THE CHARITIES AID FOUNDATION

England & Wales · Charity number 268369

Details

Other names	CAF, GAYE, GIVE AS YOU EARN
Status	Registered
Legal form	Trust
Registered	1974-01-01
Register	View on the Charity Commission register

Contact

Address	Charities Aid Foundation 25 Kings Hill Avenue Kings Hill West Malling ME19 4TA
Phone	03000123088
Email	companysecretary@cafonline.org
Website	www.cafonline.org

Activities

Objects: TO BENEFIT ANY CHARITABLE INSTITUTION, TO USE ITS FUNDS FOR ANY CHARITABLE PURPOSES WHERESOEVER IN THE WORLD.

Activities: The Charities Aid Foundation exists to accelerate progress in society towards a fair and sustainable future for all. We work at the centre of the giving world, to drive greater and more impactful giving through tailored, innovative and strategic services for individual and corporate donors, and to help social purpose organisations to build their resilience and do more of their life-changing work

Classification

- **How:** Makes Grants To Organisations, Provides Other Finance, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** General Charitable Purposes
- **Who:** Other Charities Or Voluntary Bodies

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Geography

- **Area of benefit:** NATIONAL AND OVERSEAS
- Canada
- United States
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-04-30	£1,390,589,000	£1,231,327,000	£2,106,140,000	768
2024-04-30	£1,194,823,000	£1,160,615,000	£1,946,963,000	734
2023-04-30	£1,147,196,000	£1,048,708,000	£1,837,333,000	650
2022-04-30	£1,044,275,000	£920,470,000	£1,756,442,000	570
2021-04-30	£1,008,480,000	£931,071,000	£1,608,414,000	532

Trustees

Name	Role	Appointed
David Peter Shalders		2020-07-15
Dr Priya Darshani Singh		2020-11-23
Jackie Leiper		2025-10-23
Meredith Niles		2022-04-28
Michael St John Ashley		2023-02-01
Owen Pringle		2022-04-28
Robert Vogtle		2023-01-25
Sabine Everaet		2022-04-28
Sir Edward Charles Braham		2025-04-24

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THE CHARITIES AID FOUNDATION

England & Wales - Charity number 268369

Accounts

ANNUAL REPORT **2024/25**



Trustees' report and financial statements for the year ended 30 April 2025

CAF
Charities Aid Foundation

The Charities Aid Foundation (CAF) exists to accelerate progress in society towards a fair and sustainable future for all. Over the last 100 years, we have led the way in developing innovative approaches to giving. Annually, we distribute over £1 billion to social purpose organisations around the globe.

As a leading charity operating from the UK, US and Canada, alongside an international network of partners, CAF works at the centre of the giving world. We collaborate with corporate and individual donors to enable them to give more effectively, strategically and impactfully. This includes connecting them to charities globally and providing access to our in-depth sector knowledge, governance expertise and innovative giving solutions.

We help social purpose organisations to strengthen their resilience and do more of their life changing work, through strategic advisory services from our Impact Accelerator, tools to support charities' fundraising activities, and charity financial services from CAF Bank Limited and CAF Financial Solutions Limited. Using our research, policy and campaigns work, we understand and influence the wider environment for charities and donors.

TOGETHER, WE GIVE MORE.

OUR VALUES | ACT WITH INTEGRITY | MOVE FORWARD TOGETHER | SHAPE THE CHANGE

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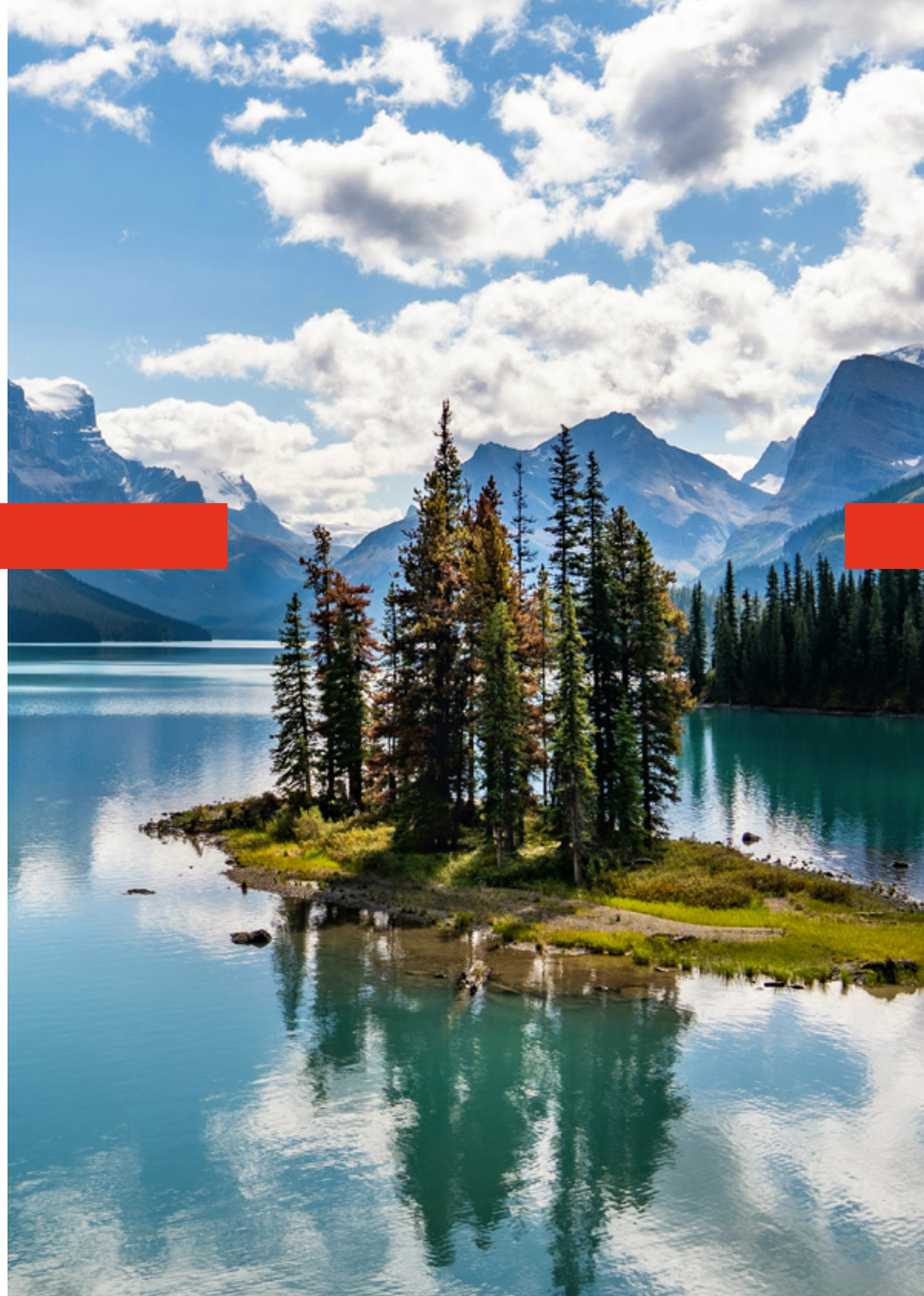
The Smiths Group Foundation **CASE STUDY**



Image: The Smiths Group Foundation

MESSAGES FROM OUR CHAIR AND CHIEF EXECUTIVE

1.





SIR JAMES LEIGH-PEMBERTON, CVO
CHAIR OF TRUSTEES

"Thanks to the generosity of the donors we work with and the dedication of the charities they support, it has been a record year for CAF. The £1.2 billion given through CAF is a huge sum of money in itself, but it also represents incalculable impact: communities strengthened, habitats protected and opportunities created."

2024/25 marked the Charities Aid Foundation's centenary year and I am pleased to say that once again, thanks to the generosity of the donors we work with and the dedication of the charities they support, it has been a record year for CAF. The £1.2 billion given through CAF is a huge sum of money in itself, but it also represents incalculable impact: communities strengthened, habitats protected and opportunities created.

I can think of no better way to have celebrated such a milestone than by demonstrating that, a hundred years on, the organisation is still focused on the purpose for which it was originally created by National Council for Voluntary Organisations (NCVO) and is fulfilling that purpose more and more each year.

This year has also underlined that we can take none of this for granted. CAF's research over the year has shown that, while the UK remains a generous country, we are increasingly relying on a declining number to give — and that those who can afford to, could give more.

CAF has worked to put philanthropy and charitable giving firmly on the agenda of the UK Government. And the question of how to encourage people to give more, if they can, formed the centrepiece of events for the charity's centenary, in the heart of Parliament in Speaker's House, at Apsley House as guests of The Duke of Wellington, and at the UN General Assembly in New York.

With the same purpose in mind, in 2024/25, we have worked to strengthen our international network of independent partners at a meeting in Argentina, and renewed our efforts to build strategic relationships with multilateral organisations and international infrastructure bodies.

This year was also the 25th anniversary of the CAF American Donor Fund (CADF), which helps those who pay tax in both the US and the UK to maximise the impact of their giving. It was the first organisation to offer specialised services of this kind to donors, and since its foundation it has received over £1.1 billion in charitable donations. It too has delivered another remarkable year of progress despite the heightened global uncertainty and volatility, with over £117 million in donor-advised grants payable to charities.

CAF's North American subsidiaries continue to move forward, with Jessie Krafft confirmed in post as the President and CEO of CAF in North America in 2024/25. As established leaders in global grantmaking, CAF America made US$831 million in grants and CAF Canada CAD$34 million, alongside their continuing work to promote cross-border giving more widely. This effort saw the launch this year of the Global Relief Navigator, which enables US donors to track disaster events and the trusted organisations responding to them in real time. CAF Canada took an important step in its present development towards future growth, appointing Joanne Kviring as its first Managing Director.

The charities we serve need us more than ever, and we continue to do what we can to support them to build their resilience in this uncertain environment. There is no better illustration of the need for the services we provide than the crucial work undertaken by CAF Bank over the course of this year. New applications to open accounts with CAF Bank are running at record levels, reflecting the central role it plays in providing essential financial services suited to the needs of charities, and the Bank continues to help organisations to grow sustainably, committing £41.5 million in loans this year.

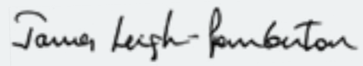
Looking to the future and with a view to accelerating the momentum we see in giving through CAF, the CAF Board of Trustees and the CAF America Board commissioned a strategy review to build on the positive organisational change achieved through the Together Building Opportunity initiative and prepare us for the next phase of development. The strategic plan that resulted will steer the organisation through the next three years and deepen alignment and collaboration across the whole of CAF, and at the same time modernise our operating platforms and processes to provide both donors and charities with improved services.

Finally, 2024/25 is my last full year as Chair of CAF's Trustees, a position I have been privileged to hold for just over six years. The economic and geopolitical changes over that period, the Covid-19 pandemic, the spread of global conflict and the rising cost of living around the world have made for one of the most challenging operating environments in 70 years.

Notwithstanding the headwinds of recent years, since 2019, CAF has more than doubled its distributions to charities, evidence — if evidence were needed — that the impulse to help those in need remains resilient and even more responsive in tough times, and that clarity of purpose can guide us through even the choppiest of waters.

Whatever we accomplish at CAF is possible only because of the continuing support of our donors and the unstinting dedication of my colleagues. To our donors, may I express my admiration and gratitude for your unwavering commitment to the welfare of others. And to my fellow Trustees and all colleagues across the CAF group, I offer my sincere thanks for your dedication to CAF, your hard work and your infectious energy.

As I hand over this summer to Sir Edward Braham, our new Chair, I have every confidence that CAF begins its second century well-positioned to meet the challenges and opportunities it will bring.



Sir James Leigh-Pemberton, CVO
Chair of Trustees

KEY HIGHLIGHTS DURING 2024/25

PAID IN

£1.343BN

donations to CAF group.

£1.155bn donations to CAF group in 2023/24.

PAID OUT

£1.203BN

donations given to charities through CAF group.

£1.132bn given to charities through CAF group in 2023/24.



> "That this is a record year for CAF is heartening. But philanthropy and charitable giving have never been more needed. Against a backdrop of global political and economic uncertainty, retrenchment in international aid and other fiscal constraints, securing greater and more impactful philanthropy — and its encouragement — is now essential."

NEIL HESLOP, OBE
CHIEF EXECUTIVE

All giving starts with a story. It's one of the privileges of working at CAF that we get to play a part in thousands of individual stories of giving, just a handful of which are highlighted in this Annual Report. They are a reminder — as I am reminded every day in this role — that when we say we have distributed over a billion pounds to charities again this year, it is the sum total of the generosity of others and their individual connections to causes the world over.

That this is a record year for CAF is heartening. But philanthropy and charitable giving have never been more needed. Against a backdrop of global political and economic uncertainty, retrenchment in international aid and other fiscal constraints, securing greater and more impactful philanthropy — and its encouragement — is now essential.

In the UK, CAF's research has underlined the persisting challenges that are putting a strain on charities: rising demand and inflated costs while incomes are squeezed. In response, we have continued to invest in, and to strengthen, the expert advice and support we provide to social purpose organisations through our Impact Accelerator, and through financial services offered by CAF Bank and CAF Financial Solutions Limited.

In spring 2025, we launched our Charity Resilience Calculator, an innovative new tool to help charities focus on building their resilience in tough times, based on research with charity leaders and in partnership with The Association of Chief Executives of Voluntary Organisations (ACEVO), the Association of Chief Officers of Scotland Voluntary Organisations (ACOSVO) and Chief Officers 3rd Sector (CO3).

This year's UK Giving research demonstrated that, in cash terms, the UK continues to be a generous nation. However, for the first time, the number of people who do not give matches those who do — and there is a great deal of geographical variation in giving patterns.

I believe that we are at an inflection point for our sector and that government has a clear role to play in setting out how it will encourage and incentivise greater giving. Its commitment in autumn 2024 to a place-based philanthropy strategy was welcome, but that must form part of a wider strategic approach.

CAF has been engaging in this conversation with the UK Government since the General Election in July 2024, working with partners including the Beacon Collaborative and the Centre for Social Justice and, most recently, through involvement in the Social Impact Investment Advisory Group set up by the Chief Secretary to the Treasury and the Culture Secretary.

Similarly, with our Corporate Giving research highlighting flatlining donations from some of Britain's biggest businesses, we have taken our case — that being a responsible business must mean investing in your community — to Anthropy and also discussed how innovations in finance and tech can achieve meaningful social change at Davos.

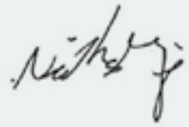
Globally, our World Giving research has continued to inform debate about the differences and similarities in the giving landscape, including in our work with the Philanthropy Europe Association (Philea), Asia Venture Philanthropy Network, Transnational Giving Europe and, of course, our own colleagues and partners in the CAF International Network.

As the world around us shifts and evolves, so too must our organisation. In 2024/25, we have redoubled our work to make sure our operations in the UK and North America are in good shape for the future. Building on the firm foundations put in place by our 2021 Together Building Opportunity Strategy, the One CAF Strategic Plan — developed through close collaboration between our UK and North American entities — will guide us over the next three years to strengthen our impact, and to give our people new tools to maximise the value we bring to donors, charities and society more widely.

This has been an important year for CAF and not just because it was the hundredth anniversary of our founding. In a tough global environment for giving, against a backdrop of record distribution, our strategic plan looks to the future of this organisation and of giving, and sets out an ambitious pathway to a digitally enabled, truly global platform for giving.

I want to express my gratitude to my colleagues at CAF in the UK and North America for their incredible contribution in 2024/25, to our donors, the sector partners and the charities across the world that make our work mean so much, and to our Trustees for their commitment.

I would also like to thank Sir James who, through the last year and his years before as Chair, has been both CAF's tireless champion and a source of sage advice and guidance to us all. I look forward to working with Sir Edward Braham as our new Chair as we write the next chapter in CAF's giving story.



Neil Heslop, OBE
Chief Executive

WHO WE ARE, WHAT WE DO



The Charities Aid Foundation exists to accelerate progress in society towards a fair and sustainable future for all. As a globally active charity, we operate from the UK and North America as CAF in the UK, CAF America, CAF Canada and CADF.

Together, we leverage our unique position at the centre of the giving world — to drive greater and more impactful giving through tailored, innovative and strategic services for individual and corporate donors, and help social purpose organisations to realise meaningful change in the lives of millions worldwide. Annually, we distribute over £1 billion to charities around the globe.

Through our influence and reach, we aim to foster a favourable global giving environment. A vital part of this is our collaboration with CAF's International Network, as well as strategic partners including multilateral organisations, national policymakers, think tanks, and influential sector infrastructure and membership bodies.

In the UK, we own CAF Bank Limited and CAF Financial Solutions Limited (CFSL). These organisations help charities and social enterprises to manage their finances and funds, so they can continue to support the causes and communities that matter to them.

Empowered Giving

At CAF, we work to turn our donors' generosity, connection to a cause and ambition for change, into tangible progress towards a better future.

Our philanthropy experts collaborate with individual donors, their families and advisers, exploring a range of innovative ways to achieve their giving ambitions.

Our corporate client team enable businesses to develop social impact strategies that align to their business objectives, strengthen employee engagement and make a positive difference to the communities we serve.

Our strategic advisers provide best-practice advice and support, alongside CAF's fundraising tools, so more charities can approach the future with confidence and focus on their missions.

BETTER GIVING STARTS HERE

Every CAF story starts somewhere and ends in impact. This year, we are spotlighting some of the inspirational giving stories our work has helped to create. Philanthropy has never been more needed, and through highlighting the impact of generous donors and the dedicated charities they support, we hope to inspire and enable others to give.

NAVIGATING UNCERTAINTY

Around the world, civil society is under pressure, with funding constrained and the competition to access it increasing. At the same time, charities continue to face severe challenges, working to meet an ever-growing demand for their services.

So, in the UK, US and Canada, we are enhancing the expertise, support and tools we have to make charitable giving globally as effective, strategic and impactful as possible.

