

Report of the Trustees and **Financial Statements**



For the year ended
31 March 2021

**no one
beyond reach**

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Rt Rev Patrick McKinney (until 13/02/2021)
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CAFOD Leadership

Christine Allen*	CAFOD Director
Jo Kitterick	Fundraising and Participation
Geoff O'Donoghue*	International Programmes
Neil Thorns	Advocacy, Communications and Education
Jan Wilkinson*	Finance, Information and Infrastructure

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

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Joint letter from the Chair and the Director



When we wrote our annual report this time last year, who would have known that one year later we would still be in different stages of lockdown, so many communities reeling from the impact of COVID-19?

And the struggle continues. For the majority of the communities in which our local partners work, day-to-day living is a struggle due to conflict, injustice and changing climate. COVID-19 has just compounded an already fragile existence.

It would be easy to despair and to fear. Yet there is hope. For CAFOD this hope has been found in new ways of connecting to one another and new ways of supporting communities in action.

This annual report has a strong focus on our work in protecting communities against COVID-19 and our advocacy efforts to support access to vaccines, but thanks to the sterling work of our staff and our overseas partners we have adapted to maintain our core work. This would have been impossible without the dedication of our supporters and volunteers.

We are encouraged by the efforts of our 3,755 volunteers who even during the most difficult moments of lockdown found ways to support CAFOD. There are too many to name individually, but a particular mention to Pat Bishop from Dorset, who walked 500 steps a day during Lent to celebrate her 100th birthday and raise funds for CAFOD. Like our very own Captain Tom, she has been an inspiration.

When COVID-19 was declared a pandemic in March 2020, we had just finished our planning, our staff were working from home, travel was halted and we could not meet face-to-face. Since then, this crisis has permeated all aspects of our work. CAFOD had not co-ordinated a global humanitarian response of this scale since the AIDS crisis in the 1980s. Yet, we swiftly adapted our plans and ways of working.

This year we were thankful to record income of £52.4m, of which £36.4m came from the steadfast support of the Catholic community in England and Wales. It is an honour to have received this level of support during such a difficult year for all.

Humanitarian crises, as a result of conflict have continued to dominate our emergency response. In the past 10 years the conflict in Syria has worsened and there are now an

estimated 5.6 million registered refugees in neighbouring countries. Inside Syria, an estimated 13 million people require help, including six million people who are in acute need of protection.

Over the past decade, we have responded to the crisis with priority interventions in Syria, Lebanon and Jordan. Since the first deliveries of food and blankets, we have extended our support to shelter, physical and mental health provisions, education, helping people to earn a living and peace-building. We are humbled by how people in the UK continue to express their compassion for those whose lives have been torn apart. We hope and pray that the Syrian people may find peace soon.

In *Laudato Si'* Pope Francis introduces us to an 'Integral Ecology' where everything is connected and where the good of people and the good of the earth are inseparable. Our work to embed this approach into our programmes continues as we develop our Integral Ecology Programme Model. Last year we launched our Environmental Stewardship Tool, which we have started applying to our due diligence processes and institutional funding bids to identify potentially harmful environmental impacts and find mitigating solutions.

As an organisation rooted in the values of dignity and solidarity, we believe that amplifying the voices of those who are often left behind is not only individually empowering, but it also strengthens communities and their confidence to influence decisions collectively. Within CAFOD, trustees and staff alike, have been working to address discrimination and taking positive efforts to embed a safe and inclusive working culture and become an anti-racist organisation, which is a reflection of catholic values.

Linked to this, last year, we set ourselves to inspire a younger, more diverse audience, with the added challenge of bringing that inspiration into virtual spaces. Our teams redoubled their efforts to work more collaboratively so that the messaging in our campaigns, communications and fundraising reflects clearly how we all can contribute to alleviate the cry of the poor and the cry of the earth and work for a more equitable world.

Despite the many challenges CAFOD's trustee body continues to work well, and during the year we had a successful recruitment campaign. Now the board has a stronger, more balanced skillset and includes trustees from all the main geographical areas where we work.

Looking forward, the UK hosting the G7 Summit and the COP26 makes 2021 a year of opportunity. CAFOD will continue to live out our values by focusing on climate justice, healing and a green recovery for our communities, partners and for global institutions.

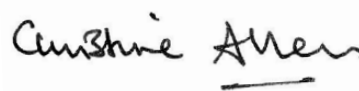
Together with our local partners and the support of the Catholic community of England and Wales, we have adapted to the demands of a socially-distant world and have been able to carry on our transformative work in a safe and respectful way.

Hope transforms despair, feeds love and fuels our work. We remain privileged to be your agency and as we approach our 60th Anniversary year in 2022 we will continue to build on the legacy of our founding mothers, acting from the conviction that no one is beyond reach of the love of God.

God bless



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



Christine Allen
CAFOD Director

1. Strategic report

We are CAFOD

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

Vision

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

Mission

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

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

We live our values

Our four core values are the foundation of 'Our Common Home', our new strategic framework that was launched in April 2020. These values guide us to make commitments and set objectives that reflect the change we want to see in the world and in ourselves. It is crucial for us that our values underpin our activities from the very start of programme design and, to ensure that we stay accountable to the communities we serve, we measure our performance and progress towards our objectives with a range of different approaches. These include not only metrics and targets, but also qualitative evidence gathered through close communication with our local partners and the communities we jointly serve.



Sister Modeasther Karuri, programme manager at Caritas Nairobi, distributes supplies for vulnerable families in Kibera, Kenya.

This year, together with our local partners and thanks to the generous support of the Catholic community of England and Wales, we have adapted to the demands of a socially-distant world and we have been able to safely carry on our transformative work. Our shared achievements are illustrated throughout this report, starting from our four values:

Hope...



...transforms despair, feeds love and fuels our work. On 12 of December 2020, the UK Government announced an end to funding fossil fuels overseas with effect from 31 of March 2021. This was the result of many years of research and advocacy with a focus on changing a narrative that justified the development of coal, oil and gas as a necessary means for tackling poverty, when it is in fact one of the factors causing our current climate crisis and driving poverty, especially in the Global South. We are proud to have been leaders in this work and to see change materialise into new public policies. We hold on to this sign of hope while we continue to put pressure on our leaders, so they remove ambiguities and set a precedent for the rest of the world.

Compassion...



...draws us near to those in need, compels us to act and to stand with them as equals. On 4 August 2020, a blast devastated the streets of Beirut and left thousands without food and shelter. While our supporters in England and Wales got involved through acts of prayer and generous donations, our partner Caritas Lebanon started distributing aid only hours after the incident. Another CAFOD partner, House of Peace, developed a “self-care hub” linking front-line responders to psychosocial support. This response is directly linked to our ongoing commitment to peacebuilding work in Lebanon and recognises that staff too need holistic support and protection.

Dignity...



...is intrinsic to every person, regardless of their characteristics, and it is in celebrating diversity that we come together and seek justice for all. In Brazil, 2020 saw a 12-year high in deforestation and further growth of illegal mining. Added to their already precarious situation, Indigenous peoples, particularly children and the elderly, were disproportionately affected by coronavirus. In early 2021, CAFOD supported two emergency COVID projects in the Amazon: one to support the self-isolation of 31 Ye'kuana and Sanoma communities in Yanomami land, and the other to distribute 160 rechargeable oxygen tanks to hospitals in hard-to-reach municipalities in Amazonas state. Throughout 2020-21, our partners continued to respond to the COVID emergency in Brazil, ensuring indigenous communities had health information in local languages, helping them establish sanitary barriers to minimise the spread of the virus in their territories, and distributing emergency food supplies to vulnerable families.

Solidarity...



...is rooted in our belief in community and our preferential option for the poor and oppressed. Last year, our supporters were unable to gather in person for church activities, they were affected by school closures and reduced childcare, and like everybody, they were facing great uncertainty. Despite the challenging circumstances, the response to our Coronavirus Appeal was astonishing. At CAFOD, we value every single act of solidarity and we send our gratitude to the 97,415 individuals who got involved in our work by giving or campaigning... and we can only imagine how many more joined in prayer. Thank you – together, we are making a difference!

Trusted and effective partnerships

The majority of CAFOD's charitable work is carried out by making grants to partner organisations, which are made within long-term mutually agreed strategies. Grants for development programmes are often made on a three-year basis. Before grants are made, project proposals are subject to formal assessment and approval. All projects are systematically monitored for the duration of their existence, and bigger projects are subject to a final formal evaluation review.

Through our partnership model and our grant-making criteria, we ensure that vital aid and funds reach those who need it the most. We work with a wide range of partners of different sizes and capabilities. Around two thirds are Catholic, some are faith-based of other denominations, and some are secular, but we all share a commitment to transforming the lives of the poorest and supporting the earth to thrive. We are committed to supporting our partners to grow their own technical capacity and to share their and our learning so that, together, we can make a bigger, long-lasting impact. These are but some examples of who our partners are and the kind of work they do with our support:



Ovibashi Karmi Unnayan Program (OKUP) is a grassroots migrant organisation in Bangladesh, running a three-year project, funded by CAFOD, entitled “Empowerment of Women and Girl Migrant Workers, Communities and Key Institutions to Protect and Promote Migrant Workers’ Rights and Access to Justice”. It reaches women and girl migrant workers to help them become more resilient, to unite strongly against unsafe migration, trafficking, and exploitation, and to advocate for improved institutional justice mechanisms that protect their rights. CAFOD’s support to OKUP has helped to document 480 cases of abuse and exploitation of female migrant workers and helped 39 women get over £9,000 in compensation through various justice mechanisms.



In DRC, **Caritas Goma, Caritas Bukavu, the Archdiocese of Bukavu** and **Centre Olame** have collaborated with CAFOD to implement software to improve the management of Savings and Internal Lending Community (SILC) groups. In the Archdiocese of Goma and its surroundings, these micro-finance groups are delivering multiple benefits such as increasing access to savings and growing successful small businesses, and are contributing to reduce poverty for 1,050 families.



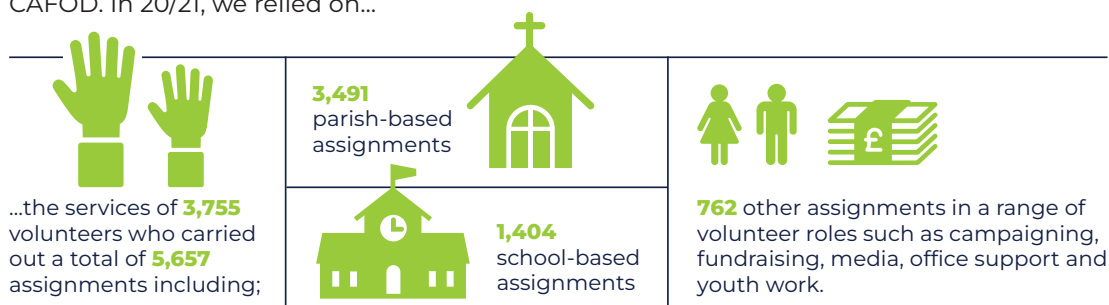
Solidarity Service Association (CVX), one of our Salvadorean partners, helps families in impoverished rural areas to increase their income through small enterprises such as beekeeping or raising chickens. CVX also support farmers to diversify their crops using native seeds that do not require costly and harmful pesticides. CAFOD’s funds provide the beehives, chickens, and other essentials that are vital components of this project.



In 2020, we received our full Core Humanitarian Standards certification, which recognised “our strengths in collaborating with organisations at all levels and our ambition in supporting partners’ unique assets and advocacy voices”.

Inspired by the efforts of volunteers

In 1960, a group of Catholic women volunteered to organise the first Family Fast Day and raise funds for a mother-and-baby clinic in Dominica, starting inadvertently what today is CAFOD. In 20/21, we relied on...



We are grateful to all our volunteers who kept up their activities with CAFOD even during the hardest moments of lockdown, to those who joined us this year and found their niche in online volunteering, and to everybody who has kept in touch to tell us that they can't wait to resume volunteering in person. While we measure their contributions in hours and assignments, it is their commitment and enthusiasm that adds unquantifiable value to our work by keeping us connected to parishes and schools. All CAFOD volunteers put their faith into action in different ways, regardless of whether they volunteer at a school, help co-ordinate campaigns, or take part in youth mobilisation. This year, we want to highlight the wonderful support of our Children's Liturgy presenters, who have brought together 797 families from across England and Wales and helped them celebrate liturgy from home. We're delighted to introduce you to...



Lola Ornato

A midwife and mum to three children – is a catechist in her parish in Forest Hill, in London. CAFOD's Children Liturgy was the perfect opportunity for her to keep talking about faith with young people during the pandemic. We asked her about volunteering and faith and she said very confidently "You build up on your faith a lot more as you do this, there's nothing worse than a child asking you a question that you just cannot answer! It keeps you on your toes and make you reflect on what you believe in and how you were brought up. So I think it's a really good thing for parents to get involved in."



Maggie McWilliams

A teacher and, like Lola, she has three children. She teaches Business, History and R.E. in her local secondary school in Truro, Cornwall, and is also a fencing coach. "I was a Children's Liturgy volunteer at my own parish and the idea of continuing that and having that action in my faith was an important thing" she says "I'd always been a Catechist in my parish for confirmation and doing the Children's Liturgy, and it was really nice to do something that meant I can be involved in something to feel part of that wider community, when at the time people were feeling quite isolated."



Jennifer Sayer

A student from York. She started volunteering at her church two years ago, also taking part in Children's Liturgy, and joined CAFOD as a volunteer in November 2020. The presenters work in rotas to come up with ideas for activities and hymns that can be sung online. Her favourite part is reflecting on the Gospel and hearing thoughts and ideas from both parents and children. Her message to the CAFOD family is "I'd like to say a huge thank you to everyone who participates in projects for CAFOD. It really wouldn't be possible without every single one of you, and what you do is incredibly valuable and allows me to participate in the things I love!"

An extraordinary network

The communities we serve



Clara Shoniwa with Rona Gwanyanya (in green) who has a hearing impairment, demonstrating hand washing; from ward 17, in Chikomba district, Zimbabwe

Cyclone Idai in 2019 had devastating effects for the people of rural Zimbabwe. CAFOD and Caritas Harare have been working since then to help communities in the Chikomba District recover and rebuild their lives. Regaining sanitation is one of the key objectives so the need to prevent the spread of coronavirus was quickly integrated into the project activities. Local experts trained 50 volunteer Village Health Workers to conduct awareness campaigns going door-to-door and addressing public gatherings, as well as supporting communities to form health clubs. In reflecting on the concept of “Leave No One Behind”, the volunteer health workers identified the most at risk, excluded groups, such as people living with disabilities – it became evident that people with hearing impairments were missing out on crucial information. Clara Shoniwa, pictured alongside, is a volunteer from Mukoroyi village who took it upon herself to ensure that Deaf and hard of hearing villagers like Rona Gwanyanya were included. She communicated through improvised sign language and worked together with the deaf community of Mukoroyi to stage demonstrations, educate, raise awareness, and empower more people in the village.

