to HM Treasury and the Chancellor. We engaged in public affairs activity too. With the Charity Retail Association, we hosted a roundtable discussion with backbench MPs and Peers to discuss the role of the charity sector in 'building back better'.

We were successful in influencing the Charity Commission to amend their approach to the reporting of Serious Incident Reports by removing the qualification for 20% reduction in income, which during the pandemic period would have resulted in onerous reporting for charities without identifying those charities at real risk of insolvency.

We also presented a joint paper to DCMS, which represented the most comprehensive view of the 'state of the sector' finances and outlook. This involved wide collaboration across all sub-sectors of charity infrastructure and represented CFG as the body with the ability and authority to not only collate this information, but to synthesise and interpret it for the audience.

Although well received by the sector, the National Lottery, DCMS and Number 10 officials (who did not dispute its contents or conclusions) we were unable to secure additional funding on top of the initial £750m. However, our efforts led to greater collaboration and transparency, as well as a renewed commitment to exploring politically viable options.

Our work in other areas continued and Brexit was our focus for the latter part of the year. We created space to discuss the implications of the UK's exit from the European Union and provided members with detailed information on what the final agreement meant for the sector.

### **Communicating change and changing communications**

While much of our policy work went on behind the scenes, CFG's efforts to represent members and the sector more widely was #NeverMoreNeeded – a phrase and campaign slogan that summed up both the rapidly growing need for charity services during the pandemic, and the need of the sector to receive emergency support from government.

The #NeverMoreNeeded campaign was one among three that we were involved in during the year. CFG led on a campaign – #MobiliseNotMothball – that asked government to look again at the Coronavirus Job Retention Scheme (CJRS). We pointed out that the charity sector faced a Hobson's choice between furloughing staff, and therefore effectively mothballing, or stretching finances to breaking point by stepping up to meet increasing demand for services.

We also backed the #RightNow campaign towards the end of the FY that kept up the pressure on government to urgently support the sector. Although not successful in achieving our main aims, there was much to be proud of in the way we communicated our sector's needs and represented members' interests.

Whilst CFG worked to support and deliver these Covid-19 related campaigns and the annual Gift Aid Awareness Day campaign in October (which saw the launch of our new *Guide to Gift Aid*), we also turned our attentions to the digital delivery of some of our member benefits and products.

We continued to deliver content that supported members' professional and personal development through *Finance Focus* and our website. And we began a programme of work to improve the website, to improve compliance, member/user experience and deliver more content more seamlessly. The project is expected to be delivered in 2021/22.

We also continued to expand our reach to external audiences with an increased presence in the sector and national media. Between September 2020 and February 2021, there were at least 55 separate articles published across digital and broadcast news media (print media not tracked) that mentioned, or were led by, CFG. There was good coverage in the charity/fundraising/third sector press – nearly half of all articles were from the sector press. Others were a mix of local and national press, including *Financial Times*, *Mirror*, *Telegraph*, *Guardian*, *Express*, *Forbes*. Broadcast coverage included ITN/ITV, the BBC and Channel 4. Without our partnership working many of these stories would not have been possible and we thank those we partnered and worked to ensure the sector's stories were amplified.

This past year has helped us to reflect on what can be achieved at a time of crisis and it exposed a level of team commitment, adaptability, and creativity that we hadn't previously seen. It's difficult to settle on just one big lesson, as I believe the past year and the pandemic has bought about a fundamental shift in so many ways of thinking and being. For me, it has reinforced the importance of core values in the workplace, and my belief that if we are to make true progress as a human race then we must place the collective good above personal gain.

## WINTER 2020/21 (Q4)

### **CFG asks Chancellor to make job scheme fit-for-purpose**

Civil society leaders write to Rishi Sunak to urge him to develop a Coronavirus Job Retention Scheme (CJRS) fit for purpose for social change organisations. The group points out the CJRS is 'a scheme designed predominantly with private enterprise in mind' that has 'had the perverse effect of incentivising mothballing of provision and not mobilisation.' CFG launches the #MobiliseNotMothball campaign with this urgent message to government.

### **Economists sound warning over 'charity crunch'**

The results of the latest Covid Charity Tracker Survey reveal a troubling gap between increasing demand and declining income. Seventy-five per cent of charities expect higher demand in 2021, while 83% forecast income decline.

### **CFG responds to the government's spending review**

CFG comments on the Chancellor's spending review. Caron Bradshaw says that the government "can no longer afford to ignore vital non-profit organisations who work on the ground, here in the UK and overseas."

### **New CFG bursary scheme gives small charities a boost**

CFG launches a Small Charities Membership Bursary to help small charities that have been impacted by Covid-19. The new grant scheme was made possible thanks to the generosity of the Garfield Weston Foundation. By securing £30k, CFG will provide full membership bursaries for around 200 smaller charities.

### **CFG's Annual Conference opens with Tessy Ojo CBE**

Tessy Ojo CBE shares the three principles and lessons she believes will help the charity sector create a better future: Our people must matter; build sustainable and innovative funding models; remain agile.

### **We will keep "raising the alarm"**

CFG states that the Chancellor's reply to civil society's call for a fit-for-purpose job scheme falls short. Caron Bradshaw comments: "We call again on the government to meet with us to discuss all points of concern and quickly find a path through. Now is the time to do that before the CJRS policy is reviewed in January. Until that time, we will keep raising the alarm."

### **Charity Finance Group's CEO is awarded an OBE**

Caron Bradshaw, CEO of CFG, is named in the New Year's Honours List and will receive an OBE. "I am deeply grateful for what I see as recognition of CFG's work", says Caron.

### **Charity sector innovation boom set to last**

A new report from CFG, Pro Bono Economics and CloF shows that charities expect to continue their rapid shift towards digital working and collaboration in 2021, building on the innovation they have displayed in response to the Covid-19 crisis.

### **Coalition reiterates calls for urgent support**

Charity sector leaders set out urgent #NeverMoreNeeded support measures ahead of the March 2021 Budget and CFG reiterates its call for a fit-for-purpose CJRS. A new report from CFG, Pro Bono Economics and CloF suggests a fundraising chill, with severe income drops.

### **#RightNow campaign gets off to a flying start**

Thousands of social change organisations across the UK, their supporters and volunteers share what they're doing #RightNow to support their communities. The campaign aims to raise awareness of the sector's vital work and calls on government to create an emergency support fund.

### **Tax after Coronavirus**

CFG takes a look at the Treasury Committee's latest report on tax which warns that 'tax reform is needed to address unsustainable public finances'. CFG notes that although the report does not explicitly respond to CFG's recommendations, the report covers a number of issues of interest to the sector.

### **Budget 2021 reactions**

CFG joins with dozens of other civil society organisations to express disappointment that the government has 'made the deliberate choice not to listen to the collective voices of over 1000 civil society organisations...' There are some bright spots, though, including the extension of the furlough scheme, additional funds for domestic abuse survivors and mental health services for veterans, and a cash boost for arts and culture.

### **Share your stories at the CFG Annual Conference 2021**

Every year the CFG Annual Conference brings together the talented charity finance community. Members are invited to submit their stories, best practice and expertise as speakers at the 2021 Annual Conference entitled Leading the Way.