ONE CAF

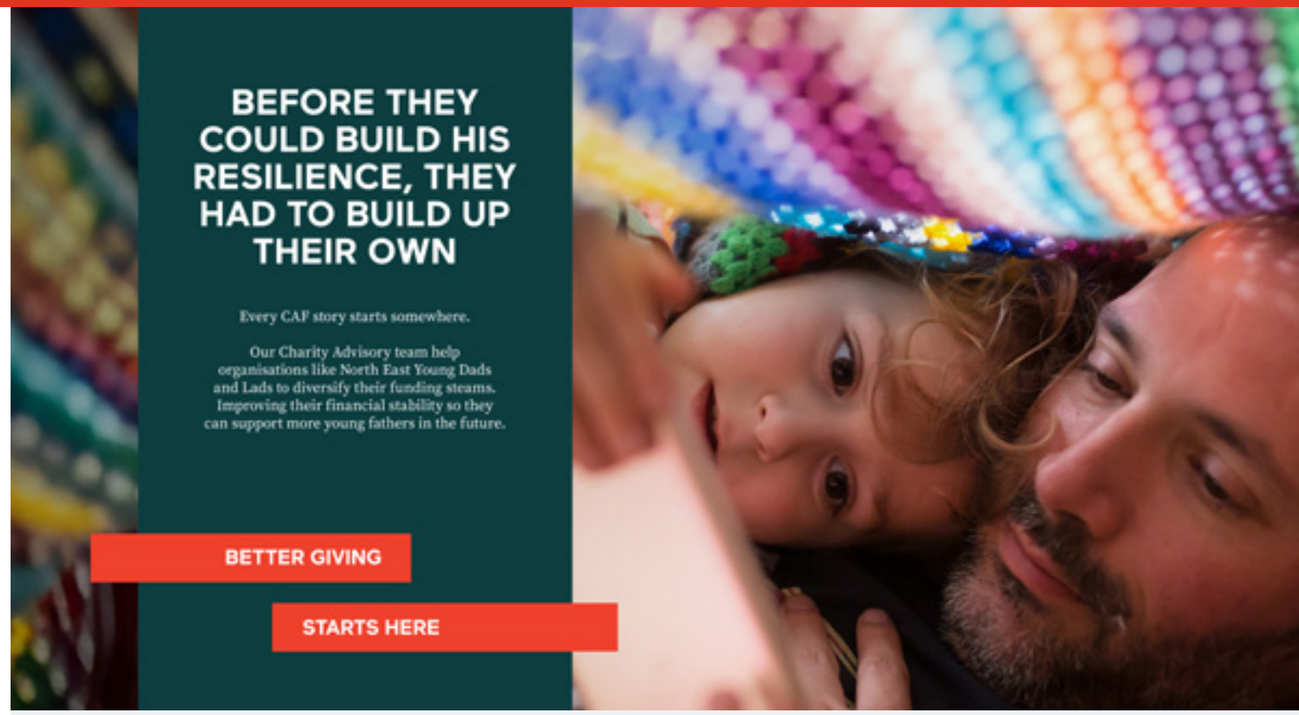
The engine for this is our One CAF Strategic plan, which outlines the next phase of delivery for CAF's Together Building Opportunity strategy.

Our three-year strategic plan builds on our progress since 2021, to deliver a high-value experience for our colleagues and those we serve at CAF. We will do this by developing our ambitious global people plan centred around shared values, continuing to revitalise our global brand and organisational culture, streamlining and aligning our operations, and refreshing our digital capabilities.

With Jessie Krafft, President and CEO of CAF in North America, and Mark Greer, Managing Director, Charities Aid Foundation, leading the plan's implementation over the next three years, we have set a course to become an innovative, agile and purposeful organisation that is a great and safe place to work.

This annual report documents our progress over the 2024/25 financial year.

A Better Giving Starts Here impact story



One of our ambitions is to make sure that the services we provide donors are as simple and intuitive as possible, while bolstering charities' resilience to enable them to achieve measurable impact.

So, we are working to:

- Introduce a suite of simplified self-serve giving services designed to meet the current and future needs of donors and charities.
- Diversify and enhance our services for donors to support safe, strategic and secure giving around the world.
- Deepen collaboration across a global network of charities, alongside the insights, guidance and assistance we offer them.
- Increase our ability to respond quickly and effectively to global disasters and become a recognised resource for disaster relief.
- Improve the efficiency of our platform through digitisation, the modernisation of our operations and creating economies of scale across the UK and North America.

GREATER SOCIAL IMPACT THROUGH GIVING

In the UK and North America, CAF partners with donors — individuals and corporates — to enable giving with greater purpose and impact, offering expert ways to achieve their charitable ambitions.



Personal Giving

We work with donors to help them secure greater impact, empowering them to create more meaningful change whatever their personal cause.

Philanthropic giving is increasingly crucial to many charities' financial resilience. So, in 2024/25, we have promoted strategic, tax-effective giving, collaborating closely with individual donors, their families and their advisers, as well as their chosen charities to reinforce the connections that make giving possible.

DELIVERING INDUSTRY-LEADING SUPPORT

We cover all areas of tax-effective giving, whether it is assistance to facilitate an impactful one-off gift, begin a new philanthropic journey, or make long-term giving more strategic and effective.

CAF offers Donor Advised Funds, such as The Charitable Trust and CADF, as well as social investment opportunities and strategic advisory services through our Impact Accelerator.

We are always working to improve our standards of service, providing a flexible approach tailored to donors' needs. This includes dealing with the complex legal and regulatory requirements of receiving and distributing charitable assets globally.

STRENGTHENING SERVICE EXCELLENCE

In 2024/25, CAF achieved the Institute of Customer Service Mark Accreditation in the UK. This national standard recognises long-term strategic commitment to upholding high standards of customer service.

Our expert advisers also received awards recognition this year, reinforcing our reputation as experts in philanthropy. CAF's UK private client team won an award for Global Reach in the Not-For-Profit, Foundation and Trust category at the WealthBriefing Wealth for Good Awards and were nominated for Philanthropy Team of the Year at the STEP Private Client Awards.

ENABLING STRATEGIC GIVING

To help inspire greater, and more impactful giving, we are creating opportunities across our community of charities and donors to meet and learn from each other, and from experts and civil society leaders.

Celebrating 100 years of philanthropy

Marking CAF's centenary, we supported an ambitious programme of events through 2024/25, including a reception at Speaker's House in Parliament, the Centre for Social Justice's Big Listens, lead partner sponsorship of the Beacon Philanthropy and Impact Forum, and numerous other receptions, roundtables and webinars.

Towards the close of 2024, donors and trustees attended a special event held at Apsley House, hosted by the Duke of Wellington, to celebrate 100 years of philanthropy through CAF.

THE YEAR AHEAD

Our priorities for our individual donors are to:

- Reinforce our understanding and support of donors' philanthropic needs and ambitions, by deepening our insights, strengthening our charity relationships, and providing a best-in-class experience.
- Create more opportunities for our donors to connect with their peers and experts from across the sector, to share learnings and promote effective philanthropy.
- Continue to grow impact, through our strategic partnerships and impact-aligned investments.

SPOTLIGHT ON HIGH-VALUE GIVING

Early in 2025, CAF published High-Value Giving: How the UK's Wealthy Give. This research aims to add to the sector's knowledge about High-Net-Worth Individuals (HNWIs), including estimating the size of the UK's wealthy population and their philanthropic giving.

536,673
The estimated number of HNWIs in the UK.

£2TN
The estimated combined investable assets of HNWIs.

£549BN
The estimated combined investable assets of the wealthiest 0.01%.

Altrata's model suggested that in 2023, HNWIs in the UK donated an estimated.

£7.96BN
equivalent to 0.4% of their investable assets.[1]

[1] This total donation amount is in addition to the £13.9 billion given by the general population in 2023 (UK Giving).



KEY HIGHLIGHTS FOR PERSONAL GIVING DURING 2024/25

MAJOR DONORS

£178.1M

paid out to charities worldwide from our major donors.

CADF DONORS

£117.0M

given to charities worldwide from our CADF donors.

REGULAR GIVERS

£98.5M

paid out to charities worldwide from our individual donors.

MAXIMISING IMPACTFUL, TRANSATLANTIC GIVING

CAF is committed to being the trusted giving expert for people who want to give effectively. Established in 2000, CADF maximises the value of transatlantic giving by enabling dual US and UK taxpayers to claim eligible tax relief in both countries, boosting support for the causes they care about.

Over 25 years, CADF has helped individuals and organisations to contribute to a legacy of impact worth over £1.1 billion (US$1.5 billion) in donations received.

For CADF, 2023/24 was an unprecedented year of growth, driven by major one-off donations from our donors. It is a testament to their generosity that CADF has once again been able to achieve incredible progress in 2024/25, despite global uncertainty.

The donor-advised grants payable to charities by CADF reached £117 million in 2024/25 (2023/24: £112 million), with donations received totalling £138 million (2023/24: £155 million). Meanwhile the number of new donors continues to grow.

IN CADF, OVER THE LAST 25 YEARS

£1.1BN

in donations received.

Marking 25 years of CADF

In February 2025, we thanked donors and their advisers, and the charities they support, for their continued generosity and collaboration, bringing them together with colleagues from across CAF in the UK and North America to mark CADF's 25th anniversary.



Image: CAF

Taking off

When a CADF donor expressed interest in supporting healthcare-related causes, we connected them with Orbis UK, an affiliate of Orbis International. The charity works around the world to ensure that everyone has equitable access to eye care, combining support from donors and in-country healthcare partners.

Drawing on our advisers' expert knowledge of Orbis's international operations, the donor committed a US$100,000 grant to help support the Orbis Flying Eye Hospital. This is the world's only fully accredited ophthalmic teaching hospital onboard a MD-10 aircraft.

By funding cutting-edge, virtual simulation training technology onboard, the impact of the donor's gift travels with the jet on every mission.

During the aircraft's time in Bangladesh in 2024/25, 113 eye doctors and junior doctors participated in surgeries and lectures alongside Orbis's expert volunteers, building capacity among senior ophthalmologists through their Training of Trainers initiative. This training was also shared globally, with sessions livestreamed to 47 countries.

95

The Orbis Flying Eye Hospital has taken world-class training to eye care teams in over 95 countries.

47

Orbis's training in Bangladesh was shared globally with 47 countries.

113

Eye doctors and junior doctors participated in surgeries and lectures during the aircraft's time in Bangladesh.

1

The world's only fully accredited ophthalmic teaching hospital onboard a MD-10 aircraft.

CASE STUDY

"Generous support from CAF's American Donor Fund has enabled Orbis to continue its work to provide access to eye care around the world."

Rebecca Cronin
CEO, Orbis UK



Image: Orbis UK

Driving Innovation and Sustainable Financing

CASE STUDY

Protecting the environment for the future requires collaboration between charities and the private and public sectors, with meaningful solutions increasingly reliant on innovations in finance and technology.

The Scale Up Fund is a philanthropic alliance led by The Nature Conservancy, comprising private equity and entrepreneurial skills.

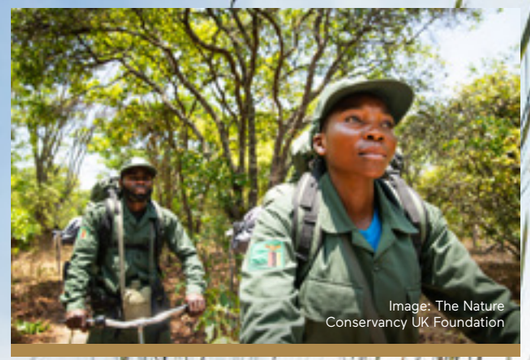


Image: The Nature Conservancy UK Foundation

"By bringing investing and business principles to philanthropic funding, the Scale Up Fund is driving incredible results."

Marianne Kleiberg
Chair, The Nature Conservancy UK Foundation

The Fund supports The Nature Conservancy's most promising conservation programmes in Africa and around the globe, enabling the charity's collaborative approach — which engages local communities, governments, the private sector, and other partners — to tackle biodiversity loss and climate change.

Working with CAF, a long-standing Charitable Trust donor directed a seven-figure donation to the Scale Up Fund. The donor, who is interested in supporting research and innovation, uses the Charitable Trust as an alternative to running a private foundation, working to accumulate and grow their philanthropic capital over the longer-term. As a result, when the opportunity to support The Scale Up Fund was presented, the donor could gift funds tax effectively.

Image: The Nature Conservancy UK Foundation



Corporate Giving

Throughout CAF's history, we have connected the private sector with charities to power social progress. In the UK and North America, we support and advise businesses to make a positive difference to the causes that matter to their people and customers, and in the communities in which they work.

We believe that inspiring and enabling more businesses to give — and to give more strategically for the long term — could be transformative for the charitable sector. This drives our approach to corporate giving.

PROVIDING EXPERT SUPPORT

We help organisations to build successful business cases for giving, develop their strategies and programmes, engage their people and deliver their donations worldwide. Our experienced advisers, insight-led services and global network of verified charitable organisations enable businesses to achieve the positive change they want to see.

CREATING OPPORTUNITIES FOR PROGRESS

The companies we work with are ambitious about their giving, but they are also exposed to the uncertainty and change of the wider business environment.

So, throughout 2024/25, we have continued to make the case in the media, to government, and by engaging employees at all levels, for greater, more long-term and strategic corporate giving.

Our insights powered discussions at major events, including COP29 and Anthropy, where we explored what it means to be a responsible business and the role giving to charity plays. Also, at the World Economic Forum in Davos, we highlighted how innovations in finance and tech can position philanthropy to achieve meaningful long-term social change.

CORPORATE GIVING 2024: THE FTSE 100 AND BEYOND

CAF's annual Corporate Giving report analyses giving by the FTSE 100 and, for the first time in 2024, the wider UK business community. The report looks at corporate giving both as the outright sum of money donated and as a percentage of profit.

£1.82BN
IN 2023
Total donations by the FTSE 100.

8.3%
YEAR ON YEAR
Adjusted for inflation, the decline in FTSE 100 donations.

75%
Of UK businesses, beyond the FTSE 100, did not support charities in 2023.

£5BN
A YEAR
The extra amount charities could receive if all companies gave at least 1% of pre-tax profits.


Image: Seawilding

Nurturing Habitats and the Next Generation of Marine Biologists

CASE STUDY

Native oysters and seagrass are vital to healthy marine ecosystems, but both are under severe threat. Seawilding is a charity located in western Scotland, working to change that. With a core team and dozens of local volunteers, the charity is pioneering the UK's first community-led seagrass and native oyster restoration projects, with the aim of restoring lost biodiversity, sequestering carbon and creating green jobs.

Thanks to support from CAF America's donors, Seawilding was able to welcome three interns to its restoration team. They made an immediate impact — boosting oyster cage cleaning by 150%, increasing seagrass seed collection by 30%, doubling capacity for underwater surveys, and through freeing up the core team to run more outreach activities, helping to triple public engagement during their time with Seawilding.


Image: Seawilding

Engineering Social Impact through Employee Engagement

CASE STUDY

In 2023, Smiths Group, a global pioneer in engineering, decided to empower its employees and drive positive change in communities that aligned with the company's core purpose of engineering a better future.

To bring this vision to life, the company launched the Smiths Group Foundation with £10 million in funding, focusing on improving access to STEM education for underrepresented groups, strengthening community safety and connectedness, and enhancing environmental sustainability.

Achieving coherence across the Smiths Group's different regions was a key challenge that CAF helped solve, designing an innovative grantmaking programme supported by a clear, structured giving strategy — that enabled employees to play an active role.

Together, we identified high-impact causes, assessed applications and worked with grant holders to measure outcomes. To date, the Smiths Group Foundation has awarded over £1.5 million to 19 organisations in 11 countries, with employees actively supporting the causes through funding and volunteering.



Image: The Smiths Group Foundation


Image: The Smiths Group Foundation

> "We've brought together a passionate team of Smiths volunteers to establish and manage our Foundation… Our partnership with CAF has been a key factor in our success."

Hannah Constantine
Corporate General Counsel, Smiths Group
and outgoing Chair, Smiths Group Foundation



Image: North East Young Dads and Lads

ACHIEVING GREATER SOCIAL VALUE

As the expectations, language and metrics around corporate giving shift, we are talking to Business for Societal Impact, B Lab and other leaders in social impact to assist our corporate donors — who are embracing world-class standards and frameworks — to shape, measure and report on their giving.

POWERING EMPLOYEE ENGAGEMENT

As businesses seek to engage their employees, charitable giving offers them a powerful way to inspire and connect colleagues globally and within hybrid workplaces.

Launched in 1987, Give As You Earn (GAYE) enables employees to give to any charity in the UK directly from their pay before Income Tax is deducted. This reduces the amount of tax they pay and can encourage them to give more. Crucially, donations made through payroll giving often provide charities with a regular source of income.

As a pioneer of payroll giving in the UK, we are passionate about promoting its benefits. Throughout 2024/25, we strengthened our links across HR networks and employee engagement forums to raise awareness of how employee giving and our matching solutions, can help to deepen an organisation's culture.

We have also shared a suite of tools to help businesses boost employee giving and leverage the value payroll giving generates.

STRENGTHENING OUR IMPACT

CAF's corporate client team in the UK was a finalist for Team of the Year at the 2024 City AM Dragon Awards for Social Impact — recognised for their dedication to achieving extraordinary philanthropic, cultural or social impact.

THE YEAR AHEAD

We plan to:

- Continue working with influential organisations across sectors, to amplify the message that giving is a crucial part of a responsible business strategy — making the case for more businesses to donate at least 1% of their pre-tax profits.
- Amplify the work of our Impact Accelerator, ensuring that clients who need our support have access to our strategic advisory, grant-making design and social investment services.
- Drive further engagement through Give As You Earn to make it even more accessible, across pensioners, executives and pooled employee funding for charities.

KEY HIGHLIGHTS FOR CORPORATE GIVING DURING 2024/25

CORPORATE DONORS

£71.2M

paid out to charities worldwide.

EMPLOYEE GIVERS

£61.8M

received from GAYE donors.

Driving Change in Society Through Giving

CASE STUDY

For the Skipton Group, giving is a way to live its values and do tangible good. In 2022, the Skipton Group committed to giving away 1% of its pre-tax Group profits and continues to do this each year.