Our supporters



Read the story of Claudelice da Silva, pictured here, in page 19

In some areas of the world, speaking out for justice is a dangerous act and some people risk everything to defend our common home. Last Christmas, CAFOD supporters from parishes all across England and Wales sent their messages of solidarity to the brave defenders that protect their land from mining, logging and illegal settlement in places like Brazil, Colombia, Uganda, DRC or the Occupied Palestinian Territory. These defenders protect half of the world's land, defend water, protect glaciers, rainforests and their courage and commitment help to keep greenhouse gases in check for all of us. And it's not just the environment. Brave individuals and communities risk everything to speak up for peace and human rights too. The CAFOD Campaigns Team collected and forwarded 2,000 messages of encouragement enclosed in Christmas cards. – Thank you to everyone who took the time to write and translate a message and who showed our brothers and sisters that they're not alone in their fight.

The organisations that support us



Collaboration with religious associations runs deep in CAFOD's history. It is one of the ways in which we connect with Catholics in England and Wales and an important commitment to our Catholic identity. As we start preparing for the celebrations of CAFOD's 60th Anniversary, it is an honour to work closely with the National Board of Catholic Women, the Union of Catholic Mothers and the Catholic Women's League, joining our voices to stand up for climate justice and supporting women's empowerment. Many members of associations like NBCW have been familiar with our mission since their childhood; solidarity is something they learnt from their mothers and now instil in their daughters. We are looking forward to seeing the impact that this collaboration can achieve, and to continue to bring NBCW closer to the partners and communities they support.

Our dedicated staff



Nelly Shonko joined CAFOD in 2001 and is based in the Nairobi office, in Kenya. She has had different roles over the past 20 years and now, as Programme Manager for East Africa, she supports our partners in Kenya and Uganda. She told us what inspires her about working so closely with partners: “It enables me to build close relationships and gives me the chance to mentor partner staff. I also get really inspired when I visit communities and see positive change happening. One experience that is especially meaningful to me is the work we did in the Maralal Diocese, Kenya between 2007 and 2009. I and my colleagues visited communities to assess potential for a new project. As we interviewed people, it became clear that there was a serious inter-community conflict between the Samburu and Pokot communities. The CAFOD and Maralal teams developed and implemented a livelihood and peace building project. When I visited the communities again in 2009, the representatives of both communities were referring to each other as brothers and sisters, each community took responsibility for returning stolen livestock, children from both communities attended the same boarding schools and the two communities were now coexisting peacefully. This kind of positive shift in people’s lives is what inspires me.”

More recently, Nelly received her coronavirus vaccination thanks to a freezer from a project funded by CAFOD and the EU, accessible to rural communities in Kajiado county. She told us how exciting it was to see that a project funded years ago was still serving communities. That’s fantastic news! Thank you, Nelly, for all you do for our partners and the peoples of rural East Africa.

Our Trustees



Dominic Jermy, CVO OBE has been a member of the Board of Trustees since 2008 and is a passionate advocate for CAFOD’s mission. Until 2017, Dominic served as British Ambassador to Afghanistan, Chief Executive of UK Trade and Investment and Ambassador to the UAE. He has also worked in Pakistan, East Timor, Chile, Spain, Thailand and the Balkans. He is now Director General of the Zoological Society of London, a wildlife conservation charity which runs London Zoo, Whipsnade Zoo, a scientific research institute and conservation projects in Europe, Asia and Africa. When reflecting on CAFOD’s strategy, he said “Our Common Home recognises that structural changes are needed. CAFOD has a long and honourable history of looking at that, but we also need to look at it through an environmental lens. In my time as a Trustee CAFOD has become much more powerful in its advocacy. Whilst I cannot take any credit for this, I am immensely proud of all that CAFOD staff and volunteers achieve. Thank you.”

In December 2020, Dominic was appointed as Member Trustee of CAFOD by the Catholic Bishops Conference of England and Wales. Member Trustees hold additional governance duties and are part of what makes CAFOD an official agency of the Catholic Church.

The impact of Coronavirus



When COVID-19 was declared a pandemic in March 2020, we had just finished our planning for the new financial year, our staff had to start working from home, all travel was halted, and we could not meet face-to-face with partners or communities. Since then, the impact of this crisis has permeated all aspects of our work and we have seen how the disease, and sometimes the strict measures needed to stop its spread, have exacerbated existing problems and have worsened the already precarious conditions for some of the poorest people around the world.

CAFOD had not coordinated a global humanitarian response since the AIDS crisis in the late 1980s and the scale of the coronavirus response is such that we had to put in place a dedicated structure to gather data, monitor trends and coordinate responses, especially during the first months. We had to adapt our plans and

ways of working swiftly because our partners, who are the ones delivering the response in most cases, were in need of support too. The coronavirus funds have contributed towards awareness campaigns to combat misinformation, soap, clean water, face masks, PPE for health professionals, psycho-social training for priests and hospital chaplains, oxygen tanks, health interventions in areas with compromised healthcare provisions, food baskets and more. Additionally, keeping all parties involved safe and informed was a priority from the beginning, so we allocated funds to help our partners maintain social distance, scale up their information technology capacity and enhance their connectivity for remote working.

In the UK, it was predicted that the pandemic would have a profound impact in the charity sector, and we are still to see the extent to which this impact materialises for organisations like ours, as the return to a new normality is still developing. If there is something that was noticeable from the start, it was the impact of social distancing rules and lockdown for faith communities. When church doors closed, many people lost precious opportunities to come together. Our way of reaching out to supporters and the resources we were able to offer had to change drastically if we wanted to respond to the growing need for unity and connection among our supporters of all ages. All our supporter-facing teams worked rapidly to move the spaces where we would usually learn, reflect, and pray with the Catholic community to Zoom calls, webinars, or livestreams.

During the past year we have adapted quickly when we lacked information to make predictions, improved our use of data to monitor trends, found ways of nurturing relationships despite long distances, used new electronic tools and reduced our use of paper, managed teams remotely, improved our digital communications and much more. All these examples are on the surface of how our partners, staff and volunteers have experienced a year of unprecedented circumstances, and it is thanks to their resourcefulness and the generosity of our supporters that we are able to turn this challenge into opportunities. However, the coronavirus pandemic is continuously evolving and, as we write this report, the impact of more contagious variants is still a threat, especially for people in the Global South who lack access to vaccines. We continue to plan both immediate and long-term responses and release emergency funds to support the poorest communities to survive, rebuild and heal.

Global response to a global crisis

CAFOD is supporting partners in 35 countries to respond or adapt to the challenges of the coronavirus crisis. With over £7m received from our Coronavirus appeal and institutional donors so far, and over £2m of our own core funds repurposed, much of this has already been disbursed and we continue to make grants to mitigate the effects of the pandemic. So far, countries that have received the most substantial amounts of funds for food security, livelihoods, and hygiene have been Brazil, Ethiopia, Syria, Nigeria, Guatemala, the occupied Palestinian Territory and Colombia. Here's a glimpse on the scale of our global reach:



We are a member of the Disasters Emergency Committee (DEC), which brings together 14 leading UK aid charities – including CAFOD – to raise funds quickly and efficiently. The DEC launched its appeal in July 2020 with a focus on refugee camps and countries torn by conflict.

Information

15,039,200



people received information on prevention and treatment of coronavirus via radio, public announcements, pamphlets, and other media.

3,225



community volunteers spread awareness locally.

Supplies



480,500

people have access to sanitation and hygiene necessities.



37,669

healthcare workers were provided with PPE.



16,017

households received food and other emergency supplies.



5,548

households received cash to help them meet their basic needs.

Capacity



1,087

clinical staff and community health workers were trained in management of coronavirus responses.

Agency



25

partners conducted COVID-19 related advocacy towards national authorities or international bodies.



30

partners coordinated directly with their governments on their COVID-19 responses.



5,947

questions, clarifications and concerns were received through our partners' established feedback mechanisms.

A year in digital – keeping our supporters connected

Coming together in hope as individuals, families, communities, organisations, and nations is a fundamental element of how we put our faith into action to achieve transformative change and the common good. The activities of CAFOD and its partners overseas go hand in hand with the efforts of thousands of supporters who take action to make a difference.

During this year of intermittent lockdown and social distancing, we are proud to share that, thanks to our wonderful staff and volunteers, we have been able to keep our supporters across England and Wales as close as ever:

Education

1,000

viewers at home and school bubbles joined the premiere of “Hope in the Time of Coronavirus”, our first ever National School Assembly. The purpose of these assemblies, openly available on YouTube, is to share the experiences of children and young people from around the world as a sign of solidarity, courage, and hope.

Webinars

71

international webinars connected our volunteers with staff and partners overseas. These have been great opportunities for dialogue that have contributed to our parish volunteers' increased understanding of the issues we are tackling. It is amazing to see how, in a time of isolation, distance did not keep us apart!

Online resources

326,627

views to our webpage of Coronavirus prayers. Praying is one of the ways in which we invite people to get involved in our work and an important part of how we inspire the Catholic community of England and Wales.

Campaigns

333

people attended the online workshop “Faith into Action”. They heard about the themes of Pope Francis' latest encyclical *Fratelli Tutti*, listened to young campaigners from all over the world, shared their stories of campaigning in their own community and learnt how they can get involved in CAFOD's campaigns to build a better world after the pandemic.

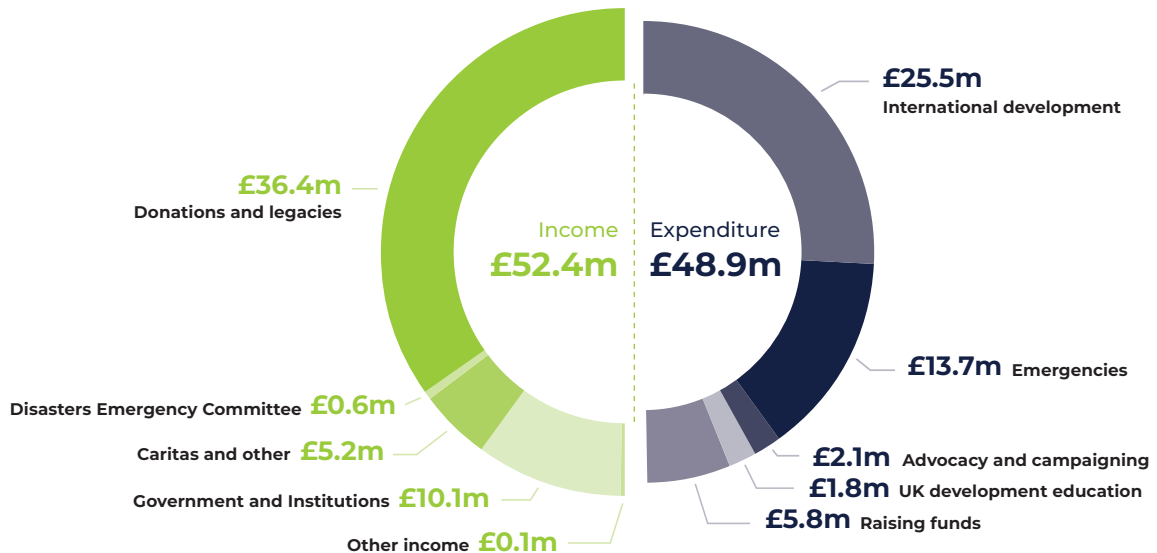
Social media

7,326

new followers on Facebook and Twitter have been keeping up to date with our supporter-facing activities, hearing about campaigns and engaging with us. In 20/21, we have seen an increase of 117% in our social media traffic, which is a great indicator of our efforts to reach a younger audience.

Financial review

income / expenditure



This year we were thankful to record total income of £52.4m, of which a marvellous £36.4m (69%) came from the steadfast support of the Catholic community in England and Wales; made up of general and emergency appeal donations, including our Coronavirus appeal this year, together with very generous legacies.

We were truly humbled by this level of support during such a very difficult year for all and we were exceptionally appreciative of how our supporters and volunteers adapted and continued to support us, using new ways to engage with us and to give and raise funds for CAFOD's work.

We spent £48.9m in total; with £5.8m (12%) on raising income and £43.1m (88%) on delivery of our mission through charitable activities. Both these figures include allocated support, administration and governance costs of £5.6m (11% of our total spending).

These resources entrusted to us allowed us to cover a wide and diverse range of issues, reflecting the contexts in which we operate, the needs identified by our partners, and our analysis of how we can achieve the greatest impact in our programmes. We made 561 partner grants including £1.5m of programme payments made by CAFOD in direct support of partners for programme activities and foreign exchange adjustments, that totalled £26.5m, covering these main themes:



10th Anniversary of the Syrian conflict



We support teams of experts who can act fast when they are needed, providing food, water and shelter to people who have lost everything. We are committed to be there during the crisis, and in the months and years that follow, listening and helping people prepare for the future. The scale of the crisis in Syria is enormous. With your support, CAFOD has been supporting local partners for almost 10 years.

In April 2011, after weeks of demonstrations across Syria that sought political and economic change, the Syrian government deployed its army to quell the uprising, leaving many casualties and stirring a conflict that became a civil war that lasts to this day. Since then, over 12 million people have left their homes. Over 5.6 million are registered refugees in neighbouring countries and,

although only around 10% of them live in camps, refugees face staggering rates of poverty and unemployment. The competing interests of international and regional actors, the involvement of a number of armed groups, and the scattered clashes across the country, have made of this war a protracted, ever-evolving conflict that has caught hundreds of thousands of lives in the crossfire. Inside Syria, it is estimated that over 13 million people require some form of assistance, including 6 million people who are in acute need of protection. The combined effects of the war and the displacement are commonly known as the Syria crisis.

CAFOD started its humanitarian programmes within the Syria crisis in February 2012. At the beginning, our focus was on supporting partners to reach communities in restricted, high-risk areas to deliver essential items. The programme evolved rapidly to match the needs of those most severely affected, we scaled up our work with national and international partners and extended our assistance to cover the provision of education, medical and legal services, and capacity development for partners. From 2017 onwards, we have focused increasingly on livelihoods support and rehabilitation efforts, always building on the progress achieved so far. Our latest project in Syria started in 2018 with a focus on immediate and basic needs and has increasingly engaged in long-term approaches. In 2020 and early 2021, the project included interactive sessions with children and adolescents, literacy classes for women, grants to restart small businesses and a programme of visits to lonely elderly people, just to name a few examples.

Over the past decade, we have responded to the crisis in partnership with 17 other organisations in 7 countries, with priority interventions in Syria, Lebanon and Jordan – the countries with the most need but the least capacity. Over £7.3m have been allocated to partners for interventions that target vulnerable refugees, internally displaced people and host communities, and that have a focus on women and girls within these groups, as well as people living with disabilities. Since the first deliveries of food and blankets through local church partners, we have extended our support to shelter services such as shelter rehabilitation and cash for rent, physical and mental health provisions, education, livelihoods opportunities and peace-building efforts. We estimate that this vital support has reached more than 350,000 people.