## CASE STUDY: INSPIRING FINANCIAL LEADERSHIP

*By Lindsey West, Head of Finance and Operations, Heart of Glass*

When Lindsey West first signed up to CFG's Inspiring Financial Leadership course in 2020, she wasn't entirely sure what to expect and how it would help her or her charity – Heart of Glass, based in St Helens.

Lindsey and her 13 colleagues work with local communities across Merseyside to make art that is meaningful to them and their communities. Like many other charities, Heart of Glass was significantly impacted by the pandemic; as a collaborative arts organisation, the charity's work is mainly through face-to-face delivery.

Lindsey explains: "My hope prior to joining the course was to gain confidence in myself and my role. I wanted to be able to bring my finance experience to the table during wider conversations at work, influencing strategy and the development of the organisation.

"I'm not sure I really knew what I was getting into when I joined the course. I loved that it was over multiple months and so there was the sense of being able to implement learning over time. And being based in north-west England I would not have been able to join the course if it wasn't for the pandemic converting it to online delivery!"

As Head of Finance and Operations, Lindsey directly line manages the Finance and Operations Officer, supports the wider team as a Wellbeing Champion and works with the other line managers through her HR responsibilities. With a broad range of responsibilities, Lindsey was looking for a course that touched on all aspects of her role.

"The course was so much broader than I expected it to be. I learned the most I ever have about leadership and the impact a great leader can have on an organisation, the people who work there, and the beneficiaries.

"The areas of focus that stand out to me included developing my coaching skills, thinking about how culture is developed within organisations, and the importance of empowering people, helping them build resilience and maintain positive wellbeing.

"Developing these leadership skills feels like a life-long endeavor, I'm not always getting them right – I have to remind myself to ask open questions, to slow down and model good work/life balance!

"However, I do feel the course has given me the tools to draw upon to continue improving as a leader, and it has given me a great network of people who I can seek advice from when I need it."

So how has the course directly impacted the work Lindsey does and Heart of Glass itself?

"There are many examples of how the course has had a direct impact on Heart of Glass and the people that I work with," states Lindsey. "The course has impacted the reports that I produce, how I approach line management with my team, how I contribute to conversations around the culture of the organisation and our business plan objectives, and how we have developed our approach to supporting wellbeing and resilience throughout the pandemic – to name a few!"

## REVIEW OF FINANCIAL POSITION

### CFG'S BUSINESS MODEL

CFG has a history of working in partnership and through collaboration. This means that where others are meeting needs in a cost-effective way CFG will avoid duplication. But during the pandemic working together wasn't just about efficiency, it was about efficacy. The sector needed to work together to address the sector-wide and profound challenges. CFG's business model was therefore perfectly positioned to lean into a new appetite across the sector.

CFG currently earns nearly all income through membership fees, sponsorship and delegate fees, supplemented by modest grant income. The brilliant core support received from the Paul Hamlyn Foundation of core funding over five years from 2018 was supplemented by a further emergency grant of £20k. We were also grateful for the support of the Rank Foundation who provided emergency Covid-19 crisis funding of £25k. This recognition of the importance of not only core funding, but also the role of infrastructure in the ecosystem of the sector, is hugely appreciated and we are very grateful.

Our funding model is predicated on the fact that corporate partners want to engage with us for two main purposes; to connect with not-for-profit organisations that may purchase their products and services, and to support the wider sector through sharing their expertise, financially supporting CFG's services provision and hosting our activities.

During the pandemic we sought to maintain as many opportunities as possible for continued networking and exchanges of expertise. However, with many of the established methods of bringing together our communities face-to-face closed off, the team had to amend our offer rapidly to deliver remotely. Our annual fundraising event could not take place and instead we ran three smaller digital events with generous support from Crowe, Price Bailey and Ecclesiastical. This did undermine the income generated, but we were able to maintain this element of our business model thus preserving the underlying role for future years post-pandemic.

The corporate support subsidises the cost of services to our charity members. Without corporate member support CFG could not effectively deliver to the sector (without changing our business model). During the financial year grant funding took on greater importance as anticipated and we expect this need to remain for the next financial year at least.

The challenge for the business model over the next two financial years remains monetising the activities delivered digitally and bridging the financial impact brought about by restrictions in movement and appetite for face-to-face events. We are keenly applying lessons from last year and looking for ways to build on our digital offering.

### RESULTS FOR THE YEAR

For the financial year 2020/21 the Trustees had planned a deficit for CFG, which totalled at year end a deficit of £159,396; £185,844 if just looking at unrestricted funds (2020: deficits of £203,853 and £198,353 respectively). Income was significantly lower in 2020/21, £1,239,686 compared to £1,676,463 in 2019/20. Expenditure, £1,399,082, was also lower than the £1,880,317 spent in 2019/20, a decrease of nearly 26%, reflecting the effect of the pandemic on CFG's operations.

As a result, funds have been moved from various designated funds in the year to ensure that we stay within our target unrestricted reserves range of £175,000 to £280,000. Free reserves at the end of 2020/21 stand at £224,187, compared to £259,903 for 2019/20. Designated funds have been retained to continue to support employees at CFG who are undertaking long-term professional courses, so that CFG can continue to stand behind these personal development goals.

Our strategy had involved planned deficits in both 2019/20 and 2020/21. But the effects of the pandemic on both the sector in general, on our members and on our ability to operate pushed the emphasis onto responding to and withstanding the economic storm. With a return to a more normal operating environment expected in future years (although 2021/22 is still expected to return a substantial deficit), we envisage reinstating designated funds to help us deliver our strategy to support members.

## RESERVES POLICY

As part of the 2020/21 Budget setting process, CFG's Finance and Audit Committee reviewed CFG's Reserves Policy. It was confirmed that the policy agreed previously was still valid and that CFG maintained free reserves:

- To provide a sustainable and appropriate level of working capital;
- To allow for periods of unexpected drops in planned income;
- To cope with sudden short-term increases in planned expenditure;
- To provide cover for other risks, contingencies or unforeseen events (these would have a low likelihood of occurring but, if they did, would have a significant effect on CFG).

The agreed reserves range has remained the same; £175,000 to £280,000. The basis of our calculations will be reviewed again as we emerge from the response phase of the crisis. It is important that the experience informs our decisions regarding risk-based reserves. Our available free reserves as at 31 March 2021 were £224,187 (2019/20: £259,903) within the current agreed range. The Board will at times designate funds from free reserves for specific costs that fall outside the normal business as usual expenditure, or back into free reserves to withstand other pressures. Any funds received that can only be lawfully used for a specific charitable purpose will be held as restricted funds.

## INVESTMENT POLICY

CFG receives income on an annual basis through membership subscriptions, sponsorship, grants and other sources. It plans activities on a rolling three-year basis and budgets to expend all anticipated income, except for retaining a prudent amount in reserves. It has no permanent endowment and provides for capital expenditure within the budget. The only funds of CFG that are not expendable within 12 months of receipt are reserves and any grants or contracts for activities over a longer period. Consequently, the Board of Trustees does not consider that it is prudent to invest income for the longer-term. Its policy is therefore to retain funds as cash and place them on bank deposit at the best rate obtainable.