Shifting its approach from making a higher number of smaller donations throughout the year, the Skipton Group has aligned its giving around three strategic pillars reflective of its history, purpose and the major issues colleagues want to help tackle. These are: helping people have a home; championing warm and efficient homes, particularly for those living in fuel poverty; and enhancing financial education and wellbeing.

With CAF's support, the Skipton Group's strategic partnerships with charities provide clear oversight of where its money goes and the impact it has. Formalising Skipton Group's giving in this way enables it to engage its members and employees, while the evidence flowing back demonstrates its commitment to societal change and highlights what more needs to be done.



"It's a really powerful initiative [to donate 1% of pre-tax profit]: all businesses have a social dimension. Company law and corporate governance are evolving more and more to consider the impact businesses have on stakeholders, including wider society."

David Travis
Group Secretary and General Counsel,
Skipton Building Society



HELPING SOCIAL PURPOSE ORGANISATIONS TO THRIVE

CAF is committed to enabling giving with greater purpose and impact, helping social purpose organisations become more inclusive and resilient, and collaborating with funders to create an environment where philanthropy and civil society can thrive.



4.

Central to CAF's purpose is our belief in the value of charities, social enterprises and community groups, and the difference they make.

As CAF's centre of excellence for impact, our Impact Accelerator team provides strategic impact advisory services, grantmaking and social investment expertise. Over the past year, we have continued to embed this valuable support across our services.

Our advisory offering includes research and analysis, strategic development, tools for measuring and communicating impact, diversification of income streams, and improvements in governance. We assist donors in achieving their philanthropic goals, in line with the needs of the communities they support. For corporate clients, this includes strengthening their employee and stakeholder engagement.

With the goal of boosting resilience, we advise social purpose organisations on best-practice approaches and can provide much-needed flexible financing, through social investment loans and grants.

Lastly, the Impact Accelerator team also drives impact at CAF, defining our theory of change and ensuring impact is at the heart of our roles as a service provider, adviser, innovator and influencer.

Together, we have reinforced our impact framework — measuring our progress in achieving CAF's mission across three outcomes:

- More philanthropic capital driving positive change.
- More resilient and inclusive social purpose organisations.
- A more enabling policy environment for giving.

CHARITY RESILIENCE INSIGHTS

Our Charity Resilience Insights look at how charities are experiencing and responding to sustained economic and social pressures. In May and June 2024, CAF surveyed 784 charity leaders as part of wider research with ACEVO, ACOSVO and Co3.

54%

Of charity respondents said that demand had increased "a lot" in the last 12 months, up from 46% in 2023.

75%

Of charity leaders' time is taken up on average, with solving day-to-day problems.

50%

Named increased competition for funding and donations as a top challenge.

45%

Flagged concerns around financial sustainability.



"We held our staff development day, [reviewing] much of what we had covered with CAF. The staff are now feeling part of one organisation… and are on the journey to move forward, inspired and motivated. [Their feedback] is wonderful to hear."

C2C Social Action,
A criminal justice charity

Strengthening Charity Resilience

We work to give charities the strategic insight, tools and assistance they need to be resilient and ready for the future.

Through our extensive research and advisory work with social purpose organisations, we have identified six characteristics that demonstrate an organisation's potential to be resilient:

1. Understanding purpose.
2. Being financially and operationally fit.
3. Evidencing impact.
4. Prioritising people and culture.
5. Being well-networked.
6. Having external awareness.

In March 2025, we launched our Charity Resilience Calculator. Powered by our research insights, the calculator is an online tool designed to help social purpose organisations assess and better understand where they need to build resilience.

Charities can then benchmark their results — which spotlight strengths and opportunities for improvement — against others of similar sizes and the wider sector.

Transparent, Fair and Accessible Grantmaking

CAF delivers grant programmes on behalf of clients, in addition to in-house programmes funded by discretionary legacy funds granted to CAF to enable the acceleration of social progress.

In 2024/25, the Impact Accelerator launched the latest of CAF's resilience building grant programmes, all of which offer unrestricted funding, tailored advisory support, access to webinars, peer learning and networking opportunities.

The Arley Youth Programme is a two-year grant programme designed to support organisations working with young people in the Bristol area. CAF made eight awards totalling £625k.

The organisations are receiving unrestricted funding, restricted funding to invest in the resilience of their organisation, and direct support from CAF's advisory service who work closely with the organisations to build capacity and find solutions that will strengthen each organisation's resilience in the long-term.

Small and medium-sized organisations working to assist refugee and asylum seekers and working to mitigate health inequalities will also have the opportunity to access similar support through the Building Resilience Fund in the future.

Social Investment

Research shows that the UK social impact investment market in the UK grew by 7% to £10bn in 2023. In the UK, social impact investment delivers impact across pressing social and environmental issues, while providing a financial return to investors. Social investment funds — like CAF's Venturesome Impact Fund — which pool funding from our donors, play an important role in the social investment ecosystem.

CAF has been a social investment pioneer since 2002. We lend to social purpose organisations from funds made available by individuals, businesses and other charitable foundations to build their earned income streams. As the social purpose organisation repay us, we use the same funds to lend to other organisations looking for affordable, flexible finance.

During 2024/25, thanks to the generosity of donors, including CAF's individual and corporate donors, and other charitable foundations, our Venturesome Impact Fund — in its inaugural year — launched with £10 million of philanthropic capital and has funded 18 social investments.

Leveraging our deep, long-standing expertise in social investment, the Impact Accelerator can also design and deliver bespoke social investment programmes for private donors, companies and government.

> "Taking out social investment with CAF has truly enabled the work we do and is positively impacting the lives of numerous young people with SEND."
>
> | CAF Investee

> "[This is a] fantastic way of helping charities with short-term funding requirements at this difficult time, especially as it is unsecured. It is one fund that can help many charities so helps with [the] diversification of my gifting, with CAF undertaking all the screening and due diligence."
>
> | CAF Donor

INSPIRING CAREERS

Inspire Education Business Partnership (Inspire), a charity dedicated to connecting education and business to create opportunities for young people, awarded CAF's Impact Accelerator Grantmaker of the Year.

During 2024, Inspire achieved a major milestone, reaching 25,000 young people across London and the South-East with its careers education programmes. The award recognises CAF's role in supporting young people through impactful partnerships, including our work with Inspire's funder, Smiths Group Foundation.



Supporting More People Affected by Brain Injury

CASE STUDY

Brains Matter is a charitable social enterprise assisting adults affected by brain injury from accidents or illnesses. They provide a Community Wellbeing Service offering one-to-one support, social groups and an activity centre. As the result of the COVID-19 pandemic, the charity experienced a fall in revenue, with people unable to attend paid-for, and in-person, sessions. Grant funding also became limited.

Brains Matter applied to the Venturesome Impact Fund for a blended finance package (part unsecured loan/part grant) to support working capital, strengthen income streams and rebuild the charity's reserves.

This funding enabled Brains Matter to increase in-person sessions, provide ad-hoc telephone support, grow client intake, promote networking and recruit a new employee. It has also been able to launch an employment support service, helping people move into voluntary and paid jobs — or even start a small business — improving their confidence and well-being.

"Working with CAF has been amazing. The team has been really helpful and they understand how hard it is for charities at the moment. Support from CAF has allowed us to manage our cashflow and look at developing new services."

Kevin Bottrell
Charity Manager,
Brains Matter





Image: Esteem

Securing a Space for Young Adults

CASE STUDY

Esteem offers a range of free, group activities and one-to-one support for people aged 14-26. At its heart is a safe, inclusive space, shaped around each young person's needs, built on trust, support and respect.

A haven for hundreds of young people, the charity's council-owned base was under threat of being sold due to its age and condition. To secure the property for the long-term, Esteem would need to raise around £500,000 — equivalent to its annual income — within 12 months of the building being put on sale. This fundraising goal became the focus of Esteem's collaboration with CAF's Impact Accelerator, as part of the Lloyds Bank Foundation's development programme.

Our advisers worked with Esteem's CEO, colleagues and Trustees to establish an intentional culture of philanthropy across the charity — giving them the space, insights and frameworks to develop a strong case for funding support, with messaging aligned to their values and target audiences.

"CAF's advisers have given us a really strong foundation to build on. Being able to talk about their involvement felt like we had had a rubber stamp when we had any conversations with stakeholders, such as the council and the high-net-worth individuals we are trying to engage."

Cat Vizor
Chief Officer, Esteem

FOSTERING A FAVOURABLE GIVING ENVIRONMENT

In collaboration with the CAF International Network of partners as well as other social purpose organisations, influential sector bodies, multilateral organisations and policymakers, CAF uses its expertise, influence and reach to enable greater and more impactful giving locally, nationally and globally.



CAF's work and history — connecting donors, charities, government, and other leading sector bodies — places us at the centre of the giving world. Together, we leverage these relationships, the unique insights they give us, and our industry-leading research to inform our work, help amplify the voice, needs and ambitions of the charity sector, and enable civil society to thrive globally.

The CAF International Network is made up of independent non-profit organisations that are rooted in their communities, and experts in their region — with influence and reach spread across six continents. Through collaboration, network partners work to power global giving and help shape global philanthropy discourse. Together, we are committed to build a global culture of giving that:

- Empowers local communities, enabling those who are most affected by issues to lead the way in developing solutions.
- Fosters collaboration and innovation across sectors and borders.
- Ensures that resources are directed where they are needed most.
- Leverages diverse perspectives to create sustainable impact.

Our Network partners share knowledge on urgent, and emerging, causes as well as the shifting global landscape, to deliver impactful support for the global communities we serve.

Alongside this, our expert teams in the UK and North America work with donors to ensure their gifts reach their intended charitable causes safely and securely around the world, in compliance with the highest regulatory standards. We promote local expertise and best practice approaches, to achieve agile targeted and community-led interventions where they are most needed.



"Through CAF's global platform, the Pakistan Centre for Philanthropy (PCP) is able to amplify its mission of promoting accountable and impactful philanthropy. We greatly value the collaboration, knowledge exchange and shared commitment to enabling more effective giving worldwide."

Shazia Maqsood Amjad
Executive Director
PCP



Revitalising the UK's National Culture of Giving

The decision to give is always a complex one, made up of an individual's or business's circumstances, their connections, experiences and the information they have at their fingertips. No one should be compelled to give, nor should giving substitute for the state, but governments — through policy, regulatory and legislative incentives and encouragements — are able to create environments that make giving, and more impactful giving, more likely.

A PLATFORM FOR ACTION

When we say that philanthropy and charitable giving has rarely been so important, it is grounded in our Charity Resilience insights. And when we express concern that people in the UK might be getting out of that habit of giving, it is because of our latest UK Giving Report findings.

Published in March 2025, we found that, although the UK public reported giving a record £15.4 billion in donations and sponsorship in 2024, this has been driven by fewer people giving more. For the first time, the split between those who give and those who do not was 50:50. That equates to six million fewer people giving today than five years ago. If the current trend, which pre-dates the pandemic and cost-of-living crisis, continues then next year, we expect giving to have become a minority activity in the UK.

At the same time, our Corporate Giving Report and our High Value Giving research highlight the untapped potential for giving in the UK. All our advocacy work is grounded in our own experience and research, allowing us to set out our vision for a renewed British culture of giving.

A COLLABORATIVE EFFORT

No one can change the world alone. We work in collaboration with our sector colleagues to make the case for change. In 2024/25, in the UK, we have continued to advocate for a joined-up, strategic framework for the incentivisation and encouragement of greater and more impactful giving, under the umbrella of a National Strategy for Philanthropy and Charitable Giving.

We are proud to have worked with the Beacon Collaborative and a multiplicity of other organisations in the philanthropy sector to do this, including the Association of Charitable Foundations, UK Community Foundations, Pro Bono Economics and New Philanthropy Capital.

We chose to mark our centenary by supporting a series of Big Listen events run by the Centre for Social Justice (CSJ) around the country — in Liverpool, Leeds, Loughborough, Newcastle and Bath — to bring together 220 local charities, foundations and philanthropists. This set out a blueprint for greater local giving in a landmark report published by the CSJ in March, making a series of recommendations to government on how it could unlock billions of pounds worth of additional resource focused on social impact.

Our coalition building has not just been limited to the philanthropy sector. We are proud founder members of the new Impact Economy Collective, which brings together organisations that represent social investment and responsible business. The aim of the collective is to facilitate greater dialogue between the three sectors and government, and to work to demonstrate the practical ways that government can encourage and work alongside socially motivated capital.

A Conversation at the Heart of Government

Since the UK General Election, working with our sector colleagues, we have taken the conversation about philanthropy and charitable giving to the heart of government.

The autumn brought a commitment from the Culture Secretary to draw up England's first place-based philanthropy strategy, which is potentially a key pillar of a national strategic framework for giving. We have worked with government to examine what this could mean, including at a ministerial roundtable on philanthropy in November.

We welcomed the announcement in the Chancellor's Autumn Budget of a new vehicle to encourage social investment and have been engaged in its development and in wider, related issues through our involvement in an advisory group that was set up later in the year by the Chief Secretary to the Treasury and Culture Secretary. The work of this group has been the focus of our advocacy work, along with other members of the Impact Economy Collective, throughout the second half of 2024/25.

We have supported, and endorsed the outcome of, the much-needed work that NCVO and ACEVO have led, to develop with Ministers and officials a new Covenant to reset the public sector's relationship with civil society and the impact economy.



RAISING OUR GLOBAL AMBITIONS

As the global giving landscape shifts, the CAF International Network is evolving too. We are:

- Extending our international reach by engaging with prospective new Network members.
- Targeting audiences and partnerships, who can help us to further our impact.
- Leveraging opportunities to lead the conversation about global philanthropy, wherever we can.

More broadly, we are strengthening CAF's strategic links with global membership bodies and multilateral institutions, such as the UN, Global Philanthropy Forum, World Economic Forum and Philea to create a robust and dynamic network of international stakeholders.

In support of this, CAF was honoured to host the first European member gathering of the Asia Venture Philanthropy Network (AVPN), Asia's leading network of social investors.

Held in London in March 2025, the forum connected representatives from Accenture, the Anglo American Foundation, Impact Europe, Standard Chartered Foundation, the Bechtel Corporation and others, to exchange learnings and identify opportunities for impactful cross-border collaborations.

In April 2025, CAF America connected philanthropic leaders, funders and changemakers from around the globe for the ninth annual International Grantmaking Symposium. Focused around the theme, Move Forward Together: Cross-Border Grantmaking for Impactful Partnerships, delegates took part in interactive workshops and panels — networking, debating and learning from each other.

DRIVING GLOBAL DEBATE

At the 2024 United Nations General Assembly, alongside UNHCR, CAF led a discussion among thought leaders to examine how collaboration across sectors with philanthropic organisations can strengthen resilience and the delivery of essential relief efforts. Drawing on its critical role providing emergency aid and long-term support to refugees, UNHCR shared how humanitarian operations could be enhanced.

> "CAF has been an invaluable partner in bringing global, future-focused perspectives to the GPF community... their insight and collaboration have enriched our shared understanding of where philanthropy and charity is headed around the world."
>
> **Sarah Howard**
> Managing Director, Global Philanthropy Forum

And with Concordia, we linked up the public and private sectors to focus on the future of financing for impact, exploring the potential for innovative and sustainable funding to make a lasting difference in the pursuit of the UN's Sustainable Development Goals.

At the beginning of 2025, CAF joined a panel of experts during the World Economic Forum 2025 to explore how innovations in finance and technology can drive meaningful solutions to global challenges, position philanthropy as society's "risk capital" and drive greater impact across sectors.

This was followed by the Global Philanthropy Forum Leaders Summit in March, where we contributed alongside our International Network partners, Instituto para o Desenvolvimento do Investimento Social Instituto para (IDIS) and PCP, and other sector experts to interrogate how philanthropy can strengthen communities.

Our World Giving Research

Since 2009, CAF's World Giving Index has provided an annual snapshot of generosity around the world. The study offers a unique insight into how people engage in social activities for the benefit of their communities and champions the growth of global giving. In 2025, the World Giving Index is evolving to become the World Giving Report. This will provide deeper insights into the public's attitudes and behaviours around generosity across 101 countries and territories.

WORLD GIVING INDEX 2024

#1 INDONESIA
Ranked as the world's most generous country for the seventh year running.

£4.3BN
People gave their time, money or helped someone they didn't know in 2023, equivalent to 73% of the world's adult population.

75
Countries improved their World Giving Index score in 2023.

EMERGENCY HUMANITARIAN EFFORTS

Throughout 2024/25, in collaboration with organisations, such as the Disasters Emergency Committee in the UK, and a global network of validated charities, CAF and our donors have helped to provide essential support to those impacted by disasters and crises around the world.

From responding rapidly to the devastating earthquake in Myanmar, the wildfires in Los Angeles and Valparaíso, and floods in Nepal, Valencia and Rio Grande do Sul, to addressing the aftermath of the escalating violence and unrest in Haiti and the ongoing humanitarian crisis in the Middle East, the funds generated are helping to provide urgent life-saving assistance, alongside reinforcing long-term recovery plans.

One of the most challenging aspects of responding to disasters and humanitarian crises around the world is the need to act quickly with limited information.

In September 2024, CAF America launched the Global Relief Navigator, a one-of-a-kind innovative grantmaking solution that enables donors to make safe, compliant gifts to validated disaster response and relief organisations.

The navigator allows US donors to track disaster events and the trusted organisations responding to them in real time. Donors can make informed decisions and confidently support programmes to provide immediate relief or long-term rebuilding, all in compliance with often complex regulations.

Since launching the Global Relief Navigator, as of May 2025, CAF America had financed grants of over $3.7 million in disaster relief funding, supporting 49 organisations as they responded to 24 disasters or crises around the world.

CASE STUDY



Image: Hope for Haiti

One Year on in Haiti

Over 12 months since gang violence and political instability surged in Port-au-Prince, triggering widespread disruption across Haiti non-profits continue to deliver critical support and stand with their communities despite the ongoing conflict, and other threats.