Once again, none of these interventions would have been possible without the Catholic community of England and Wales who support our work in different ways. Our Syria appeal has raised over £4.2m since it started in 2012 and, since the beginning of the programme, our incredibly hard-working Institutional Funding team have raised a further £3.9m. The Syria programme has benefitted also from income from trusts and foundations, CAFOD's core grant funds, small grants for coronavirus adaptations and more.

The teams of professionals and volunteers in Syria and its neighbouring countries are doing so much, and we are humbled by how people in England and Wales continue to express their solidarity and compassion for those whose lives have been torn apart. We hope and pray that the Syrian people may find peace soon.



Mrs. Masika Ntabuye Leonie, is 61 and mother of eight children. She is a participant in a project in DRC, implemented by our partner CAJED with funding from our Dutch sister agency Vastenactie. After being abandoned by her husband and lacking other financial support, she has been supported by the project. "It was unbelievable for me" says Leonie, "a person like me, how a humble servant working in other people's field could also have my own field? God has remembered me for real! Thanks so much for the supporters of this good project." She continues "I'm now working and expecting my own products, not from someone else! I'm grateful to have received support in this project. In May 2020, we learned agricultural techniques and have cultivated vegetables - amaranth, cabbage, spinach, carrot, eggplant and other crops on a common garden of 4 hectares."

Making progress towards our commitments

On last year's plans we reiterated our pledge to remain focused on our new strategy and respond to the challenges set in *Laudato Si'*. It has been a demanding year but, thanks to the unshakable trust of our supporters and partners, we have been able to carry on with our agenda for change. Our commitments are...

Achieving positive impacts for people, communities and the environment

Pope Francis introduces us to the notion of an 'Integral Ecology' where everything is connected and where the good of people and the good of the earth are inseparable. Our work to fully embed this holistic approach into our programmes continues as we develop our Integral Ecology Programme Model. However, some of our projects already show how impact is maximised when the good of people and the good of the earth are both taken into account.



One way of achieving this positive impact is through the development of small enterprises, which requires relatively small grants but a patient, bespoke approach that understands the context in which these entrepreneurs from disadvantaged communities live and the challenges they face. Incorporating an environmental lens into our enterprise development work allows us to have impact on multiple levels by helping communities set up small businesses that are commercially viable, socially advantageous and environmentally

friendly. The work in Central America with women beekeepers immediately stands out as exemplary. In both Nicaragua and El Salvador our partners ASOMUPRO and CVX are supporting women-led beekeeping enterprises. Traditionally, beekeeping has been men's work, but the women have embraced it with passion because it has offered them an opportunity to be united in their entrepreneurial efforts and is a valuable skill that they can pass on to the next generation of young women. The impact of this project, however, is not only breaking moulds around gender roles, it is also a way in which the local communities are supporting themselves and their natural environment. The beekeeping associations in Central America have initiated their own community level campaigns to inform local farmers about the negative impacts of chemicals on the environment and bees in particular, who have a critical role as pollinators. They also initiated reforestation efforts to increase melliferous tree species which not only help them produce more honey, but also support the environment.

Last year we launched our Environmental Stewardship Tool, which we have started applying to our due diligence processes and institutional funding bids to identify potentially harmful environmental impacts and find mitigating solutions. For example, our team in South Sudan were able to determine specific issues around the installation of handwashing basins. Without drainage, run-off water pools and stagnates around the basin, but our team planned to implement soakaway pits to reduce mosquito breeding and soil erosion from the start. One of the great advantages of this tool is its adaptability to different contexts. In Syria, through the application of the tool and through training with partners, we were able to encourage them to explore alternatives to polluting chemical spraying for pest control as part of shelter rehabilitation project. We were also able to encourage them to support better waste management in the community to reduce the instances of pests.

Another area of our work where positive impacts for people and the environment intersect is the support to human rights defenders in places where communities hold a



close relationship with their environment. For example, Viviana Tacha is a lawyer for our partner Siembra, a Colombian human rights organisation. Over the last six years Viviana has worked tirelessly to support small-scale peasant farmers in Cajamarca, Colombia, resisting a multinational company's plans to build a gold mine in their territory. The mine risks destroying the area's water sources, unique mountainous wetlands system, its innumerable plant and animal species, and the identity of the farmers, whose lives are intrinsically bound up in the land that sustains them.

For us at CAFOD, it is an honour to learn from our partners around the world who have first-hand experience of the needs of the local communities, to work out solutions together that are efficient and environmentally friendly, and to bring our supporters along with us in this journey of transformation.

Amplifying local voice, agency and leadership

We value all individuals, communities and local organisations as agents of change and uphold a preferential option for the poor and oppressed. Although last year many important events were cancelled, we were determined to adapt, make the most of the platforms we had access to and create more opportunities for partners and local activists to reach wider audiences and become international players.



As an organisation rooted in the values of dignity and solidarity, we believe that amplifying the voices of those who are often left behind is not only empowering at the individual level, but that it also strengthens communities and their confidence to influence decisions collectively. The Putting Children First (PCF) project in Zimbabwe, funded by CAFOD and Caritas Australia and implemented by three local partners, catalyses local agency and leadership on issues of child protection. For example, with a population of over 65,000 people aged 10-24, Hopley

has only one school and it is over-enrolled, which means that safeguarding incidents fall through the net and affected children go unnoticed or are driven out of education. There were no established processes for communities to feedback or raise concerns with the respective ministry. Our partners trained the community to develop a community score card as a participatory way to gather evidence that can be used to hold the relevant government officers accountable. After gathering the information, the community organised a team to meet with the District Officer for Education to present the issues and recommendations. This was the first time that the District Officer met with community representatives and the outcome was very positive because, after seeing the staggering evidence, an upgrade of the school was initiated. Now, the Ministry of Local Government has also been involved to repossess the additional school land, which had been illegally appropriated for commercial use, and regular dialogue forums with the Ministry of Education and other service delivery ministries have been established with agreed plans to jointly track quality service improvements in the area.

Last year also brought recognition for local NGOs as the frontline responders in times of crisis; the pandemic made more evident than ever that local groups are the first ones to help people cope and survive during emergencies. Yet, the international systems still struggled with reforms to empower local groups and, in some parts of the world, some power-holders even used this situation to crack-down on marginalised sections of society. This is why CAFOD supports NGO partners to develop their policy analysis and recommendations and enables their engagement at an international level. Last year, we focused our efforts on helping partners from Syria, South Sudan, and Ethiopia and we have supported them to brief stakeholders of the highest level such as UN Humanitarian Chief Sir Mark Lowcock, FCDO Ministers, or UK and UN Special Envoys.

Research is a key element of how we work with local NGOs to make their voices heard. Last year, CAFOD led the development of the report "Humanitarian Funding, Partnerships and Coordination in the COVID-19 Crisis: Perspectives from Local Women-

led Organisations and Women's Rights Organisations", a joint effort of 16 local women's groups plus Oxfam, CARE, DCA and Action Aid. Recommendations were presented to heads of UN agencies, as well as FCDO and other donor senior officials, and contributed to momentum on these issues. OCHA and UN Women, for example, are implementing new approaches to tracking funding to local women's groups.

We also work so that the stories of partners and courageous people and communities that we work alongside can reach wider audiences, using their own voices to shed light on the connected causes of their struggles. For example, on the occasion of the 10th anniversary of the Syrian conflict, aid workers Shahinaz Muamar and Fadi Hallisso, spoke to HRH Duke of Cambridge about their work tackling the pandemic in refugee camps. This conversation via Zoom received wide media coverage from major news outlets.

Another powerful example is that of Claudelice Silva dos Santos, pictured here, whose story was covered extensively by The Independent. Claudelice is an Amazon environmental defender resisting illegal land grabs and deforestation. Her brother Jose Claudio and sister-in-law Maria, also activists, were murdered after receiving public death threats. "They want to cut the forest down," she says. "I can only spend two or three days at a time here. If I stay longer, things get dangerous for me. But the Amazon is our life. People ask if I want to go elsewhere. But this is my place. My ancestors are here. Although I'm afraid, it doesn't mean I'm going to stop." Our partner CPT is supporting Claudelice and other brave activists like her to resist evictions and improve food production for displaced communities living in the Amazon through agroecological approaches.

Around the world, some of the most vulnerable and excluded people need to make their voices heard. Thanks to the generosity of the Catholic community of England and Wales, CAFOD can help them overcome barriers and grow stronger so that together we can keep working for the common good.



Creating a culture of Encounter for Transformative Change



With the unrelenting support of Catholics of all ages and backgrounds in England and Wales, we engage in dialogue around issues of politics, economy, policy and decision-making processes that affect people and the earth.

Last year, we set ourselves to inspire a younger, more diverse audience, with the added challenge of bringing that inspiration into virtual spaces. We had to find innovative ways of sharing our partners' stories; to walk alongside our supporters in the journey of uncovering the interconnected causes of poverty and inequality.

Our teams started to work more collaboratively and joined efforts so that the messaging in our campaigns, communications and fundraising activities reflect clearly where we stand and how we all can contribute to alleviate the cry of the poor and the cry of the earth.

Joining the dots between the climate crisis and poverty is one of the first steps we have taken towards this aim and it is clearly reflected in our Walk for Water challenge for Lent 2021. Abdella is 23 and lives in Afar, Ethiopia, one of the hottest places in the world. He walks up to 10 hours a day to collect water for his family. He told us his story: "We have land to be irrigated, but we don't have water. People who have water near them can do many other things. I cannot compete with them because my life is taken up making this journey to water." Abdella's story inspired thousands of supporters in England and Wales, and even abroad, not just to raise funds for water pumps, but to reflect on how the scarcity of this resource, so important for our health, is exacerbated by pollution, droughts, and climate change. The "Water of Life" National School Assembly and other webinars also sparked conversations about the indiscriminate exploitation of our natural resources and how this impacts the lives of vulnerable people around the world.



With *Walk for Water*, we have made progress towards creating a culture of encounter with our supporters and we have been amazed by all the heartfelt feedback, contributions and generous donations we have received.

- Pat Bishop, from Dorset, walked 500 steps a day during Lent to celebrate her 100th birthday and raise funds for those who need it the most. Her family helped her keep a log of steps online and upload pictures and she was even interviewed by ITV News. Like our very own Captain Tom, she inspires us to do more and better with every step she takes.
- Fr Dominic, the parish priest at St Bede's, in Basingstoke, took part in the challenge inspired by his own experience of walking long distances to fetch water during his school days in Nigeria. In a blog post, he told us of his own visit to Ethiopia as a priest and how potable water there is like gold.
- The students and staff of St Leonard's Sixth Form, in Durham, recorded their own version of the song "I'm Gonna Be (500 Miles)" by The Proclaimers (including a music video of them walking in the snow!) to raise awareness and funds for people who can't take water for granted. It was also a great exercise to inspire the students to work together for a good cause during lockdown.



There are also examples of how we foster dialogue with and between our partners. For example, supporting peer learning and exchange between partners has been a recent focus of our Humanitarian Capacity Strengthening Programme. Luckily the staff and partners involved had been using online conferencing for a long time before the pandemic and their activities were not severely disrupted. One of the most tangible outcomes of these knowledge exchanges is that local partners are empowered to apply for funding directly, without CAFOD acting as an intermediary. In these cases, the work of CAFOD is a direct contribution to local partners gaining autonomy and developing their expertise to be able respond to humanitarian crises themselves.

Another example of how communities are strengthened by the practice of Culture of Encounter is through our Safe, Accessible, Dignified and Inclusive (SADI) programming

framework. The framework enables us to demonstrate how we are keeping people and communities safe, meeting safeguarding standards and sector best practices. It sets the parameters to help us maintain important conversations about safeguarding with our partners through training materials and other tools, so we can assess potential gaps and provide support. Last year, we achieved our target of completing safeguarding profiles for all local partner organisations. We did so through a collaborative approach that allows us to adapt to the needs of our partners while staying transparent and accountable.

Dialogue with our partners and supporters is the pillar of our commitment to fostering a Culture of Encounter. Yet, if we strive for truly transformational change, we ought be prepared for powerful and challenging conversations within our organisation itself. At CAFOD, we are listening and learning how we can become more actively anti-racist. More details about how we engage with our staff in these matters can be found in the section Structure, Governance and Management.

We are looking forward to more opportunities to mobilise our networks constructively, engaging in dialogues that address the causes of poverty, keeping always in mind the safety and dignity of all people and our preferential option for the poor and excluded.

Transforming ourselves to better deliver our mission

We are called to our own ecological conversion, to transform ourselves and ensure that we keep delivering our mission and inspiring our supporters to join us in this journey of reflection and discernment. We aspire to exemplify our values not only through the outcomes of our work, but also in the ways we work.

Last year, despite the disruptions and curtailed travel, we maintained good communication across the organisation and with our partners and we were able to improve our internal mechanisms of assurance. For example, we improved our key performance indicators or transitioned more of our internal audit work online. This means that we can keep better oversight of the impact of our work and be assured that our activities are compliant to a high standard, while also reducing our carbon footprint and costs. In a similar way, our partners have been supported to keep tracking the progress of their projects remotely, because they had to follow strict lockdown measures in their countries, but also because of the need to keep communities in isolated areas safe from the virus. This approach has proven effective in most cases and it will remain a strong alternative to travel in the future.

Transforming ourselves to better deliver our mission is not simply about growing or changing because we can, but looking at how we do things, why they are done that way and whether they are the best way to deliver value and efficiency in a dignified and inclusive way. We feel it is important to hold a light to our stewardship principles and the contribution we can all make to ensuring that we are good stewards of the funds and resources entrusted to us.



Over the past decades, communities in Kaduna and Plateau State in Nigeria have lost their peace and cohesion due to growing tension between people from different religious and ethnic backgrounds. Zaman Tare – literally “Living Together” in Hausa- is a project funded by the EU that seeks to increase respect of cultural and religious pluralism across all levels of society, working to rebuild relationships and bring back long-lasting peace. This year, the people involved in the project have celebrated many achievements. For example, Abdullahi Yusuf Abdullahi, respected leader of the Mai Adiko community, said “For a very long time we had been living together in peace until the crisis broke out, which caused some people to flee leading to segregation among us and destruction of properties. But we the leaders of the community tried our best to sit together and solve this issue, to continue to live together as one. That brought the idea of employing teachers who are not Muslim.” This was a completely new development for the school and the new teachers have been welcomed and accepted into the school like everyone else, which is a great sign of progress.



FCDO UK Aid Match

UK Aid Match is a programme funded by the UK government's Foreign, Commonwealth & Development Office. By matching contributions made during an appeal – for every £1 donated, the government also contributes £1 up to an agreed target, it allows British taxpayers to have a say in how UK foreign aid is spent, helping to double the good that donations to CAFOD achieve and providing an opportunity to engage with international development issues.