As a result, it considers that it is not appropriate for CFG to adopt an ethical investment policy at this time.

# STRUCTURE, MANAGEMENT AND GOVERNANCE

## STRUCTURE

Charity Finance Group (CFG) was incorporated by guarantee on 29 March 1996 and registered in England and Wales, changing its name from the Charity Finance Directors' Group on 20 March 2015, it has been trading as CFG since 2012.

We have no share capital and the guarantee is limited to £1 per member. The governing document is the Memorandum and Articles of Association of the company, which was amended on 6 November 2014 by Group Members' special resolution and on 5 October 2017 following a Company Member Resolution.

The Board of Trustees are the directors of the company, and we have one wholly-owned trading subsidiary, CFGD Trading Limited, which carries out all trading activities for CFG. See note 2 to the financial statements.

## THE BOARD

The Board consists of up to ten Trustees, all able to serve two terms of three years. Up to seven are required to be CFG members, and the Board may appoint three non-member Trustees in order to bring in wider necessary skills and experiences.

Member Trustees are elected by their fellow members. The Office Holders are allowed a further period of appointment if they would have less than two years in the role due to their appointment date, subject to a maximum period of service as Trustee of eight years. Non-member Trustees are appointed after an open recruitment process. The Chair and Office Holders of the Board are appointed by the Trustees from among their number. The Board meets four times a year and holds additional strategy planning sessions and away days in order to closely engage with the work CFG delivers.

The Board receives bi-weekly updates on day-to-day activities, new risks and progress against key objectives. This provides the Board with regular and valuable information in order to carry out their duties and responsibilities. Sub-committees and ad hoc task and finish sub-groups of the Board are convened to expedite the execution of duties.

During the pandemic additional meetings were undertaken as necessary to ensure the sustainability of CFG and careful management of cash flow and expenditure was undertaken.

Sub-committees, currently; Nominations Committee; Remuneration Committee; and Finance and Audit Committee are governed by their own terms of reference and delegated duties are approved by the full Board. Subcommittees are served by Trustees and co-opted independent appointees. A special Advisor and expert forums/ad hoc working groups provide support and advice to the Board and staff.

## BOARD INDUCTION AND CONDUCT

Trustees sign a code of conduct and complete a register of interests (reviewed annually). Induction support and a Trustee handbook are provided to new Trustees by the staff team and Chair. The handbook includes a copy of relevant policies, procedures, governance information and role descriptions.

## MANAGEMENT

Day-to-day management of CFG is delegated to the CEO. Performance and risk are monitored against strategic objectives. CFG's average headcount during the year to 31 March 2021 was 21.9, representing 21.1 full-time equivalent roles.

## RISK MANAGEMENT

CFG's strategic risks are defined as those matters which could inhibit or, if managed appropriately, advance the achievement of our charitable objects as articulated in our outcomes framework. Trustees do not fix whether something is a strategic risk by category or by nature but rather have adopted a dynamic approach which considers the appropriate risk response to a wide range of variables.

The major risk elements have been reviewed and systems or procedures have been established to manage them. The Board of Trustees are satisfied that reasonable steps are being taken to limit the probability and the impact of risk. CFG continues to view active risk management as a day-to-day aspect of running the organisation. Risk is the responsibility of every member of staff and all Trustees. It has been embedded into staff activities, reporting and Board meetings ensuring CFG has the best opportunity to prevent issues arising, minimise risks and maximise opportunities.

The senior management team review risk on a regular basis, especially when considering changes to plans or new opportunities. The Trustees review a 'risk issues' log at Finance & Audit Committee (twice a year) and Board meetings (once a year) in order to monitor the effectiveness of CFG's risk management. Key changes in risk are reported to the Board as required and it is a standing agenda item at every Board meeting.

Pre-pandemic, the majority of risk issues recorded in our risk issues log related to People and Development (specifically around restructure and capacity), Systems, Policies and Procedures (reflecting a focus of the consolidation year) and Financial and Resource Management (reflecting the impact of the restructure and a planned deficit).

From the latest review, the most frequently occurring risks arising were in the following categories:

- Financial & Resource Management
- Reputation
- People & Development

### **Risk: Financial & Resource Management**

In common with the whole economy CFG has been hard hit by the pandemic. This is because the impact of the Covid-19 pandemic was felt for financial year 2020/21 and also well into 2021/22. We have been able to capitalise on earlier decisions around structure and technology to ensure delivery of products and services to our members.

As our members (charity and corporate) feel the full impact of the economic consequences of Covid-19 we will have to take steps to reduce expenditure and maximise income. Our physical resources (such as our office accommodation) and our digital capacity to deliver will feature heavily in our considerations as we focus on delivering our charitable objectives in a challenging operating environment which will be open to further change. The strength of financial skills at both executive and board level gives us confidence that the financial risks can be well managed.

### **Risk: Reputation**

CFG has played a pivotal role in the run-up to year end in relation to Covid-19 and Brexit related policy issues in engaging with government and across the sector. This presents a risk and an opportunity in relation to reputation. Sector commentators, to whom the activities of CFG (and the wider sector collaborative working) is less visible have been negative in their view about the relationship between government and the sector. Whilst CFG has not been the subject of negativity directly, this presented a reputational risk during the year and going forward. In addition, as a bold and forthright commentator, CFG may from time to time be viewed as being at odds with government policy, the regulator or commentators. However, we recognise the importance of our reputation to our policy and engagement work and therefore we will continue to ensure that the arguments we present, and the dialogue around those arguments, remain balanced, evidence-based and brave.

### **Risk: People & Development**

The effect of the pandemic on our employees, including working remotely and under full capacity has been felt more and more keenly over the last 12 months. We have been proud to have maintained our staff levels against the fiscal turbulence in the sector and the wider economy, and we are confident we have in place actions to enable CFG to respond appropriately and to ensure the well-being of our team. However, we anticipate people and development remaining a focus for 2021-22 and beyond.

## **FINANCIAL AND RESOURCE MANAGEMENT**

This report is produced for the performance of the charity up to the 31 March 2021. For this year, the Covid-19 pandemic started to have a major impact on individuals, companies and charities. CFG was not isolated from that.

CFG's key income lines are membership (charities and corporate entities), our Annual Conference and our Annual Fundraising Dinner. As our income for 2020/21 is due to renewals that took place predominantly in February and March, this held up for the year, but the longer-term impact on charities is yet to be fully felt and could therefore impact this income stream in the future.

Both the Annual Conference and the Annual Dinner, usually being face-to-face events, were severely impacted by the virus and the lockdowns that were put in place to help save lives. These events pivoted to being online events, but the financial drop in income had a significant impact on our finances for the year.

This impact on our incoming financial resources has been mitigated in 2020/21 through the use of government support (predominantly through the Coronavirus Job Retention Scheme from the UK Government), through generosity from funders and through reducing our spend on different areas, including adapting to deliver our annual conference as a fully digital event. It is a testament to our team at CFG that, even with staff on furlough for large parts of 2020, we have still delivered all the support to the sector that we have, and have been a strong voice for the sector.