Over the past year, CAF America facilitated US$244,000 in grants to organisations operating in Haiti — such as Fondasyon Konesans ak Libète (FOKAL), Hope for Haiti, Respire Haiti, and the Haiti Development Foundation — supplying essential funding for vital educational initiatives in schools, livelihood and leadership programmes, healthcare and food security projects.

"We're immensely grateful for our partnership with CAF America and the generosity of its donor community."

Skyler Badenoch
CEO, Hope for Haiti

The Transformative Power of Food Aid in Kraków

CASE STUDY

For the past five years, CAF America has helped our donors support Kraków Food Bank to fight food insecurity and reduce food waste. The charity's mission is simple but vital, to rescue surplus food from producers and retailers, and deliver it to individuals and families in need through a wide network of local partners.

From emergency food parcels for refugees and homeless people to innovative dignity-based programmes like The Good Store, Kraków Food Bank works to make sure that no edible food goes to waste and no one goes hungry.

At The Good Store, people can select groceries just as they would in any other supermarket and pay for them using a points-based card provided by the food bank. There is also a small cafe space, offering support and a welcoming community.

Since opening in 2022, The Good Store has distributed over 114,000kg (251,000lbs) of rescued food, valued at more than PLN 1.63 million (US$405,000). The food is sourced from local retailers, producers and distributors, preventing food waste while meeting a growing humanitarian need.

"CAF America has played a critical role in our ability to respond to growing food insecurity in Poland and Ukraine. Their support has allowed us to scale life-saving food aid programmes, respond to humanitarian crises, and help thousands of individuals regain stability."

Beata Ciepła,
Chair, Kraków Food Bank


Image: Kraków Food Bank

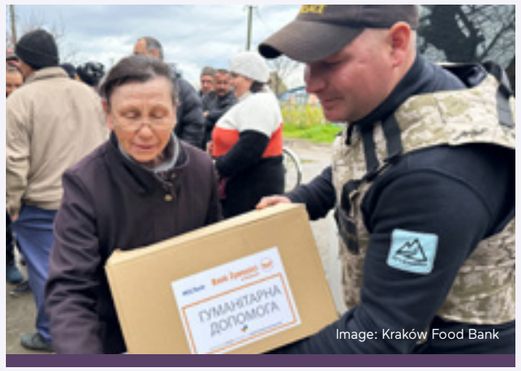


Image: Kraków Food Bank

Shaping a Just Future

CASE STUDY

Since opening 14 years ago, the Museum of Memory and Tolerance in Mexico City has welcomed over 5.8 million visitors. Through powerful exhibitions and educational programmes, it confronts prejudice, illuminates human rights abuses and promotes social responsibility.

During the Covid-19 pandemic, the Museum was forced to close to the public for more than a year. However, with funding from CAF America, it was able to retain its essential visitor service and quartermaster teams to keep the Museum operational and safe during that time.

Since 2021, CAF America has provided ten grants totalling US$57,000 to the museum, and the organisation's impact on education is both deep and wide-reaching. More than 193,000 children have participated in sponsored tours, 244,000 teachers have brought students, and 300,000 virtual visits have expanded its reach. Online, a digital community of over one million followers continues to engage with its message.


Image: The Museum of Memory and Tolerance

"It is easy to teach hate but hard to teach love and acceptance. The museum is a special place where one can enter with prejudice and hate yet leave with kindness and compassion for others."

Neal Greenbaum,
Donor, Museum of Memory and Tolerance

CHARITY FINANCIAL SERVICES

In the UK, CAF owns CAF Bank Limited and CAF Financial Solutions Limited (CFSL). Both organisations help charities to manage their finances and funds so they can continue to do their life-changing work.

CAF Bank is all about banking with purpose and is dedicated to meeting the banking needs of charities and social purpose organisations, of all sizes and cause areas.

CFSL — CAF Bank's sister organisation — offers charitable investors a range of funds that incorporate Environmental, Social and Governance (ESG) outcomes, alongside a focus on financial returns.



For more than 40 years, CAF Bank has supported its charity customers by understanding their challenges and sharing their values. Today, CAF Bank remains committed to expanding its reach and improving its services to further the impact of UK charities at home and beyond.

Around 45% of CAF Bank's customers are small organisations. This means that most of the people CAF Bank colleagues talk to are volunteers rather than finance professionals. Drawing on an experienced customer service team, CAF Bank understands the range of support its customers need and shapes the organisation's strategy and objectives to reflect this.

STRATEGY AND OBJECTIVES

CAF Bank's aim is to be the preferred bank for charities of all sizes, and colleagues work to:

- Maintain a financially robust and sustainable business model to protect customers' deposits.
- Deliver continual improvements in customer service and efficiency.
- Grow the business.

A COMMITMENT TO EXCELLENCE

CAF Bank colleagues' dedication to their customers and causes was recognised when CAF Bank was named Best Bank and Best UK Charity Bank Account in Charity Excellence's Charity Bank Account Survey 2024.

The survey of charity banking customers also found CAF Bank to be top-rated both for overall performance and in responding to customers. Similarly, the team were Highly Commended in the Best Charity Banking Provider category at the 2025 Business Moneyfacts awards, which celebrates excellence across the whole of the UK's business banking and finance sector.

A MULTI-YEAR TRANSFORMATION

As the 2024/25 financial year closed, CAF Bank was working on completing the first phase of its digital modernisation project. This multi-year transformation programme brings together substantial investment in a new core banking platform and further develops the organisation's banking proposition.[1]

The new platform will enable CAF Bank colleagues to continue to deliver the tailored service, security and expertise that charities need and deserve, while ensuring they can meet more charities' banking needs.

STRATEGY AND OBJECTIVES

R	Redesign tailored banking for charities.
I	Impact civil society by enabling charities to do more of their life-changing work.
S	Scale sustainably to serve more charity customers.
E	Expand and diversify our product suite and customer base.

[1] CAF Bank's transformation programme was implemented following the end of the 2024/25 financial year, going live on 9 June 2025.

Many charities are still repairing their finances after the Covid-19 pandemic and the cost-of-living crisis, challenges that have been made harder to navigate by a new wave of economic volatility and geopolitical uncertainty. In support, CAF Bank's customers can benefit from access to CAF's Charity Resource Hub, which provides tools, guidance and inspiration to help build charities' resilience.

Further to this, CAF Bank was proud to be part of a working group co-ordinated by UK Finance, exploring ways to improve access to dedicated banking options for charities, and recognising the need for a stable financial environment to support their vital work. This project has since concluded with the publication of the Voluntary Organisation Banking Guide.

As a charity bank, CAF Bank operates under the same regulatory and governance standards as any other financial institution. It has integrated the Consumer Duty principles into its business decision making and welcomed the Financial Conduct Authority's (FCA) new regulations ensuring financial firms prioritise customer needs and provide fair value, clear communication and strong consumer protection.

TACKLING FRAUD

Financial crime is a growing threat to charities and the impact can be devastating. CAF Bank is dedicated to providing a safe and secure bank for charities.

Through its specialist support and expertise, CAF Bank works to protect its customers from financial crime so they can focus on what matters most. Its online security centre offers fraud prevention support for everyone.

From staying ahead of the latest scams to following simple fraud prevention tips, experts provide essential insights to help keep funds safe.

A GREENER SECTOR

Research commissioned by some of the UK's leading charities in 2023, found that almost 80% of the UK public said that charities have a responsibility to be environmentally sustainable.

CAF Bank's green loans have been designed to empower charities and social purpose enterprises to achieve their sustainability goals while channelling funds into environmentally beneficial projects. During 2024/25, three housing associations — Clydebank, Sutton and Calvay — secured green loans from CAF Bank, to help them build a greener, more sustainable future for their organisations and the communities they serve.

In addition, CFSL offers innovative deposit products that help charities manage their savings efficiently and effectively.



CAF BANK'S YEAR AT A GLANCE

PROFIT BEFORE TAX:
£14.7M

DRAWN AND COMMITTED LOAN BALANCES:
£283M

CUSTOMER DEPOSITS:
£1.45BN

PHONE CALLS HANDLED:
75,020

LOANS ADVANCED:
£41.5M

CUSTOMERS:
14,388
(as at 30 April 2025)

FASTER PAYMENTS MADE:
2.19M+

CUSTOMER ACCOUNTS:
25,857
(as at 30 April 2025)

Tackling Fuel Poverty

CASE STUDY

A Glasgow-based housing association is reducing its residents' energy bills following a major upgrade, made possible with support from CAF Bank and the Scottish Government.


Image: Calvay Housing Association

Calvay Housing Association secured a £2.77 million Green Loan from CAF Bank, plus additional funding from the Scottish Government's Social Housing Net Zero Heat Fund, which together totals £4.8 million.

The funds are being used to upgrade 267 of Calvay's 860 units in the East End of Glasgow. The work will include installing new temperature and humidity sensors, wall insulation and net-zero heat pumps, which will help residents reduce their energy use.

"This is a major project, which will benefit Calvay's tenants for years to come. We know fuel poverty is a major issue for many of our tenants and the external wall insulation will make our homes both easier and cheaper to heat."

Steven Blomer
Chair, Calvay Housing Association

Providing Life-Saving Search and Rescue Services

CASE STUDY

Saving lives, supporting the emergency services and educating people on how to stay safe across more than 5,000 square-kilometres of Northumbrian countryside is no small task. But the Northumberland National Park Mountain Rescue Team (NNPMRT) do so regardless of the time, date, or weather.

Requiring specialist equipment and facilities to undertake their life-saving search and rescue services, the team needs the right financial planning in place to ensure they have the funds to continue their vital work. Investing in IFSL CAF ESG (Environmental, Social and Governance) Funds helps them do that.

Entirely run by volunteers, NNPMRT members respond to approximately 100 incidents each year. They also donate 4,000 hours a year to support the team's governance, administration, training, fundraising, and vehicle and equipment maintenance.



Image: Northumberland National Park Mountain Rescue Team



Image: Northumberland National Park Mountain Rescue Team

"Having financial security is paramount in ensuring we can support the public and colleagues in other emergency services. Working with CAF gives us that security."

Iain Nixon
Team Leader, NNPMRT



Image: Northumberland National Park Mountain Rescue Team

BUILDING A LEADING, GREAT AND SAFE PLACE TO WORK

Our ambition is for everyone at CAF, no matter where they are based, to feel involved in shaping our future and equipped to help us make an even greater, positive impact together.



Image: CAF



Unifying Our Global Workforce

Our One CAF Strategic Plan aims to enable our colleagues across the UK and North America, to collaborate and operate as One Charities Aid Foundation — a more unified, agile and innovative organisation equipped to maximise the value we bring to donors, charities and wider society.

To realise our ambitions, we are making strategic investments in our people, processes, technology and data, and aligning — as well as streamlining — our systems, operations, ways of working and governance structures. Integral to our success is the delivery of CAF's Global People Plan, which is unifying CAF's workforce around our shared purpose, organisational objectives and values to deliver an employee experience like no other.

In 2024/25, we acted to:

- Improve our attraction and recruitment practice to ensure equity, transparency and fairness in all aspects.
- Strengthen our onboarding experience for those joining our organisation, including developing a more seamless day-one experience and easy-to-access information for those starting their journey at CAF.
- Enhance our talent management and career development practices, such as rolling out our Management Development Framework in the UK and aligning our organisation development approach across our global operations.
- Reinforce and promote our dedicated support for colleagues' physical, mental and financial wellbeing.
- Continue to make sure our reward framework drives and delivers equity of pay and recognises employees' achievements, through service milestones, awards and seasonal celebrations.

SPOTLIGHT ON NORTH AMERICA

CAF America has implemented several key initiatives that have significantly enhanced internal operations and improved staff retention. Recent updates — including a revised compensation strategy, the launch of a new performance management programme, and the implementation of a standardised onboarding process — have collectively led to a notable reduction in staff turnover.

Jessie Kraft was confirmed in post as President and CEO of CAF in North America in 2024/25, with a comprehensive organisational redesign also completed, focusing on decentralising authority and streamlining workflows. This positions CAF America to operate with greater agility and effectiveness as it continues to grow.

In addition, CAF Canada marked a major milestone by appointing its first in-country Managing Director, Joanne Kviring. This new leadership role will enable deeper focus on the unique philanthropic landscape in Canada and support the continued growth and development of our work across the country.

To celebrate these accomplishments and align around future priorities, staff from CAF America and CAF Canada, along with the CAF America Board, gathered in Washington, D.C. in March for All Team Days. The event celebrated a successful year and officially launched the planning phase for the implementation of the One CAF Strategic Plan.

The CAF Global People Plan

OUR PEOPLE MISSION

Establish CAF as a leading, great and safe place to work, wherever our people are located around the world.

OUR PEOPLE STRATEGY

Find great people and keep them, optimising retention so individual colleagues and our teams can perform to a consistently high standard in the work they deliver for CAF.

OUR COMMON BOND

Our strength as CAF is found in the breadth and depth of diverse skills, knowledge and experience that our community of people possesses.

OUR EMPLOYEE EXPERIENCE

Design and develop an employee experience like no other that brings together our worldwide workforce aligned to one CAF mission.

OUR VALUES

- **Move forward together**
- **Act with integrity**
- **Shape the change**



Image: CAF

CAF Together

In 2024/25, we established our CAF Together programme, led by a working group of colleagues representing CAF in the UK and North America, and CAF Bank.

We want to build a culture at CAF that is recognised for fostering high-performing, purpose driven teams, where everyone feels a sense of belonging and plays an active part in enabling our organisation to be the best it can be.

Our CAF Together working group supports us in this, through:

- Providing thoughts and feedback to our Chief People Officer on issues of culture, fairness and belonging in the workplace, for example, recruiting, hiring and retaining our people effectively, and career development.
- Gathering people-related data and insights, as well setting, reviewing and monitoring the progress of measurable objectives.
- Helping to raise awareness among colleagues, alongside creating opportunities to promote fairness and belonging in the workplace.

CAF EMPLOYEE SURVEY 2025

In January 2025, we ran our annual employee survey, combining results from our UK and North American workforce for the first time. In total, 87% of colleagues participated.

93%
Are willing to go the extra mile to help CAF succeed.

87%
Felt the work they do is important to CAF's success.

90%
Feel proud to work for an organisation that has CAF's purpose.

Our Approach to Pay

As part of the CAF Deal for employees, we aim for our pay approach to be:

- Competitive
- Transparent
- Fair and equitable

To achieve this, we pitch our base pay at the competitive market median. On an annual basis, we externally evaluate and benchmark the scope, grade and pay range of each role, working with an independent reward specialist to capture accurate salary-survey, market pay data and trends.

In the UK, CAF is accredited as a Living Wage Employer. This means we are committed to paying all our employees at least the real living wage, which is independently calculated based on the cost of living.

CAF links its performance management framework to the organisation's end-of-year performance — recognising high performance and behaviours aligned to our values in a fair and transparent way.



Image: CAF



THE GENDER PAY GAP

We are committed to meeting the UK pay gap norms for both median and mean.

As of 5 April 2024, in the UK, our median gender pay gap was 25.9%, in favour of men. This compares with the national median pay gap of 13.1% (Office for National Statistics). Our mean pay gap was 26%, compared with a UK mean of 13.8% (Office for National Statistics).

For 2024, there was a 0.4 percentage point increase in the mean average and a 1.9 percentage point decrease in the median average when compared with 2023.

When comparing 2024 with 2017, there was a 2.0 percentage point decrease in the mean average and an 8.3 percentage point decrease in the median average.

As part of our 2024 analysis, we worked with external experts to complete a deeper, more detailed review of our UK data and the insights it generates will feed into our action plan for the year ahead.

OUR ANNUAL PAY AND CAF DEAL REVIEW

CAF is committed to delivering a highly competitive reward offer, as part of our work to be a leading, great and safe place to work. Our annual pay review assesses the pay of current employees and their roles against market data, accounting for our financial performance and other external data.

This has included externally benchmarking pay across our UK workforce, increasing paid holiday days, and enhancing the BUPA Cash plan benefit for everyone. Over recent years, we have delivered one-off cost-of-living payments, as well as a 5% uplift to basic pay in May 2022 and 2023 respectively. Last year, we provided an average 3% uplift in pay.

Throughout the last 12 months, we have witnessed challenging economic conditions that the UK has sought to navigate through, including an increase in National Insurance contributions towards the end of the financial year, which is having a significant impact on employers. Considering these factors, the pay award being made to our UK workforce across all grades for year 2025/26 is 2%, effective from 1 May 2025.

OUR EMPLOYEES' VOICE

The Employee Council acts as a voice for our UK employees to the CAF leadership team. Its mission is to promote workforce engagement, boost performance and foster development across CAF by actively engaging with colleagues on key corporate matters and empowering people to voice their opinions. Comprising dedicated volunteers elected to the Employee Council, they ensure that every part of the organisation is represented and heard.

SAFEGUARDING

Everyone at CAF is responsible for ensuring the safety and protection of our colleagues and those who use or benefit from the services we provide. Our Safeguarding and Vulnerability policy applies to all CAF entities and employees, as well as those who use or benefit from the services we provide.

As our policy makes clear:

- The welfare of individuals is paramount.
- Everyone has the right to be protected from harm.
- We take all allegations, suspicions of harm and concerns seriously and respond to them swiftly, fairly and appropriately.
- We expect everyone to work in partnership to promote the safeguarding of individuals in all areas of CAF's work.

Employees can raise a concern in whatever way they feel comfortable, in confidence and without fear of repercussion or victimisation affecting their position within CAF. For example, they can speak to their line manager, our Employee Council, a HR representative and/or member of our Risk and Compliance team in confidence. They can also refer to our Raising Concerns (Whistleblowing) Policy, which explains how an employee can raise a serious concern confidentially through an independent third-party service, NAVEX.

Image: CAF

OUR PROGRESS TOWARDS GREATER SUSTAINABILITY

CAF's purpose is to accelerate progress in society towards a fair and sustainable future for all. It is important, therefore, that we place our responsibilities to the environment and natural world at the forefront of how we operate and the support we provide.

We are committed to becoming a more sustainable organisation and achieving net zero across our UK operations by 2050. This includes those within CAF Bank. However, we recognise that this commitment is just a starting point for the focused and continuous work we need to do as an organisation to achieve it.