In 2018, CAFOD ran a Lent Appeal which secured £4.3m for *Building community resilience to climatic shocks, in improving food security, caring practices for vulnerable groups, and sanitation and hygiene practices to enhance the nutritional status of rural communities in Eritrea, Zambia and Zimbabwe*. The project began in September 2018 and is now entering its third and final year. The overall target for this project was to reach 239,080 people, and we are proud to report that by the end of the second year, almost 255,700 people had already benefited from the scheme. The project has three desirable outcomes:

Outcome 1

The first outcome is to improve nutrition in rural communities through integrated approaches that address the underlying causes of the problem. We are using household surveys and verification measures to assess how often people are eating and how balanced their diets are. So far, the proportion of households meeting the nutrition standards has doubled.

Proportion of households meeting minimum meal frequency and dietary diversity thresholds

Country	Y2 Achievement	
	% HHs	# of HHs
 Eritrea	49.7	4008
 Zambia	44.6	3634
 Zimbabwe	64.21	15051
Overall	57.2	22693

Outcome 2

The second outcome is to improve caring practices for vulnerable groups that are at risk of malnutrition, such as infants, pregnant women, and young mothers. The caring practices include breastfeeding and administering vaccinations and vitamin A supplements. To measure progress in this area, we monitor the growth of children under the age of five to check if they are suffering malnutrition and visit households to check how the guidelines are put into practice. By the end of year two, the proportion of households that were meeting these criteria had almost tripled.

Proportion of households demonstrating improved caring practices for vulnerable groups at higher risk of malnutrition

Country	Y2 Achievement	
	% HHs	# of HHs
 Eritrea	49.3	3550
 Zambia	43.8	5005
 Zimbabwe	38.96	9132
Overall	42.1	17687

Outcome 3

The third outcome focuses on improving people's access to clean water, sanitation and hygiene practices, which we also monitor with household visits and surveys. In year two of the project, the proportion of households meeting the criteria had more than quadrupled.

Proportion of households demonstrating improved water, sanitation, and hygiene behaviours

Country	Y2 Achievement	
	% HHs	# of HHs
 Eritrea	37.9	3056
 Zambia	84.8	9865
 Zimbabwe	51.9	12165
Overall	58.1	25087

Over the last financial year, coronavirus has had a major impact on the programme. Many activities had to be postponed, cancelled, or adapted to ensure that they could be carried out safely and in compliance with national restrictions. In addition, the programme delivered emergency support to mitigate both the immediate health risks to people and communities as well as the unintended outcomes of lockdown restrictions such as severe food shortages. Despite the emergency, the achievements of our Caritas partners in all three countries have been truly impressive:

HHs trained in sustainable approaches that increase food availability.

 **1,698** Eritrea
 **4,994** Zambia
 **14,087** Zimbabwe

HHs participating in income activities (includes Independent Savings and Loans, irrigation, market gardens).

 **87** Eritrea
 **8,998** Zambia
 **9,143** Zimbabwe

HHs engaging in activities that diversify food production.

 **2,345** Eritrea
 **5,542** Zambia
 **13,135** Zimbabwe

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

 **7,383** Eritrea
 **6,101** Zambia
 **5,514** Zimbabwe

community health workers completing training on community management of good nutrition and caring practices.

 **24** Eritrea
 **145** Zambia
 **862** Zimbabwe

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

 **7,383** Eritrea
 **41,182** Zambia
 **98,852** Zimbabwe

people participating in hygiene promotion programmes.

 **51,703** Eritrea
 **49,147** Zambia
 **98,852** Zimbabwe

people with access to new/improved, appropriate sanitation facilities.

 **1,247** Eritrea
 **2,709** Zambia
 **18,858** Zimbabwe

Helen Mushimata

Helen Mushimata is a young mother from Mbotwa, a small village in Masaiti district, one of the most remote areas in Zambia. Helen had to walk 4km every day to fetch water and her family, including her three-year-old son, suffered periodically from diarrhoea. In July 2020, CAFOD installed a solar pumped water scheme supporting a total of 2,100 people, including Helen. She told us "With the new water point, I now walk less than 300m and this has given me enough time to grow my vegetable garden and attend church and other community meetings."



Left: Helen showing us where she used to fetch water from the unprotected stream

Right: Helen fetching water at the new water point

Our priorities and plans in 2021/22

At the time of writing the coronavirus pandemic continues to impact the communities we serve, our partners, staff and the Catholic community in England and Wales. Our work had to evolve rapidly last year and there are opportunities to build on these adaptations and innovations.

2021 is a year for CAFOD to focus on climate and healing, a (green) recovery for our communities, partners and for global institutions. This will run as a key theme for our work and plans this year across CAFOD, encouraging direct voices from partners and local communities. The UK hosting the G7 Summit and the COP26 makes 2021 a year of opportunity and we will live out our values of Hope, Compassion, Dignity and Solidarity by focusing on climate justice, healing and a green recovery for our communities. We will be focusing our efforts on four areas of change, outlined in the change statements in Our Common Home:

“Focusing on reaching the most vulnerable and excluded, to support their survival and long-term flourishing, and doing so in ways that help protect and regenerate the environment.” Our full range of programmatic work will continue with coronavirus adaptations and we will support partners in their advocacy efforts on free and fair access to vaccines and healthcare. In crisis hotspots such as Brazil we expect to see an increase in basic need provision including food and other essentials. Our interventions in protracted crises such as in Syria, Tigray, Myanmar, South Sudan and Mozambique will be maintained and we will be ready to support new emergency responses if needed. Throughout our programmes we will embed greater environmental stewardship, gender justice, and develop new ways of working to support short- and longer-term shifts to remote working with partners and communities.

“Focusing on the interconnected causes of the social and environmental crisis, amplifying the voices of those most affected and speaking out boldly when it is right to do so, to more appropriately influence the required system changes from local through to global levels.” The UK hosting the G7 and COP26 offers us a unique opportunity to influence the recovery of the pandemic. How governments respond to the pandemic will be key to tackling the climate crisis and poverty and inequality. We will focus on ensuring that global finances are directed to a clean and sustainable recovery which has the poorest at its heart. This will mean ensuring debts are cancelled and new forms of financing created (special drawing rights) which support this. We will also push for clear, concrete and ambitious 2030 greenhouse gas reductions under the Paris Agreement. Throughout the year we will be working with Vatican and sister agencies on the Laudato Si’ Action Year, amplifying Southern Voices.

“Using more creative channels of engagement to inspire a younger and more diverse Catholic community in England and Wales to participate in leading, resourcing and making real our shared vision.” We are committed to engage and inspire a younger and more diverse Catholic community to participate in leading, resourcing and making real our shared vision. Through our core campaigns and appeals, we will connect with more diverse networks including diaspora communities and young families. We will make CAFOD and the Church’s work more visible on digital platforms and we will make more effective use of social listening tools building on lessons learnt last year. During the summer, parishes, schools, networks and individuals will be invited to advocate for a green recovery. During the autumn we will amplify the voices of our partners in the Amazon, focused on the need for a global recovery from COVID that addresses the global climate emergency in the run up to the COP26.

“Ensuring that our ways of working are safe, dignified, diverse and inclusive.” We will continue to support partners and colleagues to ensure that our safeguarding expectations are understood and met (See Principal Risks and Uncertainties). In CAFOD we aim to have

a safe and inclusive working culture that embraces and celebrates the diversity of all our people, recognising the different gifts each one brings to achieve the mission of CAFOD. We will take a number of actions to become an anti-racist organisation, committed to learning and dialogue (see section Tackling discrimination and our steps towards being an anti-racist organisation).

In order to achieve the ambition outlined above for next year we will need to change how we work: our own ecological conversation. This includes updates to some of our systems, processes and technology tools base. We plan to establish our Integral Ecology Programme Model to design, manage and track our international programme work more holistically in support of Our Common Home. This includes developments on all aspects of programme reporting, evaluation, and communications and a carbon-critical commitment to a permanent, radical cut in travel.

The coronavirus pandemic continues to devastate communities that CAFOD supports, often exacerbating existing inequalities and injustices – for them coronavirus is one more layer in a multi-layered crisis. Our plans will need to adjust to circumstances, mindful of the wellbeing of our colleagues and all those with whom we work.

Within CAFOD we continue to carefully monitor the impact of the pandemic, on the areas where we work, and we have appeal funds in hand to swiftly respond to hotspots most impacted by the ongoing crisis. In our financial planning for the future, we are continuing to adjust our organisational commitments in line with expected income and to monitor future cashflows based on income and expenditure projections. Our internal control measures have been adapted to function effectively, considering remote working and other changes in working practices that have taken place, including future changes in how we will better utilise our UK and overseas office spaces. We expect to build on the positives that have come from revised ways of working, including reduced travel and greater use of digital fundraising and online mass communication tools, so we will retain indefinitely most of the control measures put in place as an organisational response to the pandemic.



Principal Risks and Uncertainties

Risks are all the factors that could prevent us from delivering our plans or achieving our objectives; they can be financial, political, regulatory or operational. While we strive to limit the impact of risks, we cannot always prevent events from occurring. This is why we ensure that we have sound risk mitigating actions and controls in place to reduce any negative impact. Risk management is incorporated into our planning, organisational decision-making and management procedures. CAFOD Trustees review the organisational risk register regularly, ensuring that threats are managed appropriately. We have agreed crisis management protocols and serious incidents are reported to external authorities where required. Serious incidents are reviewed quarterly by Trustees ensuring oversight and learning. **Our principal risks and uncertainties are:**

Safeguarding

Risk: The vulnerability of many participants in our international activities heightens the need to ensure our programmes are safe and that participants, partners and staff know how to reduce risk and respond if problems arise. Safeguarding incidents can have a deeply negative impact on people's lives; whether at CAFOD or in the wider Catholic church, safeguarding incidents can negatively affect CAFOD's credibility and the trust of our networks and supporters.

Mitigation: All CAFOD staff and representatives are aware of our commitments and expectations through our Code of Behaviour, Safeguarding Policy and Complaints Policy, which are reviewed regularly and provide clarity on how these are applied in partnership and with volunteers. All staff undergo mandatory training and some roles require additional vetting under the DBS scheme or local checks. We work to ensure that all our programmes are Safe, Accessible, Dignified and Inclusive, that our partners understand expectations, welcome feedback locally and are able to respond adequately to any cases that may arise. The Board of Trustees receive quarterly reports on safeguarding, with additional review meetings held with the Trustee Safeguarding lead, prompting learning at governance and leadership level.

Adjusting to societal shifts in England and Wales

Risk: There is a risk that we fail to respond to the needs and expectations of younger and more diverse Catholic audiences, and this may result in reduced participation and income in the longer term. The rapid progress in a multichannel digital environment that our Supporters experience in their daily lives creates a risk of CAFOD missing income potential if we don't respond quickly enough.

Mitigation: Through our work on No One Beyond Reach we have refreshed our brand and offering, focusing on a younger more diverse audience. We are adjusting to the changes in ways of working brought on by coronavirus, focusing on digital first, creating opportunities such as webinars, online Masses, Children's Liturgy and school assemblies to reach these audiences. Supporter income, participation and trust are monitored closely by management and CAFOD's Board of Trustees.

Uncertainty due to ongoing impacts of the Coronavirus pandemic

Risk: There is a risk that our programmes and responses are disrupted leading to additional costs, due to further unforeseen impacts of the pandemic, and that income is impacted by the ongoing economic uncertainties affecting our supporters and donors.

Mitigation: CAFOD has a fully funded contingency reserve to allow us time to adjust our operations to respond to further economic impacts of the pandemic. We are constantly monitoring our programmes and working with partners and donors to



continue adapting our work so that we can continue to benefit those that are the most vulnerable, particularly where long-standing problems have been exacerbated by the impact of the pandemic.

Wellbeing

Risk: The pace of change needed to deliver on Our Common Home objectives whilst complying with regulations can put strain on our people's and partners' capacity to deliver all that is expected of them. There are also significant risks to our partners where foreign governments further close down civil society space which with other external factors could lead to increased stress and low morale in our staff. This is exacerbated by the uncertainty and health implications brought about by remote ways of working during the coronavirus pandemic and the societal changes that have come with it. Should CAFOD fail to address issues related to wellbeing, a safe and inclusive working culture, there could be a negative impact on individuals' health and morale, potentially leading to reputational issues.

Mitigation: Our corporate wellbeing programme includes support to staff through the Employee Assistance Service and we run occasional well-being related surveys to refine our offering. Managers monitor local workloads and partner security. We provide security advice to some partners and our Security cluster reviews any security incidents. Through our Safe, Accessible and Inclusive Working Culture project we work to build trust through better use of our complaints system and provide awareness training to supporting our managers and staff to become more adaptable. We aim to maintain the quality of human relationships within CAFOD, while we adjust our ways of working. Progress and challenges are reported regularly to Trustees.

Financial review

Our total income in 2020/21 was £52.4 million, just over 15 per cent higher than last year. This result was better than we had hoped, given the potential impact of the coronavirus crisis on our supporters and volunteers and the uncertainties that were created for institutional funding. We had improved income from most sources, helped on by the generous support we received from our Coronavirus appeal and another record year for our legacy income.

As in every other year, the majority of our income comes from the hugely generous support of the Catholic community of England and Wales. We received £30.0 million (compared to £30.4 million in 2019-20) in general donations and legacies from supporters. Our legacy income was exceptionally generous, and the most we have ever received in one year at £11.5 million. Our general donations from supporters at £18.5 million, was just £1.3 million below last year, which is a very positive result given the severe impact that the coronavirus lockdown measures had on our community fundraising activities, with schools and parishes closed or disrupted in their fundraising activities for much of our financial year.

We received another £6.4 million from supporters in 2020/21 in a very generous response to the Coronavirus appeal (which totalled £5.1 million) with smaller amounts for other specific emergency appeals. This was in addition to £0.6 million which we received through being a member of the Disasters Emergency Committee (mostly in support of our Coronavirus response). This total emergency appeal income at £7.0 million was significantly higher than last year, by £3.7 million.

Our other institutional income of £15.3 million (compared to £11.6 million in 2019/20), was raised from Caritas and other Catholic agencies - £5.2 million (£3.7 million 2019-20); the UK government and other government grants - £7.9 million (£5.8 million 2019/20); and institutional donors - £2.2 million (£2.1 million 2019/20). Income from all these sources grew year on year, despite the strong competition for such funding. Finally, our total income in 2020-21 includes £0.1 million (£0.1 million 2019/20) of other investment and trading income.

In addition to the main Coronavirus appeal, supporter donations to other emergency appeals this year included £0.5 million for the Beirut explosion, £0.4 million for the crisis in Yemen and £0.2 million for the Syria Crisis appeal. Grants totalling £5.2 million from Caritas, CIDSE and other Catholic agencies were received to support specific international programmes, including several emergency responses that CAFOD is leading on behalf of Caritas Internationalis. Grants from governments and institutional donors included £2.1 million from the Government of Switzerland; £2.3 million from the UK Government, including £1.3 million for the UK Aid Match Fund programme; £0.6 million from the European Union and £1.9 million from United Nations agencies. We also received £1.5 million from the START Network.