Current estimates of our net income for the 2021/22 financial year show that we are likely to still be running a deficit, which will mean that there will be a further drawdown on reserves.

However, pre-pandemic plans included a potential deficit in 2020/21 as part of a spend down of reserves. Running deficits every year is not sustainable, so the Trustees have set an expectation that we should return, as soon as possible, to a breakeven annual financial position and have stated the following principles for CFG going forward:

- We will continue to trade our way through the global crisis, pivoting services where necessary to continue our support to the sector.
- The Trustees are determined that CFG will continue to avoid redundancies (and at the time of this report, none have been made at CFG as a result of the pandemic, and none are planned).
- We will have transitional decision points in 2021/22 to help manage costs in line with expected income.
- We will continue to make use of government financial support packages, as long as they remain in place.
- We will continue to advocate on behalf of the sector for more support for the vital work charities do. Therefore, at the time of producing this report, on the basis of current financial information, the Trustees consider it is appropriate for the going concern basis to be adopted in preparing the financial statements in this report.

## REMUNERATION: HOW WE DECIDE TO PAY STAFF

CFG is an accredited Living Wage employer and we are committed to ensuring that we pay our staff fairly and in a way which ensures we attract and retain the right skills to have the greatest impact in delivering our charitable objectives.

In accordance with the Statement of Recommended Practice (SORP) CFG discloses:

- all payments to trustees (no trustees receive 'pay')
- the number of staff in receipt of more than £60,000 and above (in bands of £10,000)
- pensions and other benefits.
- CFG has a remuneration committee, which meets annually, is comprised of the CFG Chair, Vice Chair, Treasurer and one other (who shall be appointed by the Chair), which sets the pay for all staff. The CEO and Director of Finance and Operations are in attendance for the meeting (leaving for the discussion regarding their remuneration respectively) and no members of the executive are members of the committee. The main responsibilities of the Committee are to:
  - Review the CFG salary banding and make sure amendments as are appropriate to ensure that CFG salaries remain competitive.
  - Determine the remuneration package of the Chief Executive.
  - Approve the annual percentage increase in the payroll for all staff (which can be zero) taking into account the average RPI for the previous year.
  - Approve any consolidated pay awards and staff salary increases outside of the annual review process as recommended from time to time by the Chief Executive.
  - Approve any non-consolidated pay awards (bonus) as recommended by the Chief Executive.
  - Determine pension arrangements and ensure that contractual terms on termination are fair to the individual and the charity, that poor performance is not rewarded and a duty to mitigate loss is recognised.

For the financial year 2020/21 CFG did not award cost of living uplift in salary, reviewing in the light of the potential economic impact of Covid-19 (2020: 2.0%). One member of staff, the CEO, earned more than £60,000 per annum being remunerated £97,449 (2021: £96,641). The CEO voluntarily agreed to a reduction in her salary equivalent to the combined CoL for all staff to ensure that this agreement could be honoured and the impact mitigated for the duration of the crisis. This is anticipated to remain in place for the majority, if not all, of 2021/22.

In determining CFG's remuneration policy, the remuneration committee takes into account all factors which are deemed necessary. The objective of the policy is to ensure that the Chief Executive and staff team are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the charity. The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other charities ensuring CFG remains sensitive to the broader issues e.g. pay and employment conditions elsewhere.

## EQUALITY, DIVERSITY AND INCLUSION (EDI)

CFG has an ongoing commitment to ensuring that staff, Trustees and members are not subjected to practices that lead to inequality, lack of diversity or exclusion. In addition to previous steps to re-examine our recruitment practices to ensure that language and requirements for specific qualifications and experience did not inadvertently create barriers to inclusion, we have a staff-led diversity forum, agreed an EDI strategy focusing on:

- CFG as a place of work
- CFG as a membership body
- CFG's role in the wider sector

And commenced development of an EDI board champion.

CFG participated in the sector collaborative working on addressing racism, chaired by James Watson-O'Neil of Signhealth, and signed up to the ACEVO/Voice4change principles arising from the Home Truths report.

We do not routinely require education to degree level for all roles. Furthermore, salaries for roles are included in adverts and briefing packs have been amended to ensure inclusive language is used. We have committed to ongoing improvements in all areas of CFG activity. We have committed to ensuring that future reports include our performance against targets and relevant benchmarks where possible.

## FUNDRAISING

As the Covid-19 pandemic started to impact CFG's finances in 2020/21, CFG registered for the first time with the Fundraising Regulator, as we sought to start to raise funds to bridge the shortfall in income.

We only raised funds through a JustGiving page, through which supporters of our work could make donations. Gift Aid has also been collected by JustGiving on our behalf on donations made. Supporters have been made aware of the JustGiving page through our website, mailings to members and through social media channels, thereby protecting the general public from unreasonable intrusion or pressure.

No other fundraising activities were undertaken.

We are pleased to report that no complaints regarding any fundraising activities with stakeholders have been received.

## STATEMENT OF THE BOARD OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the strategic report, the report of the Board of Trustees 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 income and expenditure of the group 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 charity 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.

The trustees have confirmed that, so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

### APPOINTMENT OF AUDITORS

Mazars LLP were reappointed during the year as our auditors and they will be proposed for reappointment in the coming year.

## CFG'S BOARD OF TRUSTEES

### GARY FORSTER, CHAIR OF THE BOARD OF TRUSTEES

Gary joined [Publish What You Fund](#) as CEO in July 2018 after taking a career break to travel with his wife. Before this he was the CEO of the INGO Transaid from 2011 until 2017, having joined the organisation as a volunteer in 2006. With a background in logistics from his time at Procter and Gamble, and qualifications in Public Health from the London School of Hygiene and Tropical Medicine, Gary has spent much of his career designing, implementing and evaluating health programmes throughout sub-Saharan Africa.

### ARATI PATEL

A Fellow of the Chartered Association of Certified Accountants, Arati has over 25 years of experience in the charity sector. Currently she is interim Director of Finance at I CAN. Prior to her current role she has held the position of Director of Finance and Operations at Barts Charity and St George's Hospital Charity. Arati has sound financial management experience and has led on several change management programmes, including CRM systems implementation and digital projects designed to support teams in being increasingly dynamic and effective. Arati is passionate about using her role as a Trustee to not only serve CFG members and further the aims of the charity, but also to use it as a platform to raise awareness of challenges affecting the sector.

### KERRY SHEA

Kerry is the Finance Director at [Everybody Sport and Recreation](#), a charity which encourages individuals to improve their health through participation in recreation. Kerry previously worked for VAST, where she established their very successful Community Accountancy project. As a Chartered Management Accountant she trained in industry, then moved over to the public sector before joining the Voluntary Sector in 2008. Kerry is very passionate about charity finance and believes that finance teams are in a unique position to influence and drive their organisations, and so change the shape of the whole sector.

### STELLA SMITH

Stella is an independent consultant specialising in leadership and strategy in the charity sector. Since setting up her practice in 2006, she has worked with a wide range of organisations, from large household names to small community groups in the UK, Europe and Africa. Her career started as an English teacher first in Greece and then with VSO in China before going on to work in strategy and change management at RNIB and Centrepont. She has been a trustee with VSO and Chair of Y-Gen, a north London charity focused on developing life skills for young people. She has written numerous articles and guides on charity sector management.