Since 2023, as part of our work to develop a sustainability roadmap for CAF, we have focused on improving our data capture capabilities and understanding. Informed by a review of our Scope 1 and 2 emissions, we are now rolling out our next phase of actions to reduce CAF's carbon footprint.

For example, we are currently reviewing our forward-looking property plan in the UK, with a focus on long-term sustainability. Our London office already runs on 100% renewable energy. While, at CAF's Kings Hill office, we are set to transition from 60% to 100% renewable energy sources by October 2025. Plans are also underway to install a solar energy system at this site, which will reduce our emissions even further.

Other measures include a commitment to:

- Continually review and improve our environmental performance, embedding an environmental management system across our organisation and environmental management best practice within our operations.
- Integrate sustainable and circular procurement and sourcing into our processes, using our buying power to select solutions that meet our sustainability criteria. For example, we have worked with our employee pension provider to make sure that our Default Fund (the default fund that employees' pension contributions go into) is now 98% ESG-aligned.
- Raise colleagues' awareness of environmental issues through training and communications, encouraging environmentally responsible behaviour.
- Expand our measurement approach in the future to include Scope 3 emissions.

CAF's operations in the UK qualify for the Energy Savings Opportunity Scheme (ESOS), which is a mandatory energy assessment scheme. Following compliance with our phase-three obligations, we are now finalising our phase-four measures. Further information about ESOS compliance is available via www.gov.uk.

CAF BANK

CAF Bank provides transactional banking services and lending to charities and social purpose organisations.

CAF Bank only lends money to charities and social purpose enterprises. Therefore, it does not provide any financing to companies whose operations involve fossil fuel extraction, processing or sale, and/or traditional petrol or diesel vehicle manufacturing. CAF Bank reviews its lending criteria and policies on a regular basis to ensure these standards are upheld.

Since 2003, CAF Bank has provided green loans, which are aligned to the Loan Market Association's Green Loan principles, to help charities finance environmentally beneficial projects.

Internally, CAF Bank recognises the risks and opportunities that environmental change and the transition to a lower carbon economy present to its organisation, as well as the charities and social purpose organisations it serves. In response, CAF Bank has developed a comprehensive environment and climate risk register and integrated the physical and transition risks associated with climate change into its Enterprise Risk Management Framework.

In addition, CAF Bank maintains a conservative portfolio of treasury investments that is governed by the Bank's internal Treasury Policy. This details what CAF Bank will and will not invest in, as well as the ESG considerations that apply when making investment decisions. CAF Bank's treasury portfolio is subject to quarterly screening through the publicly available Sustainalytics ESG risk-rating tool.



SUPPORTING DONORS AND CHARITIES' SUSTAINABLE AMBITIONS

Where we can, CAF aims to assist social purpose organisations and donors to achieve their sustainability goals through our products and services.

This includes facilitating greater and more impactful gifts, as well long-term giving programmes, for corporates, individuals and families committed to promoting environmental causes.

CFSL also offers a range of funds that incorporate ESG outcomes alongside a focus on financial returns.

Our Venturesome Impact Fund provides flexible and affordable repayable finance to charities, social enterprises and community groups all over the UK, working to deliver a fairer, more sustainable future.

FINANCIAL REVIEW

The challenges charities continue to face are significant.

While many charities are working to rebuild their finances after the Covid-19 pandemic and the cost-of-living crisis, they are now faced with continued economic volatility and geopolitical uncertainty. Many are operating within a landscape shaped by inflationary pressures, rising service demand and reductions in public funding. At the same time, our research indicates long-term declines in individual giving and volunteering, particularly among younger generations, which further strains resources.



Despite the challenging economic and financial conditions for charitable giving in the UK and around the world, 2024/25 has been a record year with donations of £1.2 billion paid by CAF to charities around the globe. This is thanks to the generosity of the donors we work with and comes at a time when philanthropy and charitable giving have never been more needed.

We have continued to maintain good control of our costs, with the stability of CAF's position helped by income from interest earned as rates have remained higher for longer than anticipated. Growth in income has again been notable in CAF America, particularly from third-party giving platforms. This has allowed us to achieve greater impact working with our donors and partners, and at the same time invest in the future of our organisation.

CAF's accounts are consolidated and, therefore, include the income, costs and balance sheets of its subsidiaries in the US, Canada and the UK. The principal subsidiaries are CAF Bank, CAF America and the CAF American Donor Fund. The primary sources of unrestricted income arise from operating donor advised funds, together with income earned from financial assets and interest on loans. Restricted income consists predominantly of donations to donor advised funds in CAF (the Charity), CAF America and CAF American Donor Fund, and from legacies. The group balance sheet consists primarily of the unrestricted and restricted charitable funds of the Charity and of its subsidiaries, together with donor client balances where the Charity is acting as agent as well as CAF Bank depositor balances.



RESTRICTED FUNDS AND DONOR CLIENT BALANCES

Donations received by the group and subsequently paid to charities represent the principal movements in our restricted and donor client balances. The restricted funds principally relate to donor advised funds operated in the UK and North America. CAF America also receives donations from third-party giving platforms. Donor client balances consist of donations received by CAF and subsequently paid to other charities through CAF Give As You Earn and CAF Donate.

We have illustrated earlier in this report how the value of funds we have sent to charities around the world has exceeded £1.20 billion (2024: £1.13 billion). The continuing generosity of donors using our services in the UK, US and Canada enabled this level of support, with donations received exceeding £1.34 billion (2024: £1.15 billion).

At 30 April 2025, restricted funds held in respect of our donor advised funds, offering flexibility for donors to suggest onward donations at a later date and to maintain philanthropic capital, increased to £1.99 billion (2024: £1.85 billion). Restricted funds benefited from the high level of receipts, particularly in the US and from the addition of investment income of £24.5 million (2024: £23.8 million). Despite the increased market volatility in the latter months of 2024/25, our financial investments benefited from gains of £16.4 million (2024: gains of £73.5 million) contributing to their aggregate market value rising to £1.04 billion at 30 April 2025 (2024: £979.6 million), and total assets growing from £1.87 billion to £2.00 billion.

Our donor client balances, which reflect donations in the course of processing for CAF Give As You Earn and CAF Donate, stood at £3.9 million (2024: £6.2 million).

Restricted funds and donor client balances	Income from donations, legacies, grants & investments		Donations payable to charities	
	2024/25 £m	2023/24 £m	2024/25 £m	2023/24 £m
Restricted funds per Group Statement of Financial Activities (SOFA)	1,277	1,089	1,134	1,065
Donor client balances (note 21 to the Financial Statements)	108	107	70	68
less: CAF Give As You Earn receipts transferred to restricted funds and included in the Group SOFA	(42)	(41)	(1)	(1)
Net donor client balances	66	66	69	67
Total	**1,343**	**1,155**	**1,203**	**1,132**

CAF BANK LENDING

Although the economic environment remains challenging, committed loans and advances to customers continued to grow in 2024/25, rising from £255 million as at 30 April 2024 to £283 million as at 30 April 2025. Within this total, loans to charities and social housing organisations increased by £41.5 million, following continuing demand from registered housing associations in particular. Social housing associations represent 69% of our drawn lending book by value (2024: 62%).

We maintain a pipeline of lending opportunities: as at 30 April 2025, CAF Bank had £26.5 million of loans approved pending final agreement and commitment (2024: £32.2 million).

Given the inflationary environment and ongoing cost-of-living pressures, CAF Bank has continued to monitor and analyse both the collective and specific loan provisions. The quality of the loan book remains strong. As at 30 April 2025, the collective provision is determined as £1.2 million (2024: £1.8 million). The cost of living and the inflationary environment have impacted charities directly and through their donor base. This has resulted in specific provisions of £1.0 million at 30 April 2025 (2024: £0.6 million).

CAF BANK LIQUIDITY, INVESTMENT PORTFOLIO AND CAPITAL

CAF Bank's liquidity position remains strong. As at 30 April 2025, 42.4% of deposits were held in unencumbered cash, almost all deposited with the Bank of England. In addition, CAF Bank holds a long-term investment portfolio that consists of high-quality bonds, primarily AAA-rated, equating (unencumbered) to a further 47.1% of deposits. This portfolio is held to maturity and is measured at amortised cost.

Historical rises in bond market interest rates following the Covid-19 pandemic resulted in an unrealised mark-to-market loss on the investment portfolio. Given that bond positions are held to maturity, this mark-to-market loss remains hypothetical and would only be realised if CAF Bank sold the bonds. At 30 April 2025, the unrealised mark-to-market loss was £7.5 million, down by £15.9 million from £23.4 million at 30 April 2024.

In August 2023, CAF Bank issued £15 million of subordinated debt to CAF. Given continued positive financial performance, in April 2024, CAF Bank repaid £10 million of the subordinated debt, and the remaining £5 million is expected to be repaid to CAF in the 2025/26 financial year.

UNRESTRICTED FUNDS

At 30 April 2025, group unrestricted funds stood at £115.2 million (2024: £98.5 million), an increase of £16.7 million (2024: £14.4 million).

Total income increased to £113.2 million (2024: £106.1 million). The Bank of England base rate started the year at 5.25%, falling to 4.50% by the end of the financial year but revenue has remained reasonably consistent with last year. CAF Bank's net interest income for 2024/25 was £45.5 million (2024: £44.8 million). Investment income, including interest receivable, grew marginally to £30.0 million (2024: £29.3 million).

For many years, CAF and the group were impacted by low interest rates. Although now falling away from their peak of 5.25%, rates have remained higher for longer than anticipated. This has afforded us additional income enabling us to mitigate the effects of inflationary increases on our costs and to pursue, with greater confidence, our plans to make sure our operations in the UK and North America are in good shape for the future.

In addition to the costs of the further scaling up of activity and the impact of inflation, total expenditure of £94.0 million (2024: £91.4 million) also includes costs for the initial steps of our One CAF Strategic Plan. This is in addition to costs associated with CAF Bank's digital modernisation programme delivering CAF Bank's biggest-ever transformation in June 2025.

Transfers from restricted funds during the year were £2.3 million (2024: £3.2 million). These include transfers from funds for which the original donor or legator had not provided, including upon their death, or has ceased to provide suggestions for the onward distribution of funds. These and other funds transferred from restricted funds are applied for the general charitable purposes of CAF.

In June 2024, CAF injected a contribution of £0.8m into its defined benefit pension scheme. The scheme was established in 2015 solely to receive a transfer from a multi-employer plan of which CAF had been a participating employer and it has been closed to new employees and further benefit accrual from its establishment. After receiving the necessary advice and following receipt of a quote that was considered affordable, the trustee of the scheme entered into a buy-in policy with an insurer in June 2024. The policy covers all remaining uninsured liabilities of the scheme. This transaction was facilitated by the contribution paid to the scheme by CAF.

The charity recorded a net movement in unrestricted funds of £4.5 million, increasing from £66.1m as at 30 April 2024 to £70.6m at the balance sheet date, after recognising £4.6 million (2024: £0.6 million) of legacy income. These funds will support CAF's future growth and transformation plans.

RESERVES AND CAPITAL POLICY

CAF's policy is to maintain across the group, but not exceed, an appropriate level of reserves and capital to support the activities of the group, considering the risks to which the group is exposed, existing and projected future levels of income and expenditure, and the capital requirements of its regulated subsidiaries.

CAF's reserves comprise unrestricted funds. The policy and determination of the required level of reserves are set in accordance with Charity Commission guidelines and are reviewed at least annually by Trustees.

In considering its Reserves and Capital Policy, CAF also includes debt capital, which is amortised over a 10-year period prior to redemption or refinancing. Debt so regarded as capital is capped at 15% of CAF's unrestricted funds.

In determining the appropriate level of reserves and capital, Trustees consider the risks inherent in our financially based activities, including credit risk, liquidity risk and interest rate risk, along with other risks to which CAF and the group are exposed. They also consider future capital requirements and changes in our operating environment, including regulatory changes, which may also impact the level of retained reserves or the levels of reserves we are required to maintain in the future.

Our objective is to remain strong, maintain good control of our costs and take mitigating action where it is possible, so we can offer the maximum support to the charities and donors we serve. We, therefore, continue to take a prudent approach to the levels of capital and reserves maintained.

Although the recent higher interest rates have been beneficial for the group because of the significant level of liquid assets held, the Trustees are mindful of factors that may negatively affect the group in the future. In the current context of the UK economy, a further rapid significant decline in short-term interest rates is not currently anticipated. However, if it were to arise, it would have a negative impact on the group in the medium- to longer-term once deposit rates, which have already been locked in for shorter periods, have matured.

Past economic crises experienced since 2008, however, provide evidence that individual donors who chose to give via CAF and the group are resilient and giving remains broadly protected from economic changes. Therefore, the Trustees and respective boards and committees of CAF and its subsidiaries continue to closely monitor these matters and to work with their respective Executive Committees to identify actions to mitigate the impact should such pressures arise.

Group and charity unrestricted funds, which represent our reserves, stood at £115.2 million (2024: £98.5 million) and £70.6 million (2024: £66.1 million) respectively. This level of reserves at 30 April 2025 is considered to be sufficient to support the ongoing activities and development of the group and the charity.

CAF INVESTMENT POLICIES AND PERFORMANCE

Overview and governance

CAF adopts investment policies appropriate to the nature of the funds for which the investments are held. The policies set out CAF's risk appetite for investments including liquidity, credit, large exposures, concentration and interest rate risks. Investment policies are approved by CAF's Trustees and the boards of its subsidiaries. They are monitored by the Investment and Finance Committee (IFC).

Policies

CAF UNRESTRICTED FUNDS

Other than investments in CAF's subsidiaries, the Charity's unrestricted funds are primarily invested in cash deposits. CAF assesses its liquidity reserves requirements and places deposits with a range of counterparties within credit, liquidity, interest rate and large exposure risk appetites. CAF may also invest unrestricted funds in gilts, supranational and investment grade bonds. CAF's policy is to hold investments to maturity.

CAF CHARITABLE TRUSTS RESTRICTED FUNDS

The Investment Policy allows CAF Trust funds to be invested to meet the longer-term donor-advised philanthropic objectives. The investment risk appetite is appropriate for the charitable purposes of the funds. This portfolio consists of investments often held over the longer term, comprising UK and global investment funds, equities, bonds and cash deposits. CAF Trust investments are held and managed directly by CAF or managed by third-party investment managers taking into account donor suggestions aligned with their philanthropic objectives.

OTHER CAF RESTRICTED FUNDS

Other restricted funds principally comprise balances held by CAF pending onward donation to other charities. CAF assesses liquidity requirements to ensure funds are available to meet donations and grants requested by donors, and invests funds with a range of counterparties within approved credit, liquidity, interest rate and large exposure risk appetites. CAF invests restricted funds in gilts, supranational and investment grade bonds, and cash deposits / certificates of deposit. CAF's policy is to hold investments of other restricted funds to maturity.

Measurement and performance

Performance of investments held for unrestricted and restricted funds is reported to the CAF Executive and the IFC at least three times a year. Performance is compared to benchmarks for individual funds where these have been agreed. Key Risk Indicators monitor the position of portfolios against agreed risk appetites.

Subsidiaries

Investment policies of subsidiaries are determined and managed by their respective boards, taking into consideration regulatory and other requirements.

The measurement and performance of investments by these subsidiaries are set out in their respective Annual Report and Accounts.

GOING CONCERN

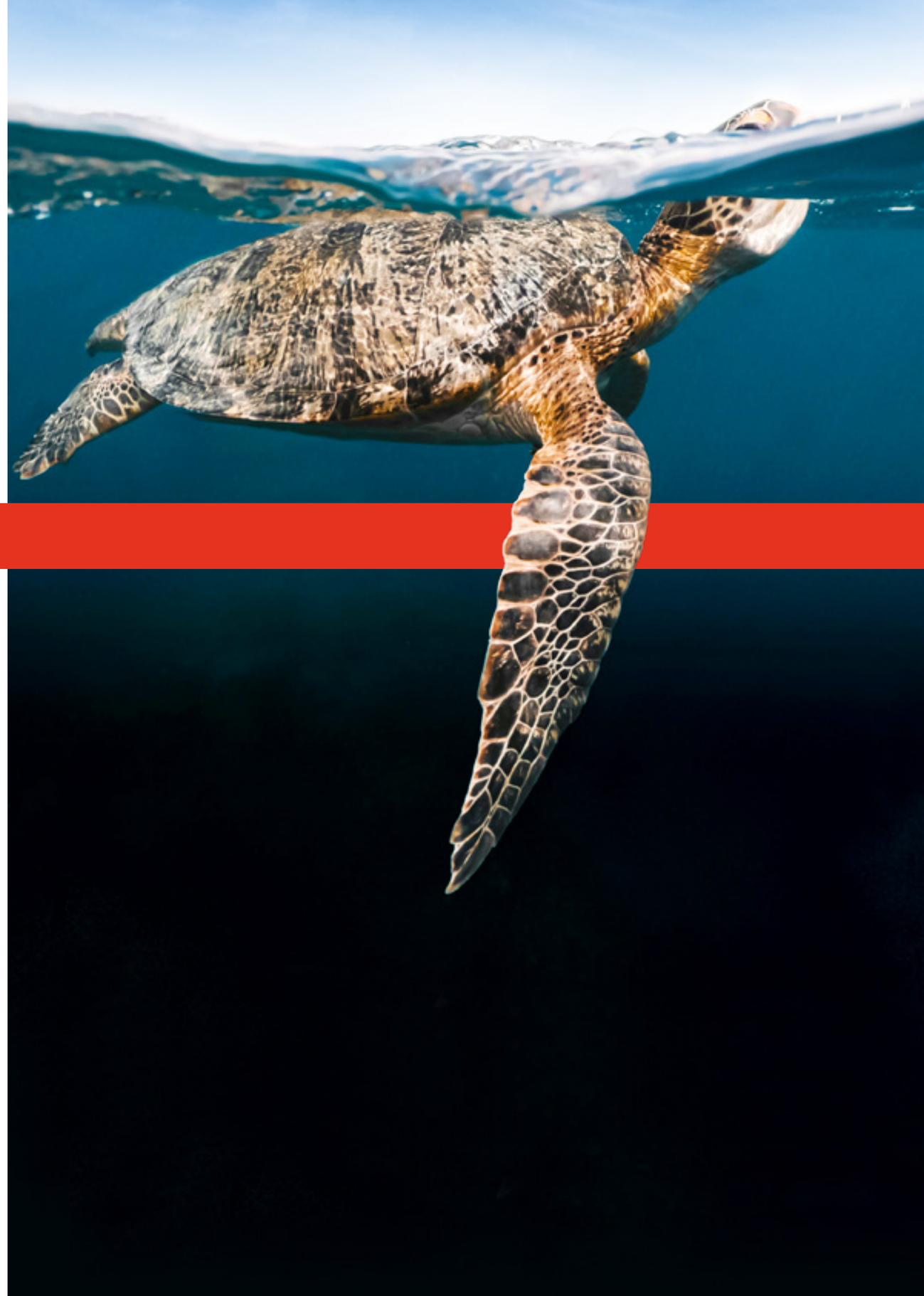
In order to assess the appropriateness of the going concern assumption basis, the Trustees have considered the group's and the charity's financial position, liquidity, unrestricted reserves and forecasts for the foreseeable future, taking into account the principal risks to which the group and the charity are exposed, and the ongoing cost-of-living crisis and geopolitical uncertainties.