We spent £5.8 million on raising funds, this year, reflecting the continued investment to grow our supporter base and income, including new ways of digital fundraising to inspire existing supporters and better engage with new and younger audiences. We were able to spend another £43.1 million on our programmatic activities to support our mission, bringing the total spending to £48.9 million. Over half our total spending was focused on international development and just under a third on emergency disaster relief work. Our total expenditure was £3.5m below our income in 2020/21, with an increase in programmatic reserves in hand for our coronavirus response in 2021/22 and the creation of free reserves that will be allocated by Trustees to accelerate changes in how we reshape our programmatic response to fulfil the objectives under the Our Common Home strategy.

As a member of Caritas Internationalis, we operate as part of a worldwide network of Catholic agencies committed to helping those in need. We also work with a wide range of other local and non-faith-based partners. We made 561 partner grants including £1.5 million in direct payments in support of partner programmatic activities, that totalled £26.5m including foreign exchange adjustments. This approach enables us to have a truly global impact. We were able to contribute £17.0 million to support work in 15 countries within Africa; £5.1 million for work in 15 countries across Asia and the Middle East and £3.2

million for 9 countries in Latin America and the Caribbean. £0.7 million was spent on grants to support global work including advocacy and UK development education.

Financial Performance

We have continued to receive funding from the UK government for past rounds of the FCDO UK Aid Match programme, though the scale of future matching opportunities for UK Aid Match remains capped at £2 million going forwards. Neither our Lent 2020 nor Lent 2021 appeals benefitted from any matched funding. We continue to pursue other possible funding opportunities with FCDO, including smaller commercial contract awards, with one such contract just completing.

We have been carefully monitoring the impact on supporter fundraising of the Coronavirus pandemic and the knock-on effect this has on the UK economic environment. We have seen no significant financial impact so far from the fact of Brexit. Though we can no longer access European Community Humanitarian Office (ECHO) funds directly, we are being successful in accessing this funding as an implementing partner to some of our EU-based sister Caritas/CIDSE agencies. We continue to work within the best practices for fundraising in the UK introduced by the Fundraising Regulator, and within what are now the UK General Data Protection Regulations. This has not significantly impacted our fundraising potential and we are finding other ways to access new donors with online engagement and digital fundraising activities, whilst maintaining regulatory compliance. This 'digital first' work was invaluable in enabling us to launch our very successful Coronavirus appeal, without the benefit of our parish and school community fundraising platforms being fully operative due to lockdown measures and has seen our general supporter income hold up very well, to replace much of what was lost in our community fundraising, with increased giving from individual donors.

We have a fully funded contingency reserve to cover the eventuality of any significant income shortfall due to economic uncertainty or other new factors emerging in the future. This, together with timely action on cost control, gave us the flexibility to cope with the expected income downturn in 2020/21, because of the UK economic impact of coronavirus crisis. In the event, we actually saw income growth that has contributed to our available reserves. (See next section).

Uncertainty remains over a range of issues affecting CAFOD and other UK-based INGOs. Although Sterling ended the year at a relatively high rate to the US dollar, the longer-term depreciation of the pound against the US dollar from a peak in 2014, has reduced the effective value of our Sterling grants to our partners, as they spend in local currencies mostly aligned to the US dollar. This continues to add to our cost base for overseas offices and salary costs in many countries. We are mindful of this ongoing risk and we continue to buy forward on US dollars to smooth out currency impacts and practice careful stewardship of our finances. The extent of the impact of exiting the EU remains somewhat uncertain. We have continued to receive some level of European Union (EU) income. In 2020-21 we received £0.6 million (£1.5 million 2019-20). UK INGOs do remain eligible for some EU funding instruments. As noted earlier, we have successfully accessed ECHO funding, via our sister agencies based in Europe. We remain involved with various groups lobbying and researching this situation. We have continued to work on diversifying our institutional income sources, with large grants received from other governments this financial year. The institutional funding risks and opportunities will continue to be closely watched.

Financial Position & Reserves

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

At 31st March 2021, we held total funds of £22.3 million: £12.5 million general funds, which the Trustees considered to constitute CAFOD's reserves (£9 million held as a stabilisation fund and a further £3.5 million as yet unallocated reserve); £4.7 million designated by the

Trustees for specific purposes; £4.4 million restricted funds in hand; and a permanent endowment fund of £0.7 million.

There are potential risks associated with the assets that CAFOD owns and with potential unforeseen costs, however, the Trustees consider the main financial risk to be a downturn in general income. To manage a sudden downturn in general income, without damaging the long-term commitments we make to our partners, we would need at least two years to adjust our programmes, reduce other costs or recover income levels. Based upon a possible shortfall of 10-15 per cent in the level of general income and the need for two years to adjust our activities, the Trustees have agreed the level of general funds to be held as a stabilisation fund at 20-30 per cent of the planned annual general income for the coming year, which is a range of £6 million to £9 million.

At 31 March 2021, a stabilisation fund of £9 million is available, together with £3.5 million in as yet unallocated reserves, so that our target level of £6 million to £9 million for general funds is met. The Trustees will now consider setting aside further reserves to fund specific activities in 2021/22 and the next two to three years, as the total of general funds is expected to exceed £9 million throughout 2021/22. We have planned to have a further surplus of unrestricted income over our forecast spending on our grants to partners and other operating costs in 2021-22.

We also held £4.7 million designated funds at the balance sheet date: £4.4 million set aside to fund the fixed assets that are required for our operations and £0.3 million already assigned by the Trustees to be spent in the next year on specific activities.

Having reviewed the financial position and future plans for the charity, the Trustees have identified no material uncertainties related to events or conditions that cast significant doubt on the charity's ability to continue its activities for the foreseeable future. Considering the disruption to some normal activities during the coronavirus pandemic and despite the continued short- and longer-term economic uncertainty as to future funding levels, CAFOD has undertaken a range of measures to compensate for this disruption and to ensure financial sustainability. This includes targeted budget reductions, scenario planning, financial modelling, risk analysis and continued cashflow forecasting and monitoring. CAFOD has proven, in this financial year that has been like no other, that it has the flexibility to adapt our financial management, and to adjust expenditure in line with forward income projections, as and when needed. We also retain the scope to use some of our contingency reserves, as the future longer-term impacts of the pandemic unfold and as we review our programme delivery operating model, to achieve the objectives we have set within the Our Common Home strategy.

Investment Policy

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

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

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

2. Structure, governance and management

Legal structure and governing document

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

- the relief of poverty throughout the world;
- the advancement of education throughout the world;
- the advancement of the Christian religion throughout the world;
- the relief and prevention of sickness, disease and physical or mental disability throughout the world;
- such other charitable purposes anywhere in the world as are for the benefit of the UK community.

Board of Trustees

CAFOD is governed by a Board of Trustees which comprises Member Trustees and a wider group of Trustees. Member Trustees are appointed by the existing Member Trustees and their appointment must be ratified by the Standing Committee of the Bishops' Conference of England and Wales. The Member Trustees hold a limited number of reserved powers, including the appointment of all other Trustees and the power to amend CAFOD's governing documents, the Memorandum and Articles of Association. All other powers, including the establishment of specialist committees and general responsibility for the running of CAFOD are vested with the full Board of Trustees. There are four committees: The Strategy and Performance Committee (SPC), Remuneration Committee (RemCo), Finance, Legal, Audit and Risk Committee (FLAR) and the Governance Committee.

The Trustees give their time voluntarily and receive no private benefits from CAFOD. Trustees have taken account of the statutory reporting duty to illustrate how, in practice, the activities of CAFOD meet the legal public benefit requirement. Trustees have noted and paid due regard to all the Charity Commission's statutory guidance that is relevant to CAFOD's mission and have highlighted in this report examples of its activities which illustrate how its work fulfils that mission and the significant benefits it brings to:

- individuals and communities in poverty overseas, irrespective of their race, religion or creed;
- teachers, youth workers, students and pupils involved in teaching and learning about global poverty and injustice and its causes;
- the Catholic Community in England and Wales in expressing its faith in action in response to global poverty and injustice issues.

Charity Governance Code

CAFOD Trustees are the custodians of CAFOD's mission, vision and values as expressed in the strategic framework, Our Common Home, which Trustees approved in March 2020. Trustees are committed to upholding the high standards that are outlined in the six principles of the Charity Governance code. Following an initial reflection against the standards expressed in the code in 2019 and an internal governance review undertaken in 2019-2020, Trustees agreed to a fuller self-evaluation against the charity governance code for later in 2021, once coronavirus restrictions have eased and face to face meetings are permitted again. Through careful agenda setting and regular meetings, Trustees ensure that they exercise leadership that drives CAFOD's organisational purpose, act with integrity, and make informed decisions. Trustees are mindful of their responsibility to hold the executive to account whilst also creating a supportive environment that models CAFOD's values.

Last year, significant governance events and decisions included:

- In response to the global pandemic, all Board and Committee meetings were held online and trustees were engaged more frequently, particularly on issues of finance and Health and Safety.
- Trustees supported the Executive to align CAFOD's work to deliver Our Common Home in a challenging financial environment. This included agreeing a systematic approach to informed assurance aligned to Our Common Home. This incorporates the review of a quarterly Directors' report, key programmatic achievements and concerns, review of strategic milestones and key performance indicators. In line with our usual governance arrangements, Trustees maintained close oversight of CAFOD Finances, the No One Beyond Reach work and changes to the way we undertake our International Programme work to ensure longer term sustainability of CAFOD's ability to deliver our mission.
- Trustees established a Governance Committee to oversee the correct application of the Member Trustee recommendations to succession planning, Trustee recruitment and other areas of work. As a result of this work, Member Trustees appointed Dominic Jermy as additional Member Trustee and Bishop Stephen Wright was appointed to succeed Bishop Patrick McKinney. In early 2021, the Trustees initiated a public recruitment campaign to further enrich Board expertise in areas of international development and to bring fresh perspectives, as Margaret Mwaniki stepped down after more than a decade serving CAFOD as trustee. After careful consideration, three new Trustees were selected from a pool of candidates and we welcomed Gabriela Flores Zavala, Rosanne Kay and Fr. George Sigamoney to the CAFOD Board of Trustees. The recruitment panel completed equality training to ensure an accessible and fair appointment process and we are pleased to report that the CAFOD Board of Trustees is now more reflective of the diversity of the communities we serve.
- Following the governance review, Trustees codified a number of roles to ensure clear responsibilities and accountability to the Board, including the Vice Chair, Security Lead and the Member Trustee role. Trustees agreed to change the Trustee term of office to four years, renewable once (previously three years) and commissioned an update to the Board Terms of Reference for 2021. Trustees reflected on the Openness and Accountability principle of the Charity Code of Governance in October 2020, wanting to be as clear as possible on the ways in which CAFOD is accountable to the Catholic community in particular. Some opportunities were identified for individual Trustee actions, and some collective agreements will be reflected in the updated terms of reference for the CAFOD Board of Trustees.
- The trust of the Catholic community in CAFOD's integrity and effectiveness is paramount. Trustees monitor CAFOD's reputation carefully and take timely action when needed. Trustees affirmed the protocols for reporting, dealing with and learning from serious incidents. They oversaw reporting to the Charity Commission and the response to two specific requests for information by the regulator.
- Trustees approved a number of key organisational policy updates, including the Whistleblowing policy and the Safeguarding policy.

- Trustees engaged with the CAFOD Executive on issues of racial justice within CAFOD as an organisation and in our wider programmatic work. Trustees have received regular reports on progress on anti-racism work at meetings from the Executive Team and have met with CAFOD colleagues from black, Asian, and minority ethnic backgrounds to listen to their experiences of working at CAFOD. A small Trustee working group was established to draft a statement and commitments on behalf of the Board. As part of this process Trustees noted the updated Charity Code of Governance principle on equality, diversity and inclusion. A fuller update can be found below.

Tackling discrimination and our steps towards being an anti-racist organisation

As an agency of the Church, we believe in the intrinsic worth and dignity of every person. In Our Common Home we commit to a culture of encounter rooted in diversity and inclusion, to local voice, agency, and leadership and to ensure our ways of working are safe, dignified, diverse and inclusive. Our commitment to safe and inclusive ways of working is underpinned by protected characteristics defined in legislation. Dignity, inclusion and true dialogue which seeks to understand different perspectives are the “bedrock” of a culture of encounter.

We recognise that in practice we have not always lived up to our commitments. We recognise that within our organisation there is racism in all its forms, that this is completely unacceptable and harms our ability to fulfil our mission. We must do better. Last year CAFOD held a series of open sessions for all staff, which enabled colleagues from minority ethnic backgrounds to share their experiences of racism, and for other colleagues to listen and learn. Dialogue also took place with Trustees, across CAFOD teams and in our internal communications channels. Colleagues’ voices and experiences were heard in a way that they had not been heard before. It is clear that we need to take further action to better protect and champion our staff of minority ethnic backgrounds and to work proactively to eliminate systemic racism from our organisation.

In response, the Executive Team engaged with staff across CAFOD to create a shared vision of a *safe and inclusive working culture that embraces and celebrates the diversity of all our people, recognising the different gifts each one brings to achieve the mission of CAFOD*, and to identify what is required to make it a reality. The Safe and Inclusive Working Culture project is seeking outcomes in four broad areas:

- Policies and practices that reflect our commitment to a Safe and Inclusive Working Culture, with a particular focus on recruitment;
- to increase awareness and develop skills, particularly through training and awareness sessions;
- improved systems and processes that enable us to monitor progress
- staff and volunteers are supported and resourced to create a culture of trust, challenge and feedback.

Our organisational commitment to a culture of encounter continues to shape the development of our action plans: actively listening and engaging colleagues, and prioritising the needs of those who were facing the most exclusion. This would not be possible without the courage and input by the BAME Network, an internal staff-led initiative to channel the concerns of employees from BAME backgrounds.

Last year CAFOD staff have been involved in sector-wide discussions (through BOND and with others including the FCDO) about decolonising aid. Although we recognise that we have contribution to make, we have a lot to learn too. **We want CAFOD to become an anti-racist organisation where our workplace culture, programmatic work and engagement with the Catholic community in England and Wales rejects systems of oppression and discrimination, with ongoing monitoring and learning embedded in our practice. We promote right relationships, guided by our values of hope, dignity, compassion and solidarity.**

We aim to transform our organisational practices so that:

- **Our culture and workplace practice** reflect our vision of a safe and inclusive working culture,
- **our leadership** is more diverse and ensures these commitments are practised,
- **our international programme** improves diversity and addresses race inequality especially through ways to “decolonise” the International Programme together with understanding and implementing local leadership,
- **our relationship with** and messaging to the Catholic community and our supporters reflect an anti-racist approach and celebrates the power and the agency of the communities we serve,
- **our policy positions** clearly reflect the views of marginalised communities.