## KEVIN O'BRIEN

Kevin joined the CFG Board in December 2018 having joined the not-for-profit sector in July 2016 as Director of Finance & Corporate Resources at Young Lives vs Cancer. Kevin then moved to a similar role at RSPCA before moving to Be First - a regeneration and social housing developer. Before joining the charity sector, Kevin held various finance roles in several large, global and multinational corporates in manufacturing, trading and property. Kevin is CIMA qualified. Kevin is an independent member of the Finance Committee at The Lullaby Trust.

## SAF RAHBOUR

Saf joined the CFG Board in September 2019. She is currently Director of Finance & Operations at The Tropical Health and Education Trust (THET). As a CIMA qualified Chartered Management Accountant, Saf has over 15 years' experience working within the non-profit and INGO sector. Her roles have included supporting senior management and board members through strategic leadership and operational support, leading teams during transition phases, and delivering financial management training and guidance to country directors, finance managers and project staff based across Africa, Asia, and MENA regions. Saf is passionate about championing best practice, especially the essence of inspiring financial leadership.

## AVTAR BOPARAI

Avtar is a Fellow of the ACCA and currently works as Finance Director at [Ambition Institute](#). He joined the CFG Board in October 2019. Before joining the sector, Avtar trained and qualified as an accountant in industry before moving into the not-for-profit sector in 2015. Avtar has a key interest in technology and innovation within finance and enabling the not-for-profit sector to take advantage of these developments.

## KELLY RYDER

Kelly is Head of Finance for the Orchard Trust, a charity based in the Forest of Dean who support adults with learning and physical disabilities to live independent and fulfilled lives. Prior to this, Kelly worked for many years in the financial services industry and then in finance for a global manufacturing company, where she obtained her AAT qualification.

## MWIZA MKANDAWIRE

Mwiza is the Head of Finance and Administration at Transaid, an INGO where she has been since 2019. Prior to that she worked at arts charity Artsadmin Ltd for 11 years. Mwiza is a qualified chartered accountant and a CFG Inspiring Financial Leadership Alumni. Before joining Artsadmin Ltd in 2008 she worked with various organisations in both the commercial and charity sectors in Malawi. She has excellent knowledge and understanding of charity finance and is a trustee of two arts charities.

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By order of the Board,



[Gary Forster \(Jan 27, 2022 17:06 GMT\)](#)

27 January 2022

Jan 27, 2022

# FINANCIAL STATEMENTS 2020/21

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

### Consolidated statement of financial activities

For the year ended 31 March 2021  
(incorporating the income and expenditure account)

	Notes	2021 Unrestricted Funds £	2021 Restricted Funds £	Total Funds £	2020 Total Funds £
<b>INCOME FROM:</b>					
<b>Donations and legacies</b>		82,469	26,448	108,917	28,830
<b>Charitable activities</b>					
Develop skills, learning, knowledge & practice		610,165	-	610,165	999,547
Inspire financial leadership		356,670	-	356,670	435,059
Encourage a supportive environment		58,569	-	58,569	90,437
<b>Other trading activities</b>					
Fundraising events		37,150	-	37,150	118,212
<b>Investments</b>		379	-	379	4,230
<b>Other</b>		67,836	-	67,836	149
<b>TOTAL INCOME</b>		<b>1,213,238</b>	<b>26,448</b>	<b>1,239,686</b>	<b>1,676,464</b>
<b>EXPENDITURE ON:</b>					
<b>Raising funds</b>		47,032	-	47,032	82,286
<b>Charitable activities</b>					
Develop skills, learning, knowledge & practice		716,404	-	716,404	1,084,060
Inspire financial leadership		322,638	-	322,638	363,290
Encourage a supportive environment		313,008	-	313,008	350,681
<b>TOTAL EXPENDITURE</b>	3	<b>1,399,082</b>	<b>-</b>	<b>1,399,082</b>	<b>1,880,317</b>
<b>NET (EXPENDITURE) / INCOME</b>		<b>(185,844)</b>	<b>26,448</b>	<b>(159,396)</b>	<b>(203,853)</b>
<b>TOTAL FUNDS BROUGHT FORWARD AT 1 APRIL</b>		<b>513,333</b>	<b>7,046</b>	<b>520,379</b>	<b>724,232</b>
<b>TOTAL FUNDS CARRIED FORWARD AT 31 MARCH</b>		<b>327,489</b>	<b>33,494</b>	<b>360,983</b>	<b>520,379</b>

There are no recognised gains or losses other than those in the statement of financial activities. Therefore, no statement of total recognised gains or losses has been prepared.

For Companies House purposes, total income is £1,238,508 (2020: £1,502,082) and total expenditure is £1,397,904 (2020: £1,705,935), which is total income and expenditure as shown above, both net of gifts in kind of £1,179 (2020: £174,382). All the above amounts relate to continuing activities.

For the charity, total income is £1,152,278 (2020: £1,707,397) and total expenditure is £1,365,356 (2020: £1,887,933).

# FINANCIAL STATEMENTS 2020/21

## BALANCE SHEETS

### Balance sheets

As at 31 March 2021  
Company no: 3182826

	Notes	2021		2020	
		Group £	Charity £	Group £	Charity £
<b>Fixed assets</b>					
Intangible assets	6	61,165	61,165	115,729	115,729
Tangible assets	6	-	-	4,876	4,876
Investments	7	-	10,000	-	10,000
		<b>61,165</b>	<b>71,165</b>	<b>120,605</b>	<b>130,605</b>
<b>Current assets</b>					
Debtors	8	298,398	253,855	377,765	245,229
Short term deposits		340,511	340,511	640,132	640,132
Cash at bank and in hand		475,124	319,805	425,949	294,637
		<b>1,114,033</b>	<b>914,171</b>	<b>1,443,846</b>	<b>1,179,998</b>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	9	(814,215)	(681,474)	(1,044,072)	(793,663)
		<b>299,818</b>	<b>232,697</b>	<b>399,774</b>	<b>386,335</b>
<b>Net Current assets</b>					
		<b>360,983</b>	<b>303,862</b>	<b>520,379</b>	<b>516,940</b>
<b>Total assets less current liabilities</b>					
		<b>360,983</b>	<b>303,862</b>	<b>520,379</b>	<b>516,940</b>
<b>Funds</b>	10				
Unrestricted funds:					
Free reserves		224,187	167,066	259,903	256,464
Designated funds					
Fixed asset reserve		61,165	61,165	120,605	120,605
Inspiring financial leadership		27,137	27,137	27,890	27,890
Business improvements		-	-	12,019	12,019
Market research		-	-	16,241	16,241
Qualification training contracts		15,000	15,000	23,715	23,715
Innovation and development		-	-	52,960	52,960
Restricted funds					
Garfield Weston		26,448	26,448	-	-
Small charities programme		7,046	7,046	7,046	7,046
		<b>360,983</b>	<b>303,862</b>	<b>520,379</b>	<b>516,940</b>