The Trustees and boards of CAF subsidiaries have considered the impact of severe but plausible stress scenarios on each group entity and the effectiveness of management actions that might be taken to mitigate the impact of these stresses. Trustees and boards of subsidiaries have also considered the circumstances under which operations of each group entity would be unable to continue.

Accordingly, and after making appropriate enquiries, the Trustees have a reasonable expectation that the group and the charity will be able to continue in operation and meet their liabilities as they fall due for at least 12 months from the date of signing this report. For this reason, they continue to adopt the going concern basis in preparing the financial statements.



STRUCTURE, GOVERNANCE AND MANAGEMENT



The Charities Aid Foundation is a registered charity (number 268369) and is governed by a Declaration of Trust dated 2 October 1974 (as amended from time to time). Details of CAF's Board of Trustees and Executive are listed on page 161 of this Annual Report.

9.

CAF Trustees

The Board of Trustees is the body responsible for the management of CAF and is required to consist of:

- No fewer than eight Trustees appointed by resolution of the Trustees.
- The Chair of NCVO.

The Board meets at least four times a year. All Trustees are non-executive and none of them receive remuneration from CAF. Trustees are appointed to hold office for a term of three years. Except for the Chair of NCVO, no Trustee may hold office for more than three consecutive terms.

All newly appointed Trustees are required to undertake an induction programme delivered by General Counsel and Secretary to the Trustees and the Chief People Officer. The induction is in two parts and delivered across two dedicated sessions. The first of these focuses on governance, the role of the Trustee and their responsibilities. The second focuses on the organisation, how it is designed, the business plan, key themes and performance measures.

A Board effectiveness framework is designed around a three-year programme broken down into the themes of key knowledge on the duties related to governance in year one, the assessment of Board skills, knowledge and experience in year two and a formal external review and validation in year three. The Trustees delegate management responsibilities to the Chief Executive, as well as delegate certain functions to the committees described in chapter nine. Each sub-committee has specific terms of reference and a chair appointed by the Trustees. The Trustees may strengthen the committees by co-opting experts in the relevant field where appropriate. This delegation is overseen and monitored by the Trustees by requiring regular reporting from the Chief Executive and the subcommittees to the Board of Trustees.

Board of Trustees

Meeting attendance: 1 May 2024 to 30 April 2025	Meetings attended	Maximum
Sir James Leigh-Pemberton (Chair)	5	5
Sir Ernest Ryder (Vice Chair and Chair, Nominations Remuneration and Culture Committee)	4	5
Dr Priya Singh (Chair, NCVO)	2	4
Meredith Niles (Chair, CADF)	5	5
Michael Ashley (Chair Audit, Risk and Compliance Committee)	4	5
Sabine Everaet	3	5
Owen Pringle	4	5
Robert Vogtle (Non-Executive Director, CAF Bank) (Chair, Investment and Finance Committee (Appointed as Chair January 2025)	5	5
David Shalders	4	5
Sir Edward Braham (Chair-Elect) (Appointed February 2025)	1	2
Janet Pope (Chair, CAF Bank) (Resigned as a Trustee September 2024)	1	1
Cyrus Ardalan (Chair, Investment, Finance and Impact Committee / now Investment and Finance Committee, and Chair, CFSL) (Retired as a Trustee November 2024)	2	2
Robert Dench (Resigned as Trustee February 2025)	1	2

Trustee Biographies

SIR JAMES LEIGH-PEMBERTON CVO
Chair

Sir James is Chair of the Council of the Duchy of Lancaster. Previously, Sir James was Non-Executive Chair of RIT Capital Partners and Chief Executive Officer of Credit Suisse in the UK and held several senior roles within the organisation. Prior to joining Credit Suisse, he was a Director of S.G. Warburg. He is currently Trustee of The Duke of Lancaster's Foundation and The Alnwick Garden Trust.

RT HON SIR ERNEST RYDER
TD, PC, DL, Vice Chair, and Chair, Nomination, Remuneration and Culture Committee

Sir Ernest became Master of Pembroke College, Oxford, in 2020. He was previously Senior President of Tribunals and Lord Justice of Appeal for the UK. Sir Ernest is a Deputy Lieutenant and was formerly Deputy Chair and Trustee of the Nuffield Foundation and Chair of the Administrative Justice Council.

DR PRIYA SINGH

Priya is Chair of the National Council for Voluntary Organisations (NCVO). Priya has a background in general practice, specialising in medical law, ethics and patient safety. Following an executive career with a leading international mutual indemnity organisation for healthcare professionals and organisations, she is Chair of NHS Frimley Integrated Care Board, Chair of Buckinghamshire, Oxfordshire and West Berkshire ICB, and Executive Director of the Society for Assistance of Medical Families.

MEREDITH NILES
Chair, CADF

Meredith worked for Goldman Sachs in New York, Frankfurt and London before becoming Investment Director at the Impetus Trust. Meredith later moved to Marie Curie, where she established a fundraising innovation department and was Executive Director of Fundraising and Engagement until 2021. She is currently Deputy Chair of Plan International UK and serves as a Trustee of Trust for London and The Clothworkers Foundation and as a member of the University of North Carolina's Board of Visitors. She recently co-edited a book, Change for Better, about harnessing insights from behaviour economics to foster greater giving.

MICHAEL ASHLEY,
Chair, Audit Risk and Compliance Committee

Mike has held non-executive roles spanning the private, public and third sectors. Until 2023, he chaired the Audit Committee of Barclays PLC and, until December 2024, he chaired the Audit and Risk Committee of the Cabinet Office. His current roles include being a Trustee and Treasurer at The Scout Association and Trustee at StepChange. Mike is also a member of the UK Endorsement Board. Formerly, he was a member of the Charity Commission Board and International Ethics Standards Board for Accountants and Chair of the Government Internal Audit Agency.

SABINE EVERAET

Sabine is an Independent Non-Executive Director for ING Belgium and Datatec. She is an Industry Partner and member of the Investment Committee at ORAXYS, a private equity firm specialising in financing growth capital and buy-out activities for companies that develop and market environmentally friendly products or services. Sabine serves as Board Chair on one of the portfolio companies. Prior to this, she spent 26 years at The Coca-Cola Company, where she held various IT and digital roles, most recently as Chief Information Officer for Europe, Middle East and Africa.

OWEN PRINGLE

Owen is a partner of Leaders' Quest, a leadership consultancy that helps organisations to bring strategy, culture and purpose into alignment. Previously, Owen has undertaken senior digital roles at ITN, Sky and Amnesty International, where he was the Global Director of Digital. More recently, he was Chief of Staff to the Secretary General of ActionAid International.

A passionate advocate of diversity, equity and inclusion, Owen is a strategic adviser to Precious, the digital network for women of colour, and was recognised by the Financial Times in their inaugural list of the 100 most influential BAME leaders in technology.

ROBERT VOGTLE
Chair, Investment and Finance Committee

Rob is a Non-Executive Director and Chair of the Risk and Audit committee of DB UK Bank and a member of the Institute of Chartered Accountants of Ontario, Canada. Rob worked for international banks: Citibank, Bankers Trust and Deutsche Bank (DB), most recently responsible for the DB CFO Division across the UK, EMEA and Asia Pacific countries. Rob was a founding Director of AkarakA Foundation, an international education charity registered in Singapore. Rob is currently Trustee of Community Wholecare Centres, focused on supporting individuals and communities to live a longer healthy life.

DAVID SHALDERS

David is Group Chief Operating Officer at Howden Group Services, HGH Finance Limited and Howden Group Holdings Limited. He was Chief Operating Officer at the London Stock Exchange Group and Group Operations and Technology Director at Willis Towers Watson, having led the integration of Willis and Towers Watson. David spent 19 years at The Royal Bank of Scotland in senior operations and technology roles, including COO, Global Banking & Markets, and Group Head of Integration for the ABN Amro acquisition. He previously held roles at UBS, JP Morgan and Accenture.

SIR EDWARD BRAHAM,
Incoming Chair, CAF Trustees

Sir Edward will succeed Sir James Leigh-Pemberton as Chair of CAF from July 2025. Edward has been Chair of M&G plc since March 2022 and was previously the Senior Partner of Freshfields Bruckhaus Deringer LLP, the global law firm. Edward was a leading international M&A lawyer, with experience in many industries including financial services. His other appointments include Chair of The Lord Mayor's Appeal Board of Trustees, Chair of the Next Generation Leadership Council, The City UK, a Commissioner for Modern Slavery and Human Trafficking and being a non-executive member of the Board of HM Treasury.

NOMINATIONS, REMUNERATION AND CULTURE COMMITTEE

The Nominations, Remuneration and Culture Committee advises the Trustees on the appointment of CAF's Trustees and of the co-opted members and advisers to the Boards and committees of the CAF group. The committee also makes recommendations regarding the remuneration of members of the Executive Committee of CAF (who form the key management personnel of the group) and other senior members of staff and reviews and agrees the basis for the general pay award to employees. Remuneration and salaries are assessed and reviewed against market rates using third-party data. The committee also reviews the general terms and conditions of employment of our people, including the provision of pension arrangements and the arrangements by which employees may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. The committee meets at least three times a year.

INVESTMENT AND FINANCE COMMITTEE

The IFC is chaired by a Trustee. The purpose of the committee is to provide oversight on strategic investments, and the financial performance of CAF. The committee meets with Senior Management at least four times a year and takes into account our strategic plans, operational activities and guidelines from the Charity Commission for England and Wales (the Charity Commission).

AUDIT, RISK AND COMPLIANCE COMMITTEE

The Audit, Risk and Compliance Committee consists of Trustees and co-opted members with relevant expertise. The committee meets with Senior Management and external and internal auditors at least four times a year. The committee's purpose is to review and make recommendations on the following on behalf of the Trustees:

- Internal control and risk management systems.
- Effectiveness of internal audit.
- CAF's relationship with its external auditors.
- Procedures for compliance with anti-money laundering legislation and CAF's other regulatory obligations.
- Annual report and accounts.

STRATEGY DELIVERY COMMITTEE

The Strategy Delivery Committee (SDC) is a temporary Committee of the Board of Trustees of the Charities Aid Foundation ("Board"), constituted as a committee of the Board on 25 July 2024. It supports the Board in the oversight of the Together Building Opportunity Strategy mid-point refresh. The Committee is not anticipated to be a permanent part of governance and will be dissolved, in agreement with the Board.

THE CHARITIES AID FOUNDATION

The Charities Aid Foundation group consists of CAF in the UK, CAF America, Southampton Row Trust Limited (the CAF American Donor Fund) and CAF Canada.

In addition, to deliver its mission and to comply with the regulatory requirements for the provision of banking and investment solutions to charities, CAF in the UK has created and holds social investments in a number of wholly owned subsidiaries, the largest of which is CAF Bank.

These investments further CAF's charitable mission, as well as providing a financial return. CAF's Board of Trustees receives regular updates from the Boards of each entity that is a member of the CAF group. Full details of the CAF group are set out in note 2 to the financial statements.

The CAF International Network is a global collaboration of trusted partners made up of fully independent, robust organisations that share CAF's mission to accelerate progress towards a fair and sustainable future for all. Each network partner is an expert in their region, giving CAF a unique philanthropic global reach. Our partners provide local knowledge and thought leadership when it comes to donating into their countries and work with us to seek new ways to grow cross-border giving.

This Network currently includes organisations in Argentina, Australia, Brazil, Bulgaria, Ghana, India, Indonesia, Kenya, Mexico, Pakistan, South Africa and Turkey, in addition to our CAF operations in the UK, US and Canada.

PUBLIC BENEFIT AND SOCIETY

CAF's purpose (as set out in the 1974 Declaration of Trust) is to hold and distribute funds, "For the benefit of such charitable institutions or such charitable purposes wheresoever in the world the same shall be established or carried on as the Trustees shall think fit". The work we do to accelerate progress in society towards a fair and sustainable future for all is illustrated throughout this report.

CAF contributes to public benefit by working with donors to realise giving with greater impact, thus enabling charities to do more of their life-changing work across borders, and to inspire innovation so civil society thrives.

In the UK, CAF Bank and CFSL help charities to manage their finances and funds so they can continue to support causes and communities that matter to them.

STAKEHOLDER ENGAGEMENT

We recognise and promote the importance of strong relationships with our stakeholders across all our activities, and we are committed to productive, long-term relationships. Throughout this report, we have described how we engage with donors, charities, government and colleagues in the sector, and our employees. Within this section, we include examples of our engagement with two other stakeholder groups.

SUPPLIERS

We recognise that our suppliers are crucial to our success and we understand the importance of maintaining strong lines of communication. Many perform critical outsourced services and are subject to regular formal review. We engage with suppliers regularly throughout the year and feedback is continually communicated and monitored.

REGULATORS

It is within our culture of fairness and transparency to promote high standards of conduct within CAF and with all external parties. In particular, in our role, holding donor funds and customer deposits, their safekeeping and adherence to all relevant aspects of regulation is key to us.

We maintain close awareness of this through engagement with regulators. This engagement is supported by interactions with industry bodies, specialist advisers, regulatory seminars, online forums and round-table events. This has allowed us to remain informed on increasing regulatory requirements and to ensure we operate to the standard required.

CONFLICTS OF INTEREST AND INDEPENDENCE

CAF takes conflicts of interest seriously and has robust policies in place to address them. The purpose is to identify, record, prevent and manage conflicts of interest. It ensures that CAF Trustees and employees avoid situations where their interests conflict with those of CAF or its customers, whether financial or non-financial.

Any conflicts of interest are declared at the beginning of each Trustee, committee, or subsidiary board meeting. There is an annual renewal of policies, and a review is undertaken by Trustees and the Executive to ensure the registers are kept up to date. The Compliance team and the General Council and Executive Director of Governance review and monitor all declarations so that they can be appropriately managed.

In addition to conflicts of interest, CAF also maintains a Gifts and Hospitality Standard and Register. This ensures that any gifts received or offered are transparently recorded, and employees are vigilant about avoiding any influence on business decisions. CAF maintains independence while complying with relevant regulations.

FUNDRAISING

There have been no UK fundraising activities undertaken in the current or preceding year. Charities can use our platform, CAF Donate, to raise funds online and process their donations. Our resource hub also offers guidance to the charity sector on fundraising strategies.

CHARITY GOVERNANCE CODE

In alignment with the Charity Governance Code for large charities, CAF conducted an internal gap analysis in 2020, implementing key recommendations. These included appointing a Vice Chair and introducing a formalised periodic review of the Board's performance. Both measures have been successfully implemented. In 2023, and in line with the agreed board effectiveness assessment cycle, the Nominations, Remuneration and Culture Committee led CAF's internal board skills and experience assessment, complemented by an external board effectiveness evaluation completed between December 2023 and March this year. This practice aligns with the Code's recommendation that large charities assess their board's performance annually and undergo external evaluations every three years.

The internal review, conducted against the Code's principles of integrity, equality, diversity and inclusion, was finalised in 2023. The Board believes that CAF's governance aligns well with the Code. Particular attention remains on areas highlighted by the review. Notably, the Board has strengthened the induction process for new Trustees, enhancing onboarding documents and initial meetings. Additionally, efforts continue to improve Trustee annual reviews and skills audits, ensuring optimal use of Trustee skill sets and informed decisions on diverse Trustee appointments. The Nominations, Remuneration and Culture Committee will be conducting a further 'one year on' review in 2025 to track and monitor progress of the actions from the findings of last year's board effectiveness assessment In accordance with the Code, the Board will maintain annual internal effectiveness reviews, including evaluating the Chief Executive's performance. The next external review is scheduled for 2027, reinforcing CAF's commitment to high standards of governance.

NOMINEE AND CUSTODIANS

The title of property belonging to the charity and its subsidiaries is held as custodian by a range of regulated custodians or by CAF Nominees Limited as nominee for CAF. The directors of CAF Nominees Limited are the Trustees of CAF together with the Group Chief Executive Officer and Group Chief Financial Officer. CAF Nominees Limited holds no assets or liabilities of its own and acts solely as a nominee for CAF, holding the legal title but not the beneficial interest of certain property owned by CAF. The primary custodians responsible for holding investments are Winterflood Securities Limited and HSBC Bank plc.

RISK MANAGEMENT

Risk is overseen by CAF Trustees, CAF Bank Non-Executive Directors, Executive Boards and Senior Management, supported by a dynamic and developing culture of awareness, understanding and practical application of risk management by all employees, wherever they are located in the world.

Risk Management Framework

The group operates risk management frameworks that provide oversight and accountability for managing risk across all risk types and at all levels of the group. The frameworks support prudent risk management and decision making, aligned to our objectives and are designed to ensure risk is managed within clearly defined parameters. The control environment aligns to the risk management frameworks and includes a related set of policies, standards, procedures and controls that supports responsible decision making, within the risk appetite of the group, as approved by the Trustees and supported through Executive Boards. These include the CAF Group Executive Committee, CAF Bank Board, CAF America Board, CAF Canada Board, CAF American Donor Fund (CADF) Board and CAF Financial Solutions Limited (CFSL) Board.