We affirm CAFOD's commitment to welcome and work with all people, regardless of gender, disability, age, race, ethnicity, nationality, culture, sexual orientation, political or religious belief. There is no place for discrimination. Thanks to the courage of colleagues, global events following the murder of George Floyd and work undertaken last year we now have a firm action plan in place to help transform CAFOD to become a truly anti-racist organisation. We acknowledge that we are at the beginning of this process and there is still much work to do.

Engagement with employees and volunteers

CAFOD could not do its work without its many staff and volunteers. The Trustees take their interests into consideration when making decisions, allow for engagement spaces in Board committees and work with the Executive Team to communicate decisions effectively.

Together with the Executive Team, Trustees seek to raise awareness on organisation-wide matters and the vision behind CAFOD's new strategic framework. Employees and volunteers receive governance and financial updates systematically through a monthly Staff and Volunteers Briefing, which has been adapted to a webinar format and is recorded for members of staff in different time zones. The CAFOD Director also circulates information on behalf of the Board via email when a decision is of particular interest to staff and we have recorded video messages for all staff, thanking them for their hard work and achievements.

Specialist staff members regularly attend Board committee meetings, sharing their work and seeking input by Trustees and specialist advisors to inform decision-making. The Remuneration Committee engages with staff Union representatives twice a year, hearing their views directly. Last year an updated Whistleblowing policy was agreed, reaffirming Trustee availability to hear concerns when formal CAFOD complaints mechanisms have been exhausted, with clear protocols in place to resolve any matters raised in this way.

Remuneration Policies and Gender Pay-gap report

CAFOD staff and Trustees carefully consider their responsibility as stewards of the resources entrusted to us. All employees should be treated with dignity and respect which is why we are a Living Wage employer. Our remuneration packages reflect the skills and experience required in particular roles. The Board of Trustees is responsible for setting the remuneration levels for CAFOD key management personnel (defined as the CAFOD Director and those persons responsible for co-ordination of the Board of Trustees, Strategy and Performance committee and Finance Legal Audit and Risk committee). The CAFOD Executive Team is responsible for setting the remuneration of the CAFOD workforce. However, CAFOD is committed to ensuring that there is a clear relationship between the remuneration policy of the Director and that of CAFOD's whole workforce. For our UK / International pay scales, the ratio is set at 5:1, although we are currently operating

at 3.6:1. Our remuneration review process is designed to ensure we remain within these parameters. Salary scales are reviewed annually, adjusted if appropriate and published to all staff.

In line with UK Government requirements, we track and report on our gender pay gap annually. For April 2021, our gender pay gap was 9.08 per cent (mean) and 10 per cent (median) which was below the national average of 15.5 per cent (median). Whilst encouraging, we are not complacent and continue to examine ways in which we can close the gap further. The full gender pay report which includes details of the proportion of women and men in each of the pay quartiles is available on our website.

Statement in relation to Section 172 of the Companies Act 2006

We as Trustees of CAFOD must act in the way we consider, in good faith, would be the most likely to promote the organisation's success in achieving its charitable purpose through the realisation of its Vision, Mission and Values. As explained in the "Legal Structure and Governing Document" section, we delegate the management of CAFOD to the Director and the Executive Team while we maintain oversight over the progress of the work through the different Board committees. In doing so, we have regard to:

- a) The likely consequences of any decision in the long term – In 2020/21, we have extensively discussed the consequences of the change process currently being undertaken in the International Programme, with special attention to maintaining an approach that is sustainable, impactful and cost-efficient in the long term. We have also pushed for the improvement of our quarterly performance reports to help inform decision-making and evidence progress against the new strategy.
- b) The interests of the charity's employees – See the previous three sections for more details on how we have approached engagement with staff as part of our annual schedule, as well as more targeted engagement around Diversity and Inclusion.
- c) The need to foster the charity's business relationships with suppliers, customers and others – Partnership is an integral part of CAFOD's operating model, built on relationships of mutual respect that always aspire to be more equitable and to foster local agency. As Trustees, it is crucial for us that these relationships are also transparent and accountable. In March 2021, we published our statement on Modern Slavery and will continue to review and update our procurement procedures to respond fully to the requirements of the Modern Slavery Act and to ensure excellent stewardship of our resources. All our fundraisers, volunteers and any fundraising contractors working with us comply with our Fundraising Promise (see Statement on Fundraising for more details).

Through our No One Beyond Reach strategy we are ensuring that our campaigns and education resources reach a younger, more diverse supporter base. Examples can be found in the section "A year in digital – keeping our supporters connected" in the Strategic Report.

- d) The impact of the charity's operations on the community and the environment – Our strategic framework Our Common Home recognises the interconnected crises of the cry of the poor and the cry of the earth. We are committed to our Safe, Accessible, Dignified and Inclusive approach across all of CAFOD's activities. This commitment is embodied in two specific Trustee roles, Safeguarding Lead and Security Lead, whose responsibility is to follow the development and/or review of any relevant policies. They are also informed of any incidents on record and accompany management staff in the handling of these cases.

As outlined in our Environmental Policy, we are supportive of a permanent reduction of travel and we are following in detail the embedding of an environmental lens across our programmes. More details of CAFOD's carbon footprint and environmental impact can be found in our Statement on Streamlined Energy and Carbon Reporting, as well as other examples throughout the Strategic Report.

- e) Maintaining a reputation for high standards of business conduct – As Trustees, we strive to model the commitments made under Our Common Home and stay accountable to everyone in the organisation and the communities we serve. We make declarations of interests systematically and the Finance, Legal, Audit and Risk Committee reviews annually the policies concerning the ethical aspects of our work, namely Fraud and Loss, Anti-Money Laundering, Anti-Bribery, and Counter-Terrorism, as well as Data Protection bi-annually. The committee also keeps oversight of internal audit processes to provide assurance in our internal control environment, through the Annual Internal Audit Report.
- f) The need to act fairly as between members of the charity – This criterion is only indirectly applicable to CAFOD. As Trustees we are not remunerated for our time and we do not hold shares as would be the case for a company. Although Member Trustees hold additional governance responsibilities, the entire Board works equally and collectively to ensure that the charity is run for the advancement of its charitable purpose and in the best interest of those who benefit from its work.

Statement of Safeguarding

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

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

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

- Ensured a high standard of safeguarding throughout the Covid-19 pandemic by adapting working practices, policies and procedures. We converted our face-to-face workshops to a remote model to continue training our representatives and we provided direct support to approximately 40 partner organisations. Invested in planning for investigations conducted remotely, provided guidance on safe recruitment and best practice for safeguarding activities run online.
- Rolled out implementation of the Misconduct Disclosure Scheme for CAFOD staff across locations.
- Established assurance mechanism for safeguarding in our local partnerships. All partners have a completed partner safeguarding profile and we have introduced new Key Performance Indicators which are reported to the executive team and Trustees to assess our progress and address challenges.
- Introduced annual safeguarding review with safeguarding lead Trustee, with a focus on risks and learning to improve CAFOD's policies and practices.

We are committed to a zero-tolerance approach to misconduct that breaches our policies, including abuse, exploitation, intimidation and other acts. CAFOD has a number of channels for staff and representatives to report safeguarding breaches to us, including our online complaints and incident management system.

In the last financial year, CAFOD handled 5 safeguarding reports involving individuals associated with CAFOD or our partner organisations. The outcome of these reports is outlined below.

Description	2020/21
Total safeguarding allegations	5
CAFOD representative	2
Partner representative	3
Allegations investigated	4
Open cases	0
Closed cases	4
Allegation type	
Sexual exploitation and abuse	50%
Other safeguarding policy violation	50%
Outcome (closed cases)	
Substantiated	2/4 (50%)
Action taken	
Termination of engagement/contract non-renewal	
Other disciplinary corrective action	
Non-disciplinary corrective action	2

We commit to supporting any survivors in the way that best meets their needs, such as providing access to specialised support where appropriate. We are committed to being openly accountable for our work and to reporting serious breaches of our code of conduct and safeguarding policy to donors and the Charity Commission.

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

Statement on Fundraising

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

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

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

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

We respect the rights, dignities and privacy of our supporters and beneficiaries. We will not put undue pressure on supporters to make a gift and if a supporter does not want to give, or wishes to cease giving, we respect their decision and act on this. We offer supporters choices about how they wish to be contacted and we respond to requests to end contact.

We deliver most of our fundraising activity directly, with the exception of some payroll giving promotions. The professional payroll giving fundraisers, who act of our behalf, are responsible for responding to invitations by companies to speak to employees about the general benefits of payroll giving. These fundraisers represent a wide range of charities and are not operating only 'on CAFOD's behalf'. They are providing a 'reactive' service to companies and employees. They are instructed to talk specifically about CAFOD only if an employee first mentions CAFOD's name and expresses an interest in supporting us. While the risk of these fundraisers applying pressure to give is very low, there is a system in place where employers are surveyed after each visit, so they can report anything they were unhappy with. No issues or complaints have been communicated to us with regard to payroll giving. The agencies we use have a clear vulnerable people policy and meet the standards outlined in the Fundraising Code of Practice.

Our overarching Fundraising policy includes a section which governs our approach to protecting vulnerable people. This is also referenced within our organisational Safeguarding Policy.

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

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

We take care not to use images or words that cause unjustifiable distress or offence and try not to cause unreasonable nuisance or disruption. We encourage any feedback from the public and our Trustees regularly review trends in the feedback we receive. We are registered with the Fundraising Regulator, have paid the levy and uphold the code of practice. We continue to develop our policies and practices in line with best practice requirements and our regular detailed return on all fundraising related complaints has been submitted to the Fundraising Regulator for financial year 2020/21.

The main fundraising activities undertaken by CAFOD for the financial year 2020/21 and the number of items of feedback about each are given below, with the 2019/20 comparative number in [brackets].

A total of 691 [541] complaints, comments and opinions were received from our supporters. We did not receive any fundraising complaints reportable to the Fundraising Regulator, Charity Commission or the Information Commissioner's Office.

Whilst there was a rise in the number of complaints, queries and opinions, this continues to represent a very small proportion of feedback in relation to the fundraising activities we undertook at 0.0022 per cent [0.0017 percent].

Over half of the contacts made by supporters were related to fulfilment issues e.g. late delivery, non-receipt of orders, or a missing item, or extra sheets of stickers needed, or thank you letters not being sent to the right address. More detail on our main fundraising channels is supplied below:

Online fundraising: 385 [172]. We received an increase in comments and complaints about people's experience of giving online, which more than accounts for all the increased feedback received this year. This increase is explained by growth in online activity during the Coronavirus pandemic (supporter income received online rose from 8% to 21%), and the introduction of new systems and fulfilment methods during lockdown. The complaints were of a varied nature: difficulty giving online; non-receipt of donation acknowledgments; difficulties in adding a Gift Aid declaration when setting up a Direct Debit; as well as questions about staff salaries and costs.

Postal direct mailing: 241 [255]. The majority of these were related to fulfilment issues, ranging from service issues with thank you letters; insufficient postage being applied to some outbound post; and to delays in processing donations. The initial phase of lockdown was announced during the most significant fundraising period for CAFOD and our ability to process donations and send thank you letters was temporarily hampered while we

moved to predominantly working from home and renegotiated delivery arrangements with the Royal Mail. Other complaints related to questions about stewardship, levels of administration costs and staff salaries.

The other main fundraising activities to generate feedback were print media 1 [1], and email fundraising communications 25 [9]. We received a further 39 [104] items of feedback across the other 9 [10] fundraising channels we use.

Statement on Streamlined Energy and Carbon Reporting (SECR)

Under SECR legislation, we are required to report some of our UK-based greenhouse gas emissions as part of our Annual Report. Specifically, we need to report, as a minimum, our emissions from UK energy use and business vehicle travel.

We are working towards measuring a comprehensive carbon footprint of CAFOD's global operations that would include significantly more than just UK energy and vehicle emissions. This section summarises our legally-obligated emissions as required by SECR, and also gives a brief summary of our progress towards measuring and reducing CAFOD's overall carbon footprint.

Emissions reporting for SECR (UK office energy and business travel) for 2020/21*

Emissions source	Scope	Quantity	Unit	Carbon footprint (tCO ₂ e) 2020/21	Carbon footprint (tCO ₂ e) 2019/20
Electricity use, Romero House	2	447,229	KWh	130.53	145.7
Gas use, Romero House	1	66,919	KWh	13.9	11.0
Electricity use, Volunteer Centres	2	33,226	KWh	9.7	24.8
Gas use, Volunteer Centres	1	37,797	KWh	7.85	16.2
Business vehicle travel	3	17,728	vkm	3.84	13.4
TOTAL		–	–	177.51	211.1

This Carbon footprint for UK office energy and business vehicle travel was 177.51 tCO₂e and represents a carbon intensity of 0.67 tCO₂e per full time equivalent (FTE) employee at CAFOD in 2020/21. This is reduced from 0.83 tCO₂e FTE in 2019/20 (211 tCO₂e), largely based on decreased electricity use due to fewer people using Romero House throughout the year.

*Explanatory notes

All electricity and gas at Romero House, and 16% of the electricity and gas at Volunteer Centres, was purchased from renewable suppliers in 2020/21. However, in compliance with UK government reporting standards, the carbon saving this creates is not included in the standardised carbon footprint reported above.

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

These carbon footprints have been calculated using Defra's 2020 greenhouse gas emissions factors, including Well-to-Tank (WTT) emissions. Business travel has been calculated using the factor for "Average car, unknown fuel". Energy use data was collected

from energy bills in most cases. For some volunteer centres in shared buildings, separately metered bills were not available and so the energy use was estimated based on the average energy use at the metered volunteer centres, and the number of full-time equivalent staff at each centre.

The rest of our carbon footprint

The global situation of coronavirus throughout 2019/20 meant a shift to homeworking for the majority of UK-based staff and vastly reduced international travel. In this period, the carbon footprint of our international travel from the UK fell by over 90%. CAFOD is undertaking a learning review into our ways of working to determine how we can embed a more permanent change to our travel culture and behaviours once international travel opens up again. For 2021/22 we plan to report a more comprehensive and robust carbon footprint that will include the carbon emissions from our international flights, as well as UK based rail travel, commercial printing, water and waste.