The charity generated a deficit of £213,078 for the year ended 31 March 2021 (2020: a deficit of £203,853). The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The notes on pages 43 to 53 form part of these accounts. The accounts were approved and authorised for issue by the Board of Trustees on 27 January 2022 and signed on their behalf by:

  
Gary Forster (Jan 27, 2022 17:06 GMT)

**Gary Forster**  
Chair  
Jan 27, 2022



**Avtar Boparai**  
Chair of Finance & Audit Committee  
Jan 27, 2022

# FINANCIAL STATEMENTS 2020/21

## CONSOLIDATED STATEMENT OF CASH FLOWS

As at 31 March 2021  
Company no: 3182826

	2021		2020	
	£	£	£	£
<b>Cash Flows from Operating Activities</b>				
Net Expenditure	(159,396)		(203,853)	
Adjustments for:				
Depreciation	59,440		(61,263)	
Interest Expense	379		4,230	
Trade and Other Receivables	79,367		438,683	
Trade and Other Payables	(229,857)		(88,660)	
<b>Cash Flows (used by) / generated from Operations</b>	<b>(250,067)</b>		<b>89,137</b>	
Interest paid		(379)		(4,230)
<b>Net Cash Flow from Operating Activities</b>	<b>(250,446)</b>		<b>84,907</b>	
 <b>Cash Flows from Investing Activities</b>				
Purchase of IT Systems/Equipment	-		(7,584)	
		-		(7,584)
<b>Net (Decrease) / Increase in Cash</b>	<b>(250,446)</b>		<b>77,323</b>	

	At 1 April 2020	Cash Flows	At 31 March 2021
Cash at bank	425,949	49,175	475,124
Cash on deposit	640,132	(299,621)	340,511
	<u>1,066,081</u>	<u>(250,446)</u>	<u>815,635</u>

# FINANCIAL STATEMENTS 2020/21

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)) and the Companies Act 2006.

The Charity Finance Group meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The principal accounting policies of the Group are set out below:

#### Consolidation

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the charity and of its subsidiary undertaking, namely CFDG Trading Limited. The results of the subsidiary are consolidated on a line-by-line basis.

The charity has availed itself of paragraph 3(3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities. No separate SOFA or income and expenditure account has been presented for the charity alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

#### Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of CFG.

#### Recognition of income

All income (including grants) is accounted for as soon as CFG has entitlement to the income, there is certainty of receipt and the amount is quantifiable.

#### Donated facilities

Donated facilities, as described in note 4b below, are included at the value to CFG i.e., the value CFG would have paid in the open market. Although SORP 2019 recommends that the value of donated facilities is included in voluntary income, they are included under the relevant category of income for charitable activities because CFG considers this gives a fairer presentation.

#### Members' subscriptions and events & conferences and deferred income

Subscriptions and events income are accounted for in the year to which they apply. Subscription income received during the year that relates to a subsequent financial accounting period is carried forward as a creditor in the balance sheet and shown as deferred subscriptions income. It is accrued in line with the benefits received.

## **Pensions**

Contributions to our defined contribution group personal pension scheme are charged to revenue according to the period to which they relate.

## **Expenditure**

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing CFG to the expenditure. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of the resources. Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity. Overheads and other salaries are allocated between expenses headings based on time spent.

The cost of the Annual Fundraising Dinner covers direct expenditure on the dinner together with the appropriate allocation of staff and support costs.

Charitable activities include expenditure associated with the operation of CFG and the provision of our services.

## **Operating leases**

Rentals paid under operating leases are charged to expenditure on a straight-line basis over the terms of the leases. The rent-free period incentive on the lease of 15/18 White Lion Street, London, N1 9PG, has been spread over the term to the first break in the lease i.e., five years.

## **Going concern**

Free unrestricted reserves of CFG at the year-end amount to £224,187. After consideration of the current strategic plan to 2020/21 and with an aligned three-year budget agreed, the Trustees consider there is a reasonable expectation that the CFG group has adequate resources to continue in operational existence for the foreseeable future. The Trustees are also satisfied with the controls in place for monitoring and flexing the budget throughout the years. There are no material uncertainties that would impact on the charity's ability to continue. Accordingly, we continue to adopt the going concern basis in preparing this annual report and financial statements.

## **Intangible and Tangible Fixed assets**

All fixed assets are stated at historical cost less depreciation. Assets with a cost more than £2,000 and which are intended to be of ongoing use to CFG in carrying out its activities are capitalised as fixed assets.

Depreciation/amortisation is charged on all tangible/intangible fixed assets at 25% of cost per annum, so as to write them off over their expected useful lives.

## **Significant judgements and estimates**

No significant judgements or estimates have been required in the production of these accounts.

## **Investments**

The investment in the subsidiary CFDG Trading Limited is valued at cost.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. Results from the trading activities of the subsidiary

The charity has one wholly owned subsidiary which is incorporated in Great Britain. CFDG Trading Limited was incorporated on 5th February 2009 to raise funds via commercial activities and sponsorship for CFG. CFDG Trading Limited donates taxable profits to CFG under Gift Aid, subject to its working capital requirements being maintained

	2021	2020
	£	£
<b>CFDG Trading Limited</b>		
Turnover	330,847	425,464
Cost of sales	(120,000)	(150,035)
<b>Gross profit</b>	<b>210,847</b>	<b>275,429</b>
Administrative expenses	(33,726)	(1,990)
<b>Operating profit</b>	<b>177,121</b>	<b>273,439</b>
Interest receivable	-	-
<b>Profit before tax and Gift Aid distribution</b>	<b>177,121</b>	<b>273,439</b>
Fund balance brought forward	13,439	36,755
Distribution to parent charity	(123,439)	(296,755)
Retained in subsidiary	67,121	13,439
<b>Balance sheet</b>		
Current assets	265,385	322,355
Current liabilities	(198,264)	(308,916)
<b>Net assets</b>	<b>67,121</b>	<b>13,439</b>
Share capital	10,000	10,000
Reserves	57,121	3,439
<b>Total funding</b>	<b>67,121</b>	<b>13,439</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 3. Expenditure analysis

#### a) Analysis for total expenditure

	Staff costs	Support costs	Other direct costs	Total 2021	Total 2020
	£	£	£	£	£
<b>Raising funds</b>	33,013	13,747	272	47,032	82,286
<b>Charitable activities</b>					
Develop skills, learning, knowledge & practice	534,557	223,501	(41,654)	716,404	1,084,060
Inspire financial leadership	141,986	59,342	121,310	322,638	363,290
Encourage a supportive environment	212,261	88,483	12,264	313,008	350,681
<b>Total expenditure</b>	<b>921,817</b>	<b>385,073</b>	<b>92,192</b>	<b>1,399,082</b>	<b>1,880,317</b>
<i>Total expenditure 2019-20</i>	<i>1,015,372</i>	<i>294,658</i>	<i>570,287</i>	<i>1,880,317</i>	

Within total expenditure, the "Other direct costs" column includes costs of £1,179 (2020: £174,382) relating to services donated to CFG that were not incurred by CFG (see Note 4b). Had these services not been donated, CFG would have incurred this cost.