Our Trustee and Subsidiary Boards have dedicated supporting risk committees, including the CAF Audit, Risk and Compliance Committee, CAF Bank Executive Risk Committee, the CAF America Finance, Audit and Risk Committee and CFSL Executive Risk Committee. CAF has recently established the Foundation Executive Risk Committee to support risk governance and oversight for the charity activities in the UK, US and Canada. The committee is aligned to the principal risks set out in the Foundation Risk Management Framework which, in turn, are aligned to Charity Commission risk guidance, with Executive sponsorship of each principal risk.

The risk management frameworks operate using a three lines of defence model, separating risk ownership from risk oversight and assurance, with governance provided by formal committees. Further information on the CAF Bank Risk Management Framework can be found in the CAF Bank annual report and is aligned with Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA) requirements.

Developments in the charity sector have seen increased media, public and regulator interest in the operation of charities. The Trustees and Senior Management remain focused on those risks that could adversely affect our reputation and on ensuring that all activities are carried out in a respectful, open and appropriate manner.

PRINCIPAL RISKS AND THEIR MITIGATION

NON-FINANCIAL RISKS

- Strategy and mission
- Governance
- Legal and regulatory compliance
- Operational
- Economic crime
- External including environmental and reputational

FINANCIAL RISKS

- Capital
- Credit
- Liquidity and funding
- Market and interest rate

NON-FINANCIAL RISKS

Risk	Mitigation
Strategy and mission	**Strategy and mission**
CAF's objective is to deliver on its Together Building Opportunity Strategy for the future, as supported by the One CAF 2025-2028 Strategic Plan, while ensuring CAF fulfils its obligation and great potential to grow the group's impact sustainably, manage costs and provide a positive customer experience. Contained within this sub-section are the main risks to this objective. Strategic risks are those associated with CAF's ability to deliver its strategic plan and key strategic investments and can include decisions taken concerning the group's ability to meet those objectives. This can include decisions taken in relation to developing products and services, changes in the technological environment and availability of resources and sources of finance to support strategic growth. Our strategy and mission risk recognises the impact of risks that are detailed in other risk areas, for example, changes in our operating environment and external challenges, such as a reduction in UK	CAF has embarked on a three-yearly cycle of strategic planning, with the current period covering 2025 to 2028 (as per the One CAF Strategic Plan). This process brings together — in one place — strategies and plans for different parts of the group to support successful implementation. Our strategic planning includes the modelling of a range of potential future scenarios in respect of changes in the group's operating environment. Through this, we identify opportunities to further our strategic goals or for the mitigation of any negative impact arising from changes in the operating environment and the external environment more generally. We have identified the proactive steps needed to not only retain but also expand our market share within the current three-year plan. We plan to improve the efficiency of our platform through digitisation, modernisation of our operations and creating economies of scale across the UK and North America.

NON-FINANCIAL RISKS

Risk	Mitigation
Strategy and mission (continued)	**Strategy and mission**
charitable giving more generally. We recognise the growth in competition, with more digitally enabled, self-service solutions and we have identified the steps needed to retain and increase our market share.	A detailed approach is taken to budget-setting and the development of financial plans, and these are reviewed and approved by the Trustees and the relevant Boards. Regular detailed financial monitoring is carried out and actions are taken to mitigate against any budget pressures, including effective cost management measures. Our planning processes include the comparison of projected reserves against the level of reserves required to support our ongoing operations and planned strategic growth. We continue to assess and monitor risks associated with evolving legislation as it impacts charitable work.
Governance	**Governance**
Governance risk is the risk that CAF has inappropriate governance arrangements in place (including lack of direction, strategy and forward planning) and/or that Trustees and other Senior Management lack the relevant skills or commitment. It includes ensuring committees receive accurate, timely and relevant information.	CAF Trustees, CAF Bank Non-Executive Directors, Executive Boards and other Senior Management are made up of accomplished leaders drawn from financial services, the third sector, the civil service, higher education and multi-national corporations. Their expert scrutiny and strategic direction inform everything we do, including ensuring our compliance and reporting protocols are fit for purpose and that our people feel empowered to raise any concerns about internal practice. They set robust, transparent governance that is upheld throughout the organisation. Our governance structures have been subject to a robust review. Our elected internal Employee Council constructively represents the views of our workforce, offering valuable support to fellow employees and insights to senior leadership. Workforce training is constantly reviewed to ensure everyone at CAF is keenly aware of their own responsibilities to the organisation, and to the donors and charities we engage with. CAF provides training and development opportunities to ensure everyone who chooses to work with us can grow their careers.

NON-FINANCIAL RISKS

Risk	Mitigation
	Governance (continued) We have a detailed Whistleblowing Policy to ensure employees at all levels of our organisation have both the information and the means to raise any concerns.
Legal and regulatory compliance CAF's objective is to work with all our regulators in an open and co-operative way and to deliver on our commitments. Legal and regulatory risk is defined as the risks associated with a failure to comply with relevant legal and regulatory requirements and can lead to loss of trust, reputational damage, regulatory censure, increased costs and financial penalties. The group aims to comply appropriately with all relevant legal and regulatory requirements and expectations, and monitors for regulatory change, to minimise these risks. CAF and CADF are regulated by the Charity Commission for England and Wales and are required to comply with relevant HM Revenue & Customs tax legislation. CAF and CADF are responsible for ensuring that the charitable funds they receive, administer and distribute are managed in compliance with charity law and the tax legislation relevant to charitable giving and expenditure. CAF is registered with, and supervised by, the FCA for anti-money laundering purposes. CAF Bank is authorised by the PRA and regulated by the FCA and PRA. CFSL is authorised and regulated by the FCA. CAF America is regulated by the US Internal Revenue Service and must also comply with state regulations for registered charities and data privacy protections. CAF Canada (a subsidiary of CAF America) is regulated by the Canada Revenue Agency and must comply with provincial regulations in the provinces where it is registered.	**Legal and regulatory compliance** Compliance commences at Board level for each group entity. The general tone and expectations are cascaded down through the Executive and Senior Management teams to all areas of operation and are subject to independent oversight. Regular reporting to our group Audit, Risk and Compliance Committee (ARCC), CAF Bank Audit Committee, CAF Bank Board Risk and Compliance Committee (BRCC) and CAF America Finance, Audit and Risk Committee (FARC) includes risks arising out of our charitable activity, operations, such as risk, compliance and economic-crime-related matters, and internal mitigating controls. The committees review and monitor the adequacy of internal controls and report to the Board of Trustees and their respective Boards on significant risks, any identified weaknesses in controls and progress of actions for addressing any such identified weaknesses. Data protection and information governance policies are in place and are reviewed to ensure our internal processes are robust and comply with relevant legislative, regulatory or contractual requirements, including the UK General Data Protection Regulation and Data Protection Act. Data-protection training is compulsory for all employees and is designed to ensure awareness of our duty to protect data and support implementation of our internal policies and procedures on data protection and information governance. The group is committed to ensuring that the appropriate resource is made available to adhere to regulatory requirements. CAF Bank maintain a close and open working relationship with both the FCA and the PRA to ensure they deliver on their regulatory

NON-FINANCIAL RISKS

Risk	Mitigation
Legal and regulatory compliance (continued) Where the CAF group makes cross-border donations to charities, the local regulations of the receiving country are considered.	**Legal and regulatory compliance (continued)** commitments. CAF Bank's Risk Management Framework is integral to ensuring it effectively identifies, manages and monitors its risks. CAF America, CAF Canada and CADF maintain protocols for making donations to charities that are regularly reviewed to ensure compliance with legal and regulatory requirements. The CAF America Finance Team is responsible for ensuring appropriate filings are completed with the US Internal Revenue Service, Canada Revenue Agency, and each state (US) or province (Canada) as necessary. For US tax purposes, CADF is treated as a disregarded entity and its activity is reported alongside CAF America. Quarterly compliance reports ensure that these regulatory filings are documented and submitted on time.
Operational Operational risk is the risk of loss to CAF that results from inadequate or failed internal processes, people and systems (including technology breaches), or from external events. CAF group members adhere to UK, US, EU and UN financial sanctions obligations, including those defined by the UK Government Office of Financial Sanctions Implementation (OFSI) and the Office of Foreign Assets Control (OFAC) of the US Department of the Treasury. CAF group entities in the UK (CAF, CAF Bank, CFSL and CADF) are each registered as Data Controllers with the Information Commissioner's Office (ICO).	**Operational** The group continues to evolve its systems and controls on a proactive basis, considering risk, appetite and tolerance, so that we effectively manage and mitigate the likelihood of failure associated with operational risks. Policies, procedures and controls are in place and are continually developed to govern our operational risks. Controls are reviewed for effectiveness on a regular basis. CAF Bank's operational resilience activities protect it against internal and external events that can disrupt service to its customers. In accordance with PRA, FCA and Bank of England rules, CAF Bank has established important business services, defined set impact tolerances for the maximum tolerable level of disruption and performed testing of its ability to remain within impact tolerances during a severe but plausible disruption.

NON-FINANCIAL RISKS

Risk	Mitigation
	Operational (continued)
	We continue to monitor the effectiveness of our cyber-related resilience arrangements, including to layer up security measures and to build capacity informed by our operating model and related activity. We regularly test and monitor controls to ensure they are operating effectively and undertake industry benchmarking to ensure our arrangements are fit for purpose.
	A key part of these controls is awareness throughout the organisation of how cyber-attacks occur and the defences we have in place to counteract these. All employees complete training that supports awareness of our duty to protect our systems and the data they hold. CAF America and CAF Canada IT systems are supported by an external managed service provider to ensure adequate protections are in place to address potential cyberattacks. CAF's cyber resilience and data protection arrangements are overseen by the CAF Information Security Committee (ISC) that has CAF Executive membership.
	Our people are the key to our success and we invest significantly in learning and development. We carry out surveys of our employees and we develop and implement action plans to address any learning. We provide a number of tools to support our employees focused on psychological, physical and financial wellbeing.
	We carry out comprehensive reviews of our resilience and business continuity arrangements and test and exercise our response plans. Our standard operating model includes hybrid working arrangements, which support our operational resilience and commitment in making CAF a great place to work.
	Operational risk presented by third-party suppliers is addressed by our procurement and supplier management processes that ensure a robust framework for engaging third parties, including a thorough risk assessment and regular service reviews.

NON-FINANCIAL RISKS

Risk	Mitigation
Economic Crime	**Economic Crime**
There is a risk of both CAF and its customers being a target of economic crime that may lead to reputational damage, financial loss and/or regulatory censure. Economic crime events include money laundering, terrorist financing, proliferation financing, fraud, bribery, corruption, tax evasion facilitation and sanctions breaches.	The CAF Economic Crime Policy sets out our requirements relating to the management and mitigation of economic-crime-related risks. The associated standards, guidance and procedures are designed to support CAF's adherence with the obligations and requirements, as applicable, determined by UK, US and Canadian legislation, regulations and industry best-practice guidelines for both the charity and financial services sectors. They also reflect our commitment and intent to deter, detect and disrupt financial crime.
	The group's systems and controls are designed to combat economic crime and group-wide transformation plans include an agenda for enhancing ongoing targeting of economic-crime-related risks, aligned with our legal, regulatory and social responsibilities.
External including environmental and reputational	**External including environmental and reputational**
External risks are the result of external factors, events or perceptions that impact CAF and include the risks associated with changes to government policy, or to other relevant legislation and regulation, on CAF's operations, finances or strategic direction. They include risks resulting from external environmental changes including those needed to achieve net zero	We use our expertise in philanthropy and charitable giving to amplify the charity sector's voice and needs, working with government, policy makers and egulators to bring about change.
There is a desire to develop and demonstrate good practice, in support for third sector decarbonisation and recognition that this begins by demonstrating practical action.	We monitor the external environment for early signs of potential change so that we can create robust and future-oriented strategies and, where necessary, increase operational preparedness and organisational agility.
CAF's brand and reputation are critical in our endeavours to attract and retain clients and stakeholders, in support of our mission. CAF's objective is to enhance our standing with stakeholders, underpinned by a consistent application of the rules that govern the use of our products, services and brand. We understand the importance of having clear and consistent positions on the issues facing the charitable sector, individual and corporate donors and the Government.	We are clear in our commitments to the environment and society and are making progress, but we also recognise we are at the beginning of our journey and there is more for us to do. We have recently added a climate change risk category into all risk management frameworks as a starting point to develop the more detailed risks associated with CAF's climate strategy.
	We take active steps to manage and protect our brand. This work includes the monitoring of social media sentiment, the tracking and reporting of media mentions and the analysis of customer feedback. We use our written policies and procedures to ensure

NON-FINANCIAL RISKS

Risk	Mitigation
External including environmental and reputational (continued) The risks to the group of reputational damage include a reduction in donations to serve the sector, as well as increased operating costs and loss of market position and influence. Reputational risk arises from (and is considered within) the other risks categories in this report.	**External including environmental and reputational (continued)** that customer feedback and complaints are managed in line with best practice and applicable regulation. CAF conducts risk-based due diligence on donors and charity recipients as part of our systems and controls to ensure effective management of economic-crime risks, including considering actual or potential reputational risks that may arise. We have recently formalised our Reputational Risk Framework to set out a systematic approach to identifying, assessing and mitigating reputational risk across CAF. We also maintain a Crisis Communications plan to address any negative reputational concerns. Our People team supports managers to understand and act upon risk outcomes in support of good employee relations. Through regular training and ongoing risk and compliance oversight, we ensure that our people are equipped to support outcomes to protect our reputation. CAF undertakes risk-based due diligence on our network of locally led independent organisations, including ensuring relevant agreements are in place in support of expected standards. We aim for each member of the network to maintain the highest standards of regulatory compliance in their own jurisdiction.

FINANCIAL RISKS

Through such products and services as CAF's Charity Account, Company Account, and Charitable Trust, and CAF's social investment programme of grants and loans in the UK and through Donor Advised Funds in the US and Canada, the group's activities include the receipt, investment and onward distribution of charitable funds. Activities also include banking services, such as deposit taking and lending provided by CAF Bank. Consequently, the group has a corresponding exposure to the associated financial risks, which can be impacted by external factors, such as inflation and geopolitical uncertainties.

Details of the financial instruments held by CAF Bank are set out in note 35 to the financial statements, together with descriptions of the management of each category of financial risk.

Risk	Mitigation
Capital Risk CAF defines capital risk as the risk that the group (or its entities) does not have the amount and/or quality of reserves or capital needed to meet the requirement of the relevant Reserves and Capital Policy or the minimum regulatory requirements, or to support planned strategic growth.	**Capital Risk** Relevant policies are reviewed and approved by the appropriate CAF Committee. Required levels are supported by maintaining capital in line with policy. Our planning processes include a comparison of projected capital and reserves against the minimum level required to support our operations and planned growth and include assessing the impact of a range of stresses on our reserves and capital position. For CAF Bank, capital risk is measured, monitored and reported daily against limits approved by the CAF Bank Board within CAF Bank's Capital Policy and monitored at CAF Bank's Asset and Liability Committee (ALCo) and Executive Risk Committee. CAF Bank undertakes regular stress testing of its capital adequacy.

FINANCIAL RISKS

Risk	Mitigation
Credit Risk Credit risk is the risk of financial loss arising from a borrower or counterparty failing to meet their financial obligations to repay the group in accordance with agreed terms. Credit risk arises primarily from investing funds with treasury counterparties and lending to charities.	**Credit Risk** **Treasury assets** Treasury policies are reviewed and approved by the CAF IFC and ARCC, which approve criteria including credit rating and counterparty lending limits. Subject to minimum credit ratings, maximum terms, and maximum counterparty limits, funds may be invested in the following: • UK Gilts and Multilateral Development Banks. • Other single sovereign-backed Sterling denominated bonds. • Financial and non-financial fixed and floating rate corporate bonds and covered bonds. • Bank deposits, certificates of deposit and other marketable securities. For CAF Bank, Treasury counterparties are reviewed and approved by ALCo in accordance with policies and criteria approved by the CAF Bank Board. The Bank sets criteria that include credit rating, counterparty lending limits and country exposure limits. The Bank uses the Standardised Approach to assess capital required for credit risk, with risk weightings based on the lower of the two highest of Fitch, S&P and Moody's ratings in accordance with the credit quality assessment scale. CAF continues to carefully monitor and consider risks associated with the macro-economic environment. **Financial investments held for Trust funds** CAF's Charitable Trusts, CAF America Donor Advised Funds, CADF Trusts and CAF Canada Donor Advised Funds (collectively 'Trust funds') are invested in accordance with policies approved by the CAF IFC, on behalf of CAF and CADF Trustees, and by the Boards of CAF America and CAF Canada. Donors typically suggest that a proportion of funds donated are held.