3. Statement of Trustees' responsibilities

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

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

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

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

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

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

The Trustees' Report, including the Strategic Report, was approved by the Trustees on 13th July 2021 and signed on their behalf by



The Right Reverend John Arnold,
Chair of Trustees

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

Opinion

We have audited the financial statements of Catholic Agency for Overseas Development ('the charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's 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 charitable company'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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), employment legislations, taxation legislations and anti-fraud, bribery and corruption legislation. We also considered compliance with local legislation for the group's overseas operating segments.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

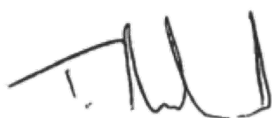
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, grants made to partners and the override of controls by management. Our audit procedures to

respond to these risks included enquiries of management, internal audit and the Trustees about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, review of overseas office audit reports and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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



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

1 September 2021

5. Statement of Financial Activities

(incorporating an income and expenditure account)

for the year ended 31 March 2021

	Note	Unrest- ricted Funds £'000	Rest- ricted Funds £'000	Total Funds 2021 £'000	Unrest- ricted Funds £'000	Rest- ricted Funds £'000	Total Funds 2020 £'000
Income and endowments from:							
Donations and legacies	2	25,753	11,234	36,987	26,339	7,328	33,667
Charitable activities	3	422	14,871	15,293	294	11,337	11,631
Other trading activities		76	-	76	37	-	37
Investments	4	28	20	48	89	19	108
Other income		-	-	-	-	-	-
Total		26,279	26,125	52,404	26,759	18,684	45,443
Expenditure on:							
Raising funds	5	5,703	126	5,829	5,525	120	5,645
Charitable activities:							
International development	5	11,601	13,888	25,489	14,029	8,604	22,633
Disaster relief	5	3,395	10,339	13,734	4,045	9,259	13,304
UK development education	5	1,631	148	1,779	1,840	104	1,944
Advocacy and campaigning	5	2,087	26	2,113	2,357	48	2,405
Total	5	24,417	24,527	48,944	27,796	18,135	45,931
Operating surplus / (deficit)		1,862	1,598	3,460	(1,037)	549	(488)
Net gain/(loss) on investments	12	-	113	113	-	(18)	(18)
Net income / (expenditure)	7/21	1,862	1,711	3,573	(1,037)	531	(506)
Reconciliation of funds:							
Total funds brought forward	18/19	15,383	3,388	18,771	16,420	2,857	19,277
Total funds carried forward	18/19	17,245	5,099	22,344	15,383	3,388	18,771

CAFOD did not change any of its principal activities during the above financial years and there were no gains and losses other than those included above. Restricted funds above include permanent endowment funds with a current value of £667,722 (see note 12). All of the charity's income and expenditure is derived from continuing operations.

Balance Sheet

as at 31 March 2021

		2021	2020
	Note	£'000	£'000
Fixed assets			
Tangible assets	10	9,474	9,725
Intangible assets	11	475	679
Investments	12	4,134	4,021
		14,083	14,425
Current assets			
Stock		14	14
Debtors	13	5,133	5,311
Short term cash deposits		8,884	2,949
Cash at bank and in hand		5,066	4,677
		19,097	12,951
Current liabilities			
Creditors: amounts falling due within one year	14	(10,363)	(8,026)
Net current assets		8,734	4,925
Total assets less current liabilities		22,817	19,350
Pension scheme liability	17	(473)	(579)
Total net assets	20	22,344	18,771
The funds of the charity:			
Endowment funds	18	668	555
Restricted income funds:			
General donations and legacies	18	340	732
Emergency appeals	18	3,157	2,374
Income from charitable activities	18	914	(277)
Interest	18	20	4
Unrestricted funds:			
Designated fixed asset fund	19	4,415	4,870
Designated programme fund	19	294	527
General funds	19	12,536	9,986
Total funds	20	22,344	18,771

The financial statements were approved and authorised for issue by the Trustees on 13th July 2021 and signed on their behalf by:



The Right Reverend John Arnold
Chair of the Trustees



Chris Perry
Honorary Treasurer

Cash Flow Statement

for the year ended 31 March 2021

		2021	2020
	Note	£'000	£'000
Cash flows from operating activities			
Net cash generated by / (used in) operating activities	21	6,411	(726)
Cash flows from investing activities			
Dividends and interest from investments		48	108
Proceeds from sale of fixed assets		-	-
Purchase of tangible fixed assets		(135)	(188)
Purchase of intangible fixed assets		-	-
Net cash used in investing activities		(87)	(80)
Change in cash and cash equivalents in the reporting period	22	6,324	(806)
Cash and cash equivalents at the beginning of the reporting period		7,626	8,432
Cash and cash equivalents at the end of the reporting period		13,950	7,626

Notes to the Financial Statements for the year ended 31 March 2021

1. Accounting policies

(a) Basis of accounting

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and applicable company and charity law in the UK.

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

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

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

(b) Income

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

Donations and legacies:

Donations from supporters are accounted for when received. Pecuniary legacies are recognised on notification provided there is evidence there are sufficient monies in the estate to make a distribution. Other legacies are included in the Statement of Financial Activities at the earlier of receipt and the date the estate accounts are approved or a distribution authorised by the executors.

Charitable activities:

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

(c) Expenditure

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

Grants and programme payments:

Grants to third parties are charged to the Statement of Financial Activities when they have been approved and where a binding commitment has been made to the partner organisation. Grants represent funds made available to partner programmes and comprise either cash funds transferred to the partners or in-kind provision of goods and services procured on their behalf. Programme grants that have been approved but not yet disbursed at the balance sheet date are carried forward as programme creditors in the balance sheet.

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

Activity and support costs:

Activity costs include the costs of all teams in CAFOD, other than Finance, Facilities, the Directorate, Governance, IT and People and Performance functions, which are classified as support costs. Governance costs include the costs of internal and external audit, Board expenses and an apportionment of the salary costs of the senior executive team, relating to time spent by them on the governance of CAFOD's activities.

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

Raising funds:

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

Charitable activities:

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

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

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

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

(d) Foreign currency translation

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

(e) Pensions

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

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

(f) Fixed assets*(i) Tangible assets*

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

- Leasehold land and buildings (subject to annual impairment review): 1-2% on cost
- Plant and machinery: over 15 years
- Computers, office furniture and equipment and motor vehicles: 20% on cost

(ii) Intangible assets

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

- there is certainty that it is technically feasible to complete the development activity so that it will be available for future use;
- there is the intention to complete the development activity and use it;
- the organisation can use the intangible asset to generate probable future economic benefits;
- adequate technical, financial and other resources are available to complete the development activity and to use it; and,
- the expenditure attributable to the intangible asset during its development can be measured reliably.

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

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

(g) Investments

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

(h) Cash and cash equivalents

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

(i) Other financial assets and liabilities

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

(j) Fund accounting

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

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

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

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

(k) Operating leases

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

(l) Financial instruments

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

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

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

The items in the accounts that are considered to involve critical judgements and sources of uncertainty through estimation, when applying CAFOD's accounting policies include:

- revenue recognition where judgement is required to appropriately apply the income accounting policies explained in accounting policy note (b) above, from governments and other institutional donors and for legacy income:
- whether a provision for disallowed expenditure under donor funding arrangements is judged to be appropriate:
- cost allocation methodology requires judgement as to the most appropriate bases to use to apportion support overheads and governance costs between raising funds and the charitable expenditure categories (see note 5):
- determining the appropriate discount rate for valuing the future pension deficit contributions for CAFOD's main pension liabilities (see note 17).

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

2. Income from donations and legacies

	Unrestricted Funds	Restricted Funds	Total Funds 2021	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£'000	£'000	£'000	£'000	£'000	£'000
General donations from supporters	14,227	4,285	18,512	15,646	4,209	19,855
Legacy income from supporters	11,348	142	11,490	10,398	123	10,521
Emergency donations from supporters	142	6,250	6,392	256	1,846	2,102
Emergency donations via DEC	36	557	593	39	1,150	1,189
Income from donations and legacies	25,753	11,234	36,987	26,339	7,328	33,667

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

3. Income from charitable activities

	Unrestricted Funds	Restricted Funds	Total Funds 2021	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Caritas and other Catholic agencies (a)	116	5,055	5,171	38	3,684	3,722
Government grants (b)	219	7,703	7,922	148	5,701	5,849
Institutional and other grants (c)	87	2,113	2,200	108	1,952	2,060
Income from charitable activities	422	14,871	15,293	294	11,337	11,631

(a) Caritas and other Catholic agencies:						
Caritas Australia	9	551	560	6	712	718
Caritas Austria	1	19	20	3	43	46
Caritas Belgium	-	9	9	-	-	-
Caritas Denmark	1	19	20	-	47	47
Caritas Finland	5	100	105	-	-	-
Caritas Germany	-	-	-	-	23	23
Caritas Italy	1	154	155	-	-	-
Caritas Japan	-	11	11	-	-	-
Caritas Korea	-	79	79	-	-	-
Caritas Norway	6	773	779	7	228	235
Caritas Portugal	-	18	18	-	-	-
Caritas Spain	2	252	254	-	-	-
Caritas Switzerland	-	-	-	-	182	182
Caritas Taiwan	-	8	8	-	-	-
Catholic Relief Services	54	486	540	2	59	61
Development & Peace	-	409	409	-	-	-
Manos Unidas	1	63	64	-	-	-
Misereor	5	332	337	5	403	408
Scottish Catholic International Aid Fund	5	109	114	16	110	126
Séjours Catholique	19	255	274	3	269	272
Trócaire	-	1,133	1,133	(5)	1,460	1,455
Vastenactie	7	271	278	1	148	149
Others	-	4	4	-	-	-
Caritas and other Catholic agencies:	116	5,055	5,171	38	3,684	3,722

3. Income from charitable activities (continued)

	Unrestricted Funds	Restricted Funds	Total Funds 2021	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£'000	£'000	£'000	£'000	£'000	£'000
(b) Government grants:						
UK Government, FCDO:						
UK Aid Matched Funding	-	1,312	1,312	-	1,591	1,591
Other	42	1,017	1,059	59	659	718
European Union	41	597	638	62	1,403	1,465
European Community Humanitarian Office	-	-	-	2	(9)	(7)
Global Fund to End Modern Slavery	25	403	428	-	-	-
Government of Guernsey	-	68	68	-	60	60
Government of Ireland	-	-	-	-	508	508
Government of Isle of Man	-	50	50	1	75	76
Government of Japan	-	61	61	-	-	-
Government of Jersey	-	112	112	-	140	140
Government of the Netherlands	6	9	15	-	(15)	(15)
Government of Switzerland	35	2,059	2,094	-	-	-
United Nations agencies	70	1,873	1,943	24	1,289	1,313
United Nations agencies (goods in kind)	-	142	142	-	-	-
Government grants	219	7,703	7,922	148	5,701	5,849

	Unrestricted Funds	Restricted Funds	Total Funds 2021	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£'000	£'000	£'000	£'000	£'000	£'000
(c) Institutional and other grants:						
Christian Aid	-	37	37	-	54	54
Denise Coates Foundation	(3)	54	51	31	306	337
Islamic Relief Worldwide	-	12	12	5	136	141
Latin America Children's Trust	-	94	94	-	98	98
The Church of Jesus Christ of Latter-day Saints	11	393	404	-	-	-
Norwegian Church Aid	23	-	23	12	53	65
Porticus	-	-	-	-	122	122
START	54	1,436	1,490	48	945	993
The Mott Foundation	-	36	36	11	182	193
Other	2	51	53	1	56	57
Institutional and other grants	87	2,113	2,200	108	1,952	2,060

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

4. Income from investments

	Unrestricted Funds	Restricted Funds	Total Funds 2021	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Interest receivable	28	-	28	89	-	89
Dividends receivable	-	20	20	-	19	19
Income from investments	28	20	48	89	19	108

5. Expenditure

	Grants & programme payments £'000	Activity costs staff costs £'000	non-staff costs £'000	Support costs staff costs £'000	non-staff costs £'000	Total 2021 £'000
Raising funds	-	3,420	1,624	449	336	5,829
International development	17,067	4,405	1,220	1,601	1,196	25,489
Disaster relief	9,383	2,312	662	788	589	13,734
UK development education	18	1,326	132	173	130	1,779
Advocacy and campaigning	62	1,527	187	193	144	2,113
Charitable activities	26,530	9,570	2,201	2,755	2,059	43,115
Total expenditure 2020/21	26,530	12,990	3,825	3,204	2,395	48,944

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

	2021 £'000	2020 £'000
Information technology	1,876	2,005
HR and organisational development	1,294	1,318
Financial management	936	882
Premises and facilities	719	743
Strategic leadership	259	295
Governance (analysed below)	515	550
Support costs:	5,599	5,793
Senior management	219	239
Legal and professional services	56	72
Internal audit	157	157
External audit	83	73
Board training and meeting costs	-	9
Governance costs:	515	550

6. Grants and programme payments

Grants and programme payments are made up of: 505 grants (2020: 545) to third parties totalling £24.475m (2020: £21.653m), plus 56 CAFOD-managed grants (2020: 86) for programme payments made in support of partners for programme activities totalling £1.463m (2020: £1.005m), plus realised and unrealised exchange losses of £0.592m (2020: less realised and unrealised exchange gains of £0.226m).

Details of grants to third parties and partner payments are provided in a Report of Grants for 2020/21 published on CAFOD's website cafod.org.uk.

	2021 Number	2021 £'000	2020 Number	2020 £'000
Analysed by activity:				
Capacity strengthening	122	1,666	112	1,535
Emergency preparedness, response and recovery	172	9,173	110	8,804
Governance accountability and transparency	94	3,066	122	3,171
Livelihoods resilience and environment	121	9,384	143	6,973
Peace and reconciliation	52	2,649	58	2,175
	561	25,938	545	22,658
Realised losses / (gains) on Foreign Currency	-	332	-	(49)
Unrealised losses / (gains) on Foreign Currency contracts	-	260	-	(177)
Total grants and programme payments	561	26,530	545	22,432

	2021 Number	2021 £'000	2020 Number	2020 £'000
Analysed by region				
Africa (a)	276	17,015	290	15,152
Latin America and Caribbean (b)	130	3,152	109	3,074
Asia and Middle East (c)	112	5,113	104	3,767
Global, policy and education	43	658	42	665
	561	25,938	545	22,658
Realised (gains) / losses on Foreign Currency	-	332	-	(49)
Unrealised (gains) / losses on Foreign Currency contracts	-	260	-	(177)
Total grants and programme payments	561	26,530	545	22,432

See note 16 on Forward foreign currency contracts.