#### b) Analysis of support costs

	Raising funds	Develop skills, learning, knowledge & practice	Inspire financial leadership	Encourage a supportive environment	Total 2021	Total 2020
	£	£	£	£	£	£
Premises & Office Services	3,351	54,275	14,412	21,545	93,583	108,161
IT & Communications	4,866	79,696	21,095	31,340	136,997	73,617
Human Resources, Recruitment & Training	438	7,048	1,932	2,855	12,273	45,015
Financial Costs	2,571	41,639	11,057	16,529	71,796	(4,347)
Depreciation	2,128	34,473	9,154	13,685	59,440	61,263
Governance (incl External Audit)	393	6,370	1,692	2,529	10,984	10,949
	<b>13,747</b>	<b>223,501</b>	<b>59,342</b>	<b>88,483</b>	<b>385,073</b>	<b>294,658</b>

All support costs are allocated on the basis of staff time. Staffing support costs have not been analysed as the majority of CFG staff work directly on activities and the amount that can be allocated to support is therefore not material.

## NOTES TO THE FINANCIAL STATEMENTS

### 4. Net outgoing resources

#### a) These are stated after charging:

	2021 £	2020 £
Auditor's remuneration		
Audit	12,215	7,875
Non-audit services	1,515	2,050
Depreciation	59,440	61,263
Operating lease premises	76,002	75,991

#### Operating lease commitments

The minimum payments, which CFG is committed to make in the coming year under operating leases, are as follows:

Group and Charity property	2021 £	2020 £
Leases which expire:		
Within one year	80,000	80,000
Within one to two years	80,000	80,000
Within two to five years	29,370	189,370
	189,370	349,370

#### b) Valuation of donated resources

Donated facilities are included at the value to CFG. These are largely made up of meeting and training venues, audio-visual equipment and refreshments.

	2021 £	2020 £
Charitable activities		
Develop skills, learning, knowledge & practice	620	157,656
Inspire financial leadership	15	8,183
Encourage a supportive environment	544	8,543
Total	1,179	174,382

## NOTES TO THE FINANCIAL STATEMENTS

### 5. Trustees and employee information

#### a) *Trustee information*

No remuneration was paid to or waived by any Trustee during the year (2020: Nil). No expenses for travel and subsistence were reimbursed to trustees during the year (2020: £1,441, four trustees).

#### b) *Employee information*

<i>i) Employee numbers</i>	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Full time equivalent number of staff employed during the year was:	21.1	21.4
Average headcount during the year was:	21.9	22.5

<i>ii) Employee costs</i>	<b>£</b>	<b>£</b>
Salaries	791,685	848,062
Social security	80,234	87,280
Pension	51,093	51,879
<b>Sub-total salaried staff</b>	<b>923,012</b>	<b>987,221</b>
Contractors	-	3,262
Holiday pay accruals	(1,195)	3,517
Other	-	19,718
<b>Total employee costs</b>	<b>921,817</b>	<b>1,013,718</b>

Within the above figures, there were no redundancy payments made to employees (2020: £22,079, 2 employees).

#### iii) *The number of employees whose total pay amounted to £60,000 or above for the year is as follows:*

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
£90,001 - £100,000	0	1
£80,001 - £90,000	1	1

Total pay for this purpose includes gross salary but excludes expenses. Systems are in place for the correct management of expenses.

#### iv) *Benefits*

Only one member of staff included in the above bandings for 2021 has benefits accruing under CFG's group pension arrangement. The employer contributions into the group personal pension scheme during the year on behalf of this member of staff amounted to £8,859 (2020: £9,954).

There were twenty active members of staff in total accruing benefits under the group's personal pension schemes as at 31 March 2021 (2020: nineteen).

#### c) *Remuneration of Key Management Personnel*

The total of employee benefits including pension contributions received by Key Management Personnel in 2021 is £276,258 (2020: £330,406). CFG's Board had defined that "key management personnel" would be based on our scheme of delegation where significant control had been delegated to the CEO and others; namely Directors or those making decisions of a significant nature. As a result, the following roles have been included; CEO, Director of Events and Business Development, Director of Commercial Services, Director of Policy and Engagement and Director of Finance and Operations.

#### d) *Pensions*

CFG offers an auto-enrolment compliant group personal pension scheme which is currently administered and managed by The Peoples Pension. For previously signed up employees CFG has a group pension scheme which is currently administered and managed by Aegon. New employees are enrolled at an employee contribution rate of 3%. CFG pays twice the percentage that the employee contributes up to a maximum of 10%. The amount of outstanding contributions as at 31 March 2021 was £7,243 (2020: £12,792).

## NOTES TO THE FINANCIAL STATEMENTS

### 6. Tangible and Intangible fixed assets - Group and Charity

	Office Furniture (Tangible fixed assets) £	Computers (Tangible fixed assets) £	Software (Intangible fixed assets) £	Total 2021 £
<b>Cost</b>				
As at 1 April 2020 and 31 March 2021	27,522	42,972	218,281	288,775
<b>Depreciation/Amortisation</b>				
As at 1 April 2020	(26,563)	(39,055)	(102,552)	(168,170)
Charge for the year	(959)	(3,917)	(54,564)	(59,440)
<b>As at 31 March 2021</b>	<b>(27,522)</b>	<b>(42,972)</b>	<b>(157,116)</b>	<b>(227,610)</b>
<b>Net book value</b>				
<b>As at 31 March 2021</b>	-	-	<b>61,165</b>	<b>61,165</b>
<i>As at 31 March 2020</i>	<i>959</i>	<i>3,917</i>	<i>115,729</i>	<i>120,605</i>

The above fixed assets are used to support all of CFG's activities. As at 31st March 2021, CFDG Trading Ltd had no fixed assets.

### 7. Investments

	Shares in subsidiary undertaking No.	Charity £
At historic cost: At 1 April 2020 and at 31 March 2021	10,000	10,000
<b>Principal Subsidiary Undertakings</b>	<b>Registered in</b>	<b>Percentage of No. of £1 ordinary capital held shares held</b>
CFDG Trading Limited	England & Wales	100% 10,000

Company No: 06810640

Registered Office: 15-18 White Lion Street, London N1 9PG

## NOTES TO THE FINANCIAL STATEMENTS

### 8. Debtors

	2021 Group £	Charity £	2020 Group £	Charity £
Trade debtors	229,552	143,564	301,586	144,514
Other debtors	11,190	11,190	13,672	13,672
Prepayments and accrued income	57,656	52,406	62,507	61,052
Amounts owed by subsidiary	-	46,695	-	25,991
	<b>298,398</b>	<b>253,855</b>	<b>377,765</b>	<b>245,229</b>

All amounts fall due within one year.

### 9. Creditors

	2021 Group £	Charity £	2020 Group £	Charity £
Trade creditors	40,664	42,982	97,512	94,368
Deferred income	558,454	408,567	817,250	540,018
Pension contributions outstanding	7,243	7,243	12,792	12,792
Taxation and social security creditors	49,454	49,454	34,636	34,636
Other creditors and accruals	158,400	154,400	81,882	79,333
Amounts owed to subsidiary	-	18,828	-	32,516
	<b>814,215</b>	<b>681,474</b>	<b>1,044,072</b>	<b>793,663</b>

All deferred income brought forward at the beginning of the year was released to income during the year (2020: same). All deferred income relates to membership fees and event bookings in advance.