(a) Africa	2021 Number	2021 £'000	2020 Number	2020 £'000
Central African Republic	-	-	1	10
Democratic Republic of Congo	44	2,754	55	2,021
Eritrea	12	1,184	12	1,526
Eswatini	3	51	7	183
Ethiopia	3	1,425	8	699
Kenya	15	591	14	654
Liberia	7	199	14	801
Mozambique	16	796	14	1,343
Niger	9	322	10	399
Nigeria	20	594	19	208
Sierra Leone	17	484	16	314
South Sudan	46	3,953	32	1,341
Sudan	24	1,458	19	1,485
Uganda	7	347	8	327
Zambia	17	471	15	996
Zimbabwe	35	2,358	39	2,620
Multi-Country	1	28	7	225
Africa	276	17,015	290	15,152

6. Grants and programme payments (continued)

(b) Latin America & Caribbean	2021	2021	2020	2020
	Number	£'000	Number	£'000
Bolivia	15	331	10	339
Brazil	26	999	21	774
Colombia	20	498	15	490
El Salvador	4	125	4	142
Guatemala	12	322	10	357
Haiti	9	147	-	-
Honduras	-	-	6	123
Nicaragua	10	243	7	196
Peru	15	233	14	285
St Lucia	-	-	1	30
Venezuela	1	10	-	-
Multi-country	18	244	21	338
Latin America and Caribbean	130	3,152	109	3,074

(c) Asia and Middle East	2021	2021	2020	2020
	Number	£'000	Number	£'000
Afghanistan	7	298	10	305
Bangladesh	17	1,038	16	384
Cambodia	9	225	10	259
India	1	40	2	42
Indonesia	2	75	2	362
Israel	5	177	5	173
Jordan	3	123	2	118
Lebanon	13	682	10	701
Myanmar	12	307	13	356
Nepal	1	20	-	-
Philippines	1	40	1	30
Sri Lanka	12	289	14	273
Syria	15	1,302	4	275
Yemen	2	200	1	227
West Bank and Gaza	8	208	8	206
Multi-country	4	89	6	56
Asia and Middle East	112	5,113	104	3,767

7. Net expenditure

	2021	2020
	£'000	£'000
Net expenditure is stated after charging/(crediting):		
Depreciation of tangible fixed assets	361	328
Loss on sale of tangible fixed assets	25	-
Operating leases: land and buildings	316	324
Auditors' remuneration	67	78
Auditors' remuneration:		
Audit of CAFOD		
UK (primary auditor, Crowe UK LLP)	32	31
Overseas (secondary auditors)	33	42
	65	73
Other non-audit services (UK, Crowe UK LLP)	2	5
Auditors' remuneration	67	78

8. Taxation

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

9. Employees, Trustees and volunteers

	2021	2021	2020	2020
	Employees average full-time equivalent	Employees cost £'000	Employees Average full-time Equivalent	Employees cost £'000
Raising funds	85	3,869	86	3,807
International development	166	6,006	172	6,060
Disaster relief	82	3,100	80	3,228
UK Development education	33	1,499	33	1,497
Advocacy and campaigning	36	1,720	39	1,816
Total	402	16,194	410	16,408
Salaries		13,469		13,610
Employer's social security contributions		1,258		1,280
Employer's pension contributions		1,467		1,518
Total		16,194		16,408

The total average number (by headcount) of employees in the year was 437 (2020: 443).

Included in the above are costs relating to redundancy and compensation for loss of office of £125,808 (2020: £28,167) all of which were settled during the year.

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

	2021 Number	2020 Number
£60,001 - £70,000	8	8
£70,001 - £80,000	5	5
£90,001 - £100,000	1	1

Total remuneration and benefits received during the year by CAFOD's highest paid member of staff was £90,346 (2020: £97,996) salary, £11,255 (2020: £12,333) employer's national insurance and £9,996 (2020: £9,800) employer's pension contribution. The total remuneration and benefits received during the year by the other key management personnel (2 persons) who have delegated responsibility for the Strategy and Performance Committee and the Finance Legal Audit and Risk Committee was £154,411 (2020: £152,766) salary, £18,968 (2020: £18,700) employer's national insurance and £14,643 (2020: £18,514) employer's pension contribution.

Trustees

The Trustees do not receive any remuneration for their services. In the year, CAFOD paid £191 of expenses for training on behalf of one Trustee. (2020: CAFOD paid £5,100 being the costs for the accommodation of all Trustees at the annual residential board meeting and two Trustees' travel to board meetings.) No residential meetings were held in this financial year due to Coronavirus restrictions. There are no other related party transactions requiring disclosure within the financial statements.

Volunteers

In addition to employed staff and Trustees, CAFOD relied on the services of 3,755 volunteers (2020: 3,943) who carried out a total of 5,657 assignments (2020: 5,788); 3,491 Parish-based assignments (2020: 3,712), 1,404 school-based assignment (2020: 1,310) and 762 other assignments in a range of volunteer roles such as campaigning, fundraising, media, office support and youth work (2020: 766).

10. Tangible fixed assets

	Leasehold land and buildings £'000	Office equipment £'000	Motor vehicles £'000	Total tangible fixed assets £'000
Cost at 1 April 2020	11,124	483	806	12,413
Additions	17	37	81	135
Disposals	-	(20)	(29)	(49)
Cost at 31 March 2021	11,141	500	858	12,499
Depreciation at 1 April 2020	1,721	383	584	2,688
Charge for the year	212	48	101	361
On disposals	-	(20)	(4)	(24)
Depreciation at 31 March 2021	1,933	411	681	3,025
Net book value at 31 March 2021	9,208	89	177	9,474
Net book value at 31 March 2020	9,403	100	222	9,725

Leasehold land and buildings held at 31 March 2021 is Romero House (net book value at 31 March 2021: £9.2m – being £8.4m for the land and building and £0.8m for the plant and machinery) which is used as CAFOD's head office.

11. Intangible fixed assets

	Software development £'000	Total Intangible fixed assets £'000
Cost at 1 April 2020	1,018	1,018
Additions	-	-
Cost at 31 March 2021	1,018	1,018
Amortisation at 1 April 2020	339	339
Charge for the year	204	204
Amortisation at 31 March 2021	543	543
Net book value at 31 March 2021	475	475
Net book value at 31 March 2020	679	679

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

12. Investments held as fixed assets

	2021 £'000	2020 £'000
Sterling deposits	3,466	3,466
Permanent endowment fund	668	555
Investments held as fixed assets	4,134	4,021

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

	£'000
Market value at 1 April 2020	555
Unrealised gain	113
Market value at 31 March 2021	668

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

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

13. Debtors

	2021 £'000	2020 £'000
Interest receivable	3	24
Taxation recoverable	1,396	1,707
Accrued income	3,067	2,699
Prepayments	502	440
Other debtors	165	264
Forward foreign currency contracts (note 16)	-	177
Debtors	5,133	5,311

Included in accrued income above is an amount of £677,000 (2020: £833,000) relating to legacies. As at 31 March 2021, CAFOD also had entitlement to a number of legacies from estates for which the administration had yet to be finalised. The future income from these legacies is estimated at £10,664,000 (2020: £8,247,000), though we do not expect all of this to be received in the next financial year.

14. Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Programme creditors	8,440	6,496
Taxation and social security	489	463
Other creditors and accruals	1,200	1,064
Interest free loans from supporters	28	3
Forward foreign currency contracts (note 16)	206	-
Creditors	10,363	8,026

Other creditors and accruals include pension contributions of £144,000 (2020: £143,000).

Programme creditors represent grants approved that are yet to be paid to partners. Some grants for partners are approved in principle for two or three years. Second- and third-year grants represent planned future commitments but are not recognised as a liability when they are approved, as payment is conditional upon satisfactory progress. As at 31 March 2021 planned future commitments under formal multi-year funding cycle approvals amounted to £1.4m; £1.2m due within one year and a further £0.2m due within two years (2020: £2.7m; £2.1m due within one year and a further £0.6m within two years).

15. Operating lease commitments

At 31 March 2021, the total future minimum lease payments under non-cancellable operating leases in respect of operating leases for land and buildings were:

	2021 £'000	2020 £'000
Within one year	13	29
In the second to fifth years inclusive	-	3
Later than five years	-	-
Operating lease commitments	13	32

16. Forward foreign currency contracts

CAFOD mitigates the risk of having to change or cut planned activities because of the financial implications of a rapid change in the value of Sterling against US Dollar and other currencies. To achieve this CAFOD purchases a proportion of US Dollars requirements on forward contracts. The fair value of these contracts is calculated at the balance sheet date by comparison between the rate implicit in the contract and the exchange rate at that date. The unrealised loss on these contracts at 31 March 2021 was £206,000, which has been included in creditors and grant expenditure (2020: unrealised gain included in debtors and grant expenditure was £177,000).

The contracts are to purchase US Dollars (USD) and sell Sterling (GBP) for a period of up to 12 months in duration, at USD/GBP rates between 1.24 and 1.31. At the balance sheet date, a purchase value of USD 8.8 million remained on these contracts representing approximately 50% of the estimated currency exposure on project creditors and salary and expense commitments for the coming year. The actual rate of exchange at 31 March 2021 was 1.38.

17. Pensions

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

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

One of the schemes that CAFOD participates in is the Pensions Trust's Growth Plan, a multi-employer pension plan which also has some historical guarantees. As at the balance sheet date there were 197 active members of the Growth Plan (31 March 2020: 194). CAFOD intends to continue to offer membership of the Growth Plan (Series 4) to its employees along with the Pensions Trust's Flexible Retirement Plan.

Contributions paid into the Growth Plan up to and including September 2001 were converted to defined amounts of pension payable from normal retirement date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Growth Plan or by the purchase of an annuity. Current contributions to Series 4 of the Growth Plan are entirely money purchase.

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

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

The reduction in the deficit in this valuation, resulted in a revised recovery plan being issued by the Actuary. The length of the recovery plan was shortened by 8 months from the 2014 recovery planning period and currently extends to 31 January 2025. Contribution amounts were also adjusted depending on the Actuary's calculations of each employer's relative share of the liabilities.

CAFOD's annual additional contribution amount for the year ending 31 March 2021 was £120,993 and contributions for the following three years and ten months, starting on 1st April 2021, would be this sum increased by 3% compound per year.

The latest triennial actuarial valuation results, at 30 September 2020, are expected to be finalised within 9 months of the balance sheet date, (by December 2021). This may result in a shortened or extended recovery plan period and/or an increase or decrease in the level of deficit contributions paid by CAFOD, to support any revisions to the recovery plan. This is not expected to result in any material change to the provision set aside to recognise CAFOD's obligation to pay additional contributions over the period of a recovery plan.

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

	2021 £'000	2020 £'000
Provision at start of year	579	679
Payments made during the year	(121)	(118)
Increase during the year	-	-
Discount rate adjustment	15	18
Provision at end of year	473	579

The Trustees have determined that the appropriate discount rate to apply to the future cash liability is that published by actuaries from time to time for single employer pension schemes. This rate was 2.15% at 31 March 2021 (2.30% at 31 March 2020).

For the year ended 31 March 2022, CAFOD's regular pension contributions for all its pension arrangements are estimated to be £1,200,000 and its additional contribution to the Pensions Trust Growth Plan will be £124,623.

18. Restricted funds

	Balance Apr-20 £'000	Income £'000	Expenditure £'000	Gains / (losses) £'000	Transfers £'000	Balance Mar-21 £'000
Endowment funds:						
Sr. Laura Tanti Foundation	555	-	-	113	-	668
Restricted income funds:						
General donations and legacies	732	4,427	(4,819)	-	-	340
Emergency appeals donations	2,374	6,807	(6,024)	-	-	3,157
Income from charitable activities	(277)	14,871	(13,680)	-	-	914
Investment income	4	20	(4)	-	-	20
Restricted fund movement 2020/21	3,388	26,125	(24,527)	113	-	5,099

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

The Permanent Endowment relates to the Sister Laura Tanti Foundation for which CAFOD has received cumulative donations as at 31 March 2021 of £421,155 (2020: £421,155) held under trust deeds. The Trustees of CAFOD hold this amount and its income in trust and will apply the income for the benefit of the poor as stipulated.

The balances on restricted funds represent amounts raised for specific purposes less amounts spent on those purposes by the year end. As at 31 March 2021 the balances held were for the following purposes:

	2021 £'000	2020 £'000
Africa Programme	1,443	1,179
Asia, Middle East, and Europe Programme	838	1,020
Latin America Programme	(9)	(50)
General Programme	2,159	684
Permanent endowment	668	555
Restricted funds	5,099	3,388

Some restricted funds are in surplus where amounts already received are yet to be fully spent and some in deficit where amounts already spent on those specific purposes are receivable from the donor after the year end. Restricted fund balances at 31 March 2021, shown net above, comprises:

	2021 £'000	2020 £'000
Programme grants in surplus	7,104	5,359
Programme grants in deficit	(2,005)	(1,971)
Restricted funds	5,099	3,388

19. Unrestricted funds

	Balance Apr-20 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance Mar-21 £'000
Designated funds:					
Fixed asset fund	4,870	-	-	(455)	4,415
Programme fund	527	-	(233)	-	294
General funds:					
Stabilisation fund	9,000	-	-	-	9,000
Unallocated reserve	986	26,279	(24,184)	455	3,536
Movement on unrestricted 2020/21	15,383	26,279	(24,417)	-	17,245

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

Designated fixed assets fund:

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

Designated programme fund:

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

General funds:

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

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

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

20. Analysis of net assets between funds

	Fixed assets	Investments	Net current assets	Pension provision	Total net assets
	£'000	£'000	£'000	£'000	£'000
Endowment funds:					
Sr. Laura Tanti Foundation	-	668	-	-	668
Restricted income funds:					
General donations	-	-	340	-	340
Emergency appeals	-	-	3,157	-	3,157
Income from charitable activities	-	-	914	-	914
Interest	-	-	20	-	20
Designated funds:					
Fixed asset fund	4,415	-	-	-	4,415
Programme fund	-	-	294	-	294
General funds:					
Stabilisation fund	5,534	3,466	-	-	9,000
Unallocated reserve	-	-	4,009	(473)	3,536
Total net assets at 31st March 2021	9,949	4,134	8,734	(473)	22,344

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

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

	2021 £'000	2020 £'000
Net income / (expenditure)	3,573	(506)
Depreciation	565	531
Loss on disposal of fixed assets	25	-
Income from investments	(48)	(108)
(Gain)/loss on investments	(113)	18
Decrease in stock	-	4
Decrease/(increase) in debtors	178	(49)
(Decrease) in pension scheme liability	(106)	(100)
Increase/(decrease) in creditors	2,337	(516)
Net cash provided by / (used in) operating activities	6,411	(726)

22. Analysis of changes in cash and cash equivalents

	Opening balance £'000	Movement £'000	Closing balance £'000
Short term cash deposits	2,949	5,935	8,884
Cash at bank and in hand	4,677	389	5,066
Cash and cash equivalents	7,626	6,324	13,950

Notes



God of all,
we cry out to you for help.
In your mercy, hear our prayer.

Protect us, Lord, and be with us
especially those of us most vulnerable
during this coronavirus crisis.

Move us to reach out in love
to our neighbours near and far.
So that the humble may be exalted,
the hungry filled with good things.

Grant us the courage
not to rush back to our old ways,
but to rebuild our world together,
creating foundations of justice,
with equality and peace for all.

Amen.

Catherine Gorman/CAFOD

Saba is a mum of three living in a refugee camp in Bangladesh. She and her children fled their home in Myanmar three years ago to escape violence and persecution. They were targeted just because of their ethnicity. With funding from CAFOD, local experts working through our church network gave Saba essential materials and training to build a strong shelter to live in.

Since 2017, over 700,000 Rohingya refugees have fled from Myanmar and now live in makeshift shelters in Cox's Bazar, Bangladesh. Our local experts have been providing practical help in Cox's Bazar since the camp was set up in 2017. Together with Caritas Bangladesh – supported by dedicated teams of local aid workers and volunteers we have rebuilt temporary homes for 40,000 families, meaning they have somewhere to safer to shelter together, provided food, kitchen supplies and blankets to over 89,000 vulnerable families and installed 300 solar street lights, meaning women, children and the elderly can use water and toilet facilities at night.