## NOTES TO THE FINANCIAL STATEMENTS

### 10. Outline Summary of Fund Movements

Fund	Balance b/f 1st April 2020	Income	Expenditure	Transfers between funds	Balance as at 31st March 2021
<b>Unrestricted Funds</b>					
Free Reserves	259,903	1,186,725	(1,326,376)	103,935	224,187
<b>Designated Funds</b>					
Fixed Assets Reserves	120,605	-	(59,440)	-	61,165
IFL Training	27,890	26,513	(13,266)	(14,000)	27,137
Business Improvements	12,019	-	-	(12,019)	-
Market Research	16,241	-	-	(16,241)	-
Qualification Training Contracts	23,715	-	-	(8,715)	15,000
Innovation and Development	52,960	-	-	(52,960)	-
<b>Restricted Funds</b>					
Small Charities Programme	7,046	-	-	-	7,046
Membership Bursary Fund	-	26,448	-	-	26,448
<b>Total expenditure</b>	<b>520,379</b>	<b>1,239,686</b>	<b>(1,399,082)</b>	<b>-</b>	<b>360,983</b>

**Free reserves** are those reserves that are wholly at the discretion of the trustees to utilise for our charitable objectives.

The **Fixed Assets Reserves** equates to the Net Value of CFG's Fixed assets and therefore cannot be easily converted into cash balances.

The **ICT development** designated fund has been fully utilised in the year on the completion of the project on the CRM, finance system and website.

The **IFL Training** fund ring-fences surpluses made through the IFL course.

Part of the **Business Improvement** fund has been used in year to improve the office environment.

Part of the **Qualification Training Contracts** fund was used to support a staff member undertaking a professional qualification.

The **Innovation and Development** fund was set up to reflect CFG's commitment to its strategy, whereby there was an expectation that reserves would be utilised to invest in new products and services.

The restricted fund for the **Small Charities Programme** relates to the balance of funding given by Esmee Fairbairn Foundation which will be used to support small charities improve their financial capabilities.

The restricted fund for the **Membership Bursary Fund** relates to funding given by Garfield Weston Foundation to be used to support small charities to allow them to benefit from CFG's services.

### 11. Related party transactions

During the year ending 31 March 2021, the charity charged its subsidiary £120,000 for management fees relating to CFDG Trading Ltd's activities (2020: £159,642). CFDG Trading Ltd donated £123,439 to CFG from its profits (2020: 296,755). There were no other related party transactions. As at 31 March, the balance due to CFG from CFDG Trading Ltd was £27,867 (2020: £6,525 balance due from CFDG Trading Ltd to CFG).

In addition, the following related party transactions are noted with the following trustees:

Liz Fosbury - £460 of delegate fees from Royal National Theatre (parent company of related party).

Kevin O'Brien - £373 membership renewal and £143.50 delegate fee paid by Lullaby Trust (total £516.50).

Saf Rahbour - Membership renewal with UNICEF of £1,515 and new membership fee of £1,442.

## NOTES TO THE FINANCIAL STATEMENTS

### 12. Summary of Assets and Liabilities by Fund

Current Year	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Intangible Fixed Assets	-	61,165	-	61,165
Tangible Fixed Assets	-	-	-	-
Current Assets	1,038,402	42,137	33,494	1,114,033
Current Liabilities	(814,215)	-	-	(814,215)
<b>Totals</b>	<b>224,187</b>	<b>103,302</b>	<b>33,494</b>	<b>360,983</b>

Prior Year	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Intangible Fixed Assets	-	115,729	-	115,729
Tangible Fixed Assets	-	4,876	-	4,876
Current Assets	1,303,975	132,825	7,046	1,443,846
Current Liabilities	(1,044,072)	-	-	(1,044,072)
<b>Totals</b>	<b>259,903</b>	<b>253,430</b>	<b>7,046</b>	<b>520,379</b>

### 13. Events after the reporting period

*i) Adjusting events*

There are no adjusting events that took place after the reporting period.

*ii) Non-adjusting events*

The only non-adjusting event to note for these accounts was the future effect of the global Covid-19 pandemic. This has been discussed in more depth throughout this document and the Board are satisfied that it does not change the going concern basis used to produce these accounts.

Since the end of the year, in June 2021, CFG received a loan under the Coronavirus Business Interruption Loan Scheme of £250,000, to help with future cash flow pressures.

## NOTES TO THE FINANCIAL STATEMENTS

### 14. Comparative statement of financial activities

For the year ended 31 March 2020

(incorporating the income and expenditure account)

	Notes	Unrestricted Funds £	2020 Restricted Funds £	Total Funds £
<b>INCOME FROM:</b>				
<b>Donations and legacies</b>		28,830	-	28,830
<b>Charitable activities</b>				
Develop skills, learning, knowledge & practice		999,547	-	999,547
Inspire financial leadership		435,059	-	435,059
Encourage a supportive environment		90,437	-	90,437
<b>Other trading activities</b>				
Fundraising events		118,212	-	118,212
<b>Investments</b>		4,230	-	4,230
<b>Other</b>		149	-	149
<b>TOTAL INCOME</b>		<b>1,676,464</b>	<b>-</b>	<b>1,676,464</b>
<b>EXPENDITURE ON:</b>				
<b>Raising funds</b>		82,286	-	82,286
<b>Charitable activities</b>				
Develop skills, learning, knowledge & practice		1,079,660	4,400	1,084,060
Inspire financial leadership		363,290	-	363,290
Encourage a supportive environment		349,581	1,100	350,681
<b>TOTAL EXPENDITURE</b>		<b>1,874,817</b>	<b>5,500</b>	<b>1,880,317</b>
<b>NET EXPENDITURE</b>		<b>(198,353)</b>	<b>(5,500)</b>	<b>(203,853)</b>
<b>TOTAL FUNDS BROUGHT FORWARD AT 1 APRIL</b>		<b>711,686</b>	<b>12,546</b>	<b>724,232</b>
<b>TOTAL FUNDS CARRIED FORWARD AT 31 MARCH</b>		<b>513,333</b>	<b>7,046</b>	<b>520,379</b>

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARITY FINANCE GROUP

## Opinion

We have audited the financial statements of Charity Finance Group (the 'charity') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity and the group's affairs as at 31 March 2021 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

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

## Conclusions relating to going concern

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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## Other information

The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report which includes the Directors' Report 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 Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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

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

### **Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement set out on page 37, 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

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

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

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 and the Charities Statement of Recommended Practice.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to use of restricted and endowment funds, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

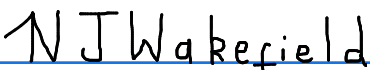
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of the audit report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Nicola Wakefield

(Senior Statutory Auditor)

  
Nicola Wakefield (Jan 28, 2022 11:24 GMT)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

Date: Jan 28, 2022












# CFG Accounts 2020-21 Final

Final Audit Report

2022-01-28

Created:	2022-01-27
By:	Rui Domingues (rui.domingues@cfg.org.uk)
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