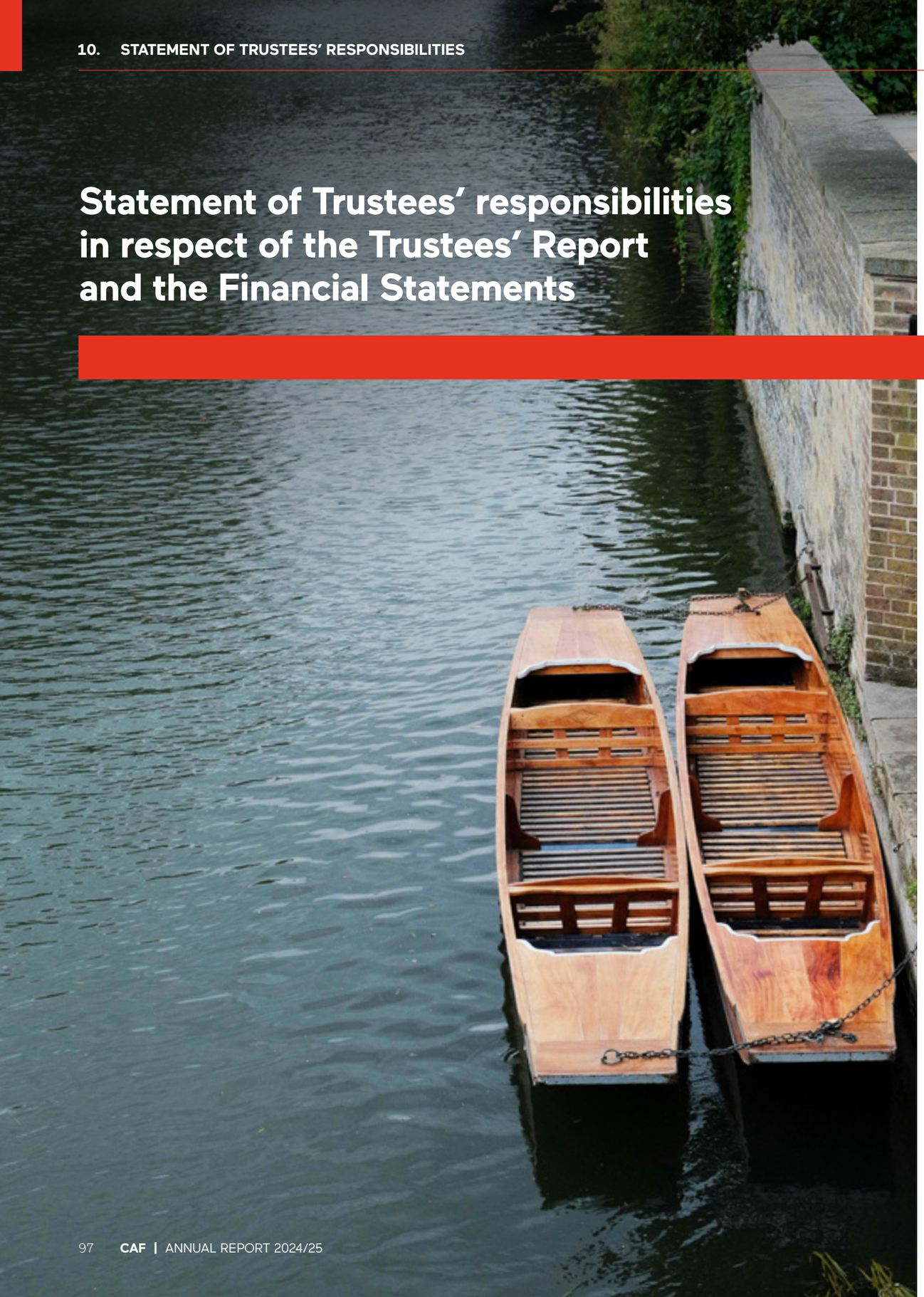
FINANCIAL RISKS

Risk	Mitigation
	Financial investments held for Trust funds (continued) in cash to meet short-term giving expectations and invest funds to meet medium- to long-term philanthropic objectives. Lending and programme-related investments through CAF Bank and social investment, part of the Impact Accelerator, are the two principal streams of loans to charities and social purpose organisations. CAF Bank has a system of limits and controls in place to manage credit risk on its loan portfolio. Loan applications are reviewed by a credit assessment team and presented for approval to the Sanctions Committee, a sub-committee of the CAF Bank Credit Risk Committee, in accordance with policies and criteria approved by the CAF Bank Board. CAF Bank lending is secured on property and subject to limits on loan to value ratios. CAF Bank's lending policies include maximum exposure values and limits to manage concentration risk by sector. Exposure to geographical risk is monitored. CAF Bank's loans, overdrafts and BACS facilities are subject to regular monitoring of loan performance and individual annual review. Administration of the loan book is outsourced to a third party, which provides regular management information on a loan-by-loan and aggregated basis. Most of CAF's social investments, through the Venturesome Impact Fund, are unsecured loans. In some circumstances, we will offer blended finance packages (part loan, part grant), which can help smaller organisations facing additional pressures. CAF's Impact Committee meets regularly to review and approve all social investments that are subject to due diligence. Impact Committee members include members of the CAF Executive and external specialists. All social investment activities are subject to regular monitoring of performance. Provisions are assessed for evidence of impairment at both specific and collective level.

FINANCIAL RISKS

Risk	Mitigation
Market and interest rate risk Market and interest rate risk is the risk from adverse movements in external markets, for example, interest rate movements and changes in investment values that will reduce income or the value of assets. This includes interest rate risk in CAF Bank's banking book (IRRBB) that is the risk arising from a mismatch between the duration of assets and liabilities. The group is exposed to foreign exchange risk arising from holding and transacting in currencies other than sterling, primarily US dollars. This risk may affect the value of income received, the cost of charitable activities, and the value of assets and liabilities when translated into the group's presentational currency.	**Market and interest rate risk** **Treasury assets (excluding financial investments held for Trust Funds, please see below)** No entities in the CAF group undertake proprietary trading activities. It is the group's policy to hold debt investments to maturity and to value at cost, with any premium or discount amortised over the remaining term (the effective interest method). The group manages interest rate risk through the purchase of fixed rate investments that provide a degree of hedging against adverse changes in market interest rates. The group's policy is to hold these investments to redemption at par and the group's ability to do so is evaluated on a regular basis through the use of stress testing. The impact of any movements on the value of these fixed rate instruments is, therefore, not anticipated to affect the group's financial results. Interest-rate-related market risk in CAF Bank is controlled by measuring mismatches between the repricing behaviour of assets and liabilities. It is managed within Board approved limits. IRRBB is measured weekly and monitoring is carried out by ALCo and BRCC. It is the group's policy to minimise holdings in currencies not required for operational purposes, thereby reducing exposure to foreign exchange volatility. The group does not engage in foreign exchange contracts for speculative purposes. **Financial investments held for Trust funds** Trust funds are invested to fund our donors' long-term philanthropic goals. The value of investments, alongside any other regular contributions a donor may make, determines the value of overall funds available to make donations. Accordingly, a movement in equity markets or interest rates may affect the value of Trust funds held by the group but does not impact the level of unrestricted funds.





Statement of Trustees' responsibilities in respect of the Trustees' Report and the Financial Statements

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the group and the charity, and of the incoming resources and application of resources of the group and the charity for that period.

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the group and the charity 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 the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees' report on pages 3 to 96 was approved by the Board of Trustees on 31 July 2025 and signed on their behalf.



Sir James Leigh-Pemberton, CVO
Chair of Trustees

Independent auditors' report to the Trustees of Charities Aid Foundation

Report on the audit of the financial statements

OPINION

In our opinion, Charities Aid Foundation's group financial statements and parent charity financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 30 April 2025 and of the group's and parent charity's incoming resources and application of resources and of the group's and parent charity's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Regulation 15 of The Charities (Accounts and Reports) Regulations 2008.

We have audited the financial statements, included within the Trustees' Report and Financial Statements (the "Annual Report"), which comprise: the group and charity balance sheets as at 30 April 2025; the group and charity statements of financial activities for the year then ended; the group and charity cash flow statements for the year then ended, and the notes to the financial statements, which include a description of the significant accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

OUR AUDIT APPROACH

Overview

Audit scope

- As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. Our group audit scope included the full scope audit of the group's entities which were individually of financial significance to the group being the parent charity, CAF Bank Limited, CAF America, and Southampton Row Trust Limited. The group audit team performed the audit work at these components, with the exception of CAF America where the audit work was performed by a non-PwC network firm, and supplemented through the group team's performance of additional testing procedures. The scope of our audit and the nature, timing and extent of audit procedures performed were determined by our risk assessment and other qualitative factors (including history of misstatement through fraud and error).

Key audit matter

- Recognition of income from donations and legacies (group and parent charity).

Materiality

- Overall group materiality: £13.9m (2024: £11.5m) based on 1% of total income.
- Overall parent charity materiality: £5m (2024: £4m) based on 1% of total income.
- Performance materiality: £10.4m (2024: £8.6m) (group) and £3.7m (2024: £3.0m) (parent charity).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matter below is consistent with last year.

Key Audit Matter	How our audit addressed the key audit matter
Recognition of income from donations and legacies (group and parent charity) For the year ended 30 April 2025, the group's reported donations income was £1,198m (2024: £1,037m) and legacy income was £66m (2024: £34m), including £54m (2024: £25m) accrued at the year end. The parent charity's reported donations income was £392m (2024: £319m) and legacy income was £58m (2024: £31m), including £45m (2024: £24m) accrued at the year end. In accordance with the accounting policies set out in "Note 1.4 (a) Donations and legacies" of the financial statements, donations received, including Gift Aid on eligible donations, are recognised once the group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Donations income represents the primary source of income for the group and parent charity, and the volume of transactions is significant. Therefore, this was an area of focus in the context of our work. There is a high degree of management judgement involved in the recognition of income from legacies which have been accrued at the year end. These judgements include assessing the entitlement, probability and measurement of the income. Accordingly, we consider there to be an increased risk of misstatement due to fraud or error in respect of accrued legacy income.	We understood the key controls surrounding donation and legacy income recognition. We evaluated the design and implementation of controls over the recognition of accrued legacy income. We obtained an understanding of relevant general IT controls related to the group's key financial systems, but in view of their maturity, did not seek to place reliance on them. We performed substantive tests to validate the integrity of any reports generated from systems that were used in our audit work. In addition we performed the substantive testing described below: • Tested on a sample basis donations received during the year to supporting evidence; • Tested on a sample basis whether donations were recognised in the correct year; • Tested a sample of legacies (with specific focus on the accrued legacy income) and considered management's judgement as to the timing of legacy recognition and the amount recognised in light of documented evidence and the group's legacy accounting policy; • Performed specific completeness testing, for example around the receipt of third party legacy notifications; • Performed cut-off testing with respect to legacies recognised after the year end to test on a sample basis whether income had been recorded in the correct financial year; and • Considered the results of the journal testing performed where this affected reported donation and legacy income.

How we tailored the audit scope
We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the parent charity, the accounting processes and controls, and the industry in which they operate.

We determined the scope of the work required based on the nature of activities in each of the components and issued instructions to a non-PwC network firm in respect of audit work required for CAF America. We instructed them to perform full scope audit procedures on our behalf. We interacted regularly with them and also visited CAF America to meet with management and local trustees. Our procedures included reviewing key working papers and discussing and challenging the results of work in higher risk areas of the audit. In addition, the group team performed independent testing over donation income and grant expenditure on a sample basis. We concluded that the audit procedures performed were sufficient for the purposes of issuing our opinion.

The impact of climate risk on our audit
As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the group's and parent charity's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the group's and parent charity's financial statements.

Materiality
The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - group	Financial statements - parent charity
Overall company materiality	£13.9m (2024: £11.5m).	£5.0m (2024: £4m).
How we determined it	1% of total income	1% of total income
Rationale for benchmark applied	We consider total income to be an appropriate benchmark as it is a key measure of the performance of the group, being a not-for-profit organisation.	We consider total income to be an appropriate benchmark as it is a key measure of the performance of the parent charity, being a not-for-profit organisation.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was £0.7m to £10.0m. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2024: 75%) of overall materiality, amounting to £10.4m (2024: £8.6m) for the group financial statements and £3.7m (2024: £3m) for the parent charity financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit, Risk and Compliance Committee that we would report to them misstatements identified during our audit above £0.7m (group audit) (2024: £0.6m) and £0.2m (parent charity audit) (2024: £0.2m) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

CONCLUSIONS RELATING TO GOING CONCERN

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 group and parent charity's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and parent charity's ability to continue as a going concern.

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

REPORTING ON OTHER INFORMATION

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Charities Act 2011 requires us also to report certain opinions and matters as described below.

Trustees' Report
Under the Charities Act 2011 we are required to report to you if, in our opinion, the information given in the Trustees' Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' responsibilities in respect of the Trustees' Report and the Financial Statements, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

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

Based on our understanding of the group, parent charity, and sector, we identified that the principal risks of noncompliance with laws and regulations related to provisions of the parent charity's trust deed, the Prudential Regulatory Authority and the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011 and relevant regulations made or having an effect thereunder, including the Charities (Accounts and Reports) Regulations 2008. We evaluated the incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) by the trustees and those responsible for, or involved in, the preparation of the financial statements, and determined that the principal risks were related to posting of inappropriate journal entries and bias in key accounting estimates. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work.

Audit procedures performed by the group engagement team and/or component auditors included:

- Enquiring of management and the Audit, Risk and Compliance Committee in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Assessing matters reported on the group's whistleblowing helpline and the results of management's investigation of such matters;
- Reviewing key correspondence with regulatory authorities;
- Gaining an understanding of period end controls around the preparation of the financial statements, including controls around posting of journals;
- Testing the appropriateness of journal entries using risk based sampling procedures, to identify journals with high risk characteristics;
- Assessing for bias in key accounting estimates. For example, the measurement of accrued legacy income; and
- Incorporating unpredictability into the nature, timing and/or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report. In our engagement letter, we also agreed to describe our audit approach, including communicating key audit matters.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's trustees as a body in accordance with section 151 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 of the Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

CHARITIES ACT 2011 EXCEPTION REPORTING

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
31 July 2025



	Notes	Unrestricted funds 2025 £000	Unrestricted funds 2024 £000	Restricted funds 2025 £000	Restricted funds 2024 £000	Total 2025 £000	Total 2024 £000
Income							
Donations		6,269	6,185	1,191,992	1,030,956	1,198,261	1,037,141
Legacies		4,600	630	60,912	33,715	65,512	34,345
Government grants	4	-	-	-	233	-	233
		10,869	**6,815**	**1,252,904**	**1,064,904**	**1,263,773**	**1,071,719**
Charitable activities:							
Fee income		26,806	25,250	-	-	26,806	25,250
CAF Bank net interest income		45,549	44,773	-	-	45,549	44,773
Investment income	5	29,962	29,299	24,499	23,782	54,461	53,081
Total income	**6**	**113,186**	**106,137**	**1,277,403**	**1,088,686**	**1,390,589**	**1,194,823**
Expenditure							
Charitable activities:							
Donations payable to charities		1,702	5,086	1,133,759	1,064,420	1,135,461	1,069,506
Other expenditure on charitable activities		92,344	86,277	-	290	92,344	86,567
Total expenditure	**6**	**94,046**	**91,363**	**1,133,759**	**1,064,710**	**1,227,805**	**1,156,073**
Net income before net gains/(losses) on investments		**19,140**	**14,774**	**143,644**	**23,976**	**162,784**	**38,750**
Net losses on debt securities		(22)	(79)	-	-	(22)	(79)
Net gains on financial investments		-	-	16,411	73,469	16,411	73,469
Net gains/(losses) on other investments		-	732	(112)	(30)	(112)	702
Net income before tax	**6**	**19,118**	**15,427**	**159,943**	**97,415**	**179,061**	**112,842**
Corporation tax	9	(3,522)	(4,542)	-	-	(3,522)	(4,542)
Net income after tax		**15,596**	**10,885**	**159,943**	**97,415**	**175,539**	**108,300**
Transfers between funds	26	2,279	3,213	(2,279)	(3,213)	-	-
Net movement in funds before other recognised gains/(losses)		**17,875**	**14,098**	**157,664**	**94,202**	**175,539**	**108,300**
Other recognised gains/(losses)							
Gain/(losses) on foreign exchange		(485)	100	(15,169)	983	(15,654)	1,083
Defined benefit pension scheme:							
Actuarial losses	31	(1,556)	(162)	-	-	(1,556)	(162)
Remeasurement of asset limit	31	848	409	-	-	848	409
Net movement in funds		**16,682**	**14,445**	**142,495**	**95,185**	**159,177**	**109,630**
Reconciliation of funds							
Total funds brought forward		98,496	84,051	1,848,467	1,753,282	1,946,963	1,837,333
Total funds carried forward	**26**	**115,178**	**98,496**	**1,990,962**	**1,848,467**	**2,106,140**	**1,946,963**

The notes on pages 113 to 160 form an integral part of these financial statements.

	Notes	Unrestricted funds 2025 £000	Unrestricted funds 2024 £000	Restricted funds 2025 £000	Restricted funds 2024 £000	Total 2025 £000	Total 2024 £000
Income							
Donations		7,235	6,901	385,006	312,302	392,241	319,203
Legacies		4,600	630	53,450	30,293	58,050	30,923
Government grants	4	-	-	-	233	-	233
		11,835	**7,531**	**438,456**	**342,828**	**450,291**	**350,359**
Charitable activities:							
Fee income		17,261	15,117	-	-	17,261	15,117
Investment income	5	21,449	20,623	19,642	19,345	41,091	39,968
Total income	**6**	**50,545**	**43,271**	**458,098**	**362,173**	**508,643**	**405,444**
Expenditure							
Charitable activities:							
Donations payable to charities		1,702	5,086	349,273	362,316	350,975	367,402
Other expenditure on charitable activities		45,286	44,090	-	290	45,286	44,380
Total expenditure	**6**	**46,988**	**49,176**	**349,273**	**362,606**	**396,261**	**411,782**
Net income/(expenditure) before net gains/(losses) on investments		**3,557**	**(5,905)**	**108,825**	**(433)**	**112,382**	**(6,338)**
Net losses on debt securities		(22)	(79)	-	-	(22)	(79)
Net gains on financial investments		-	-	17,703	67,024	17,703	67,024
Net gains/(losses) on other investments		-	732	(112)	-	(112)	732
Net income/(expenditure)	**6**	**3,535**	**(5,252)**	**126,416**	**66,591**	**129,951**	**61,339**
Transfers between funds	26	1,747	3,213	(1,747)	(3,213)	-	-
Net movement in funds before other recognised gains/(losses)		**5,282**	**(2,039)**	**124,669**	**63,378**	**129,951**	**61,339**
Other recognised gains/(losses)							
Gains/(losses) on foreign exchange		(63)	46	(3,635)	(344)	(3,698)	(298)
Defined benefit pension scheme:							
Actuarial losses	31	(1,556)	(162)	-	-	(1,556)	(162)
Remeasurement of asset limit	31	848	409	-	-	848	409
Net movement in funds		**4,511**	**(1,746)**	**121,034**	**63,034**	**125,545**	**61,288**
Reconciliation of funds							
Total funds brought forward		66,068	67,814	1,494,789	1,431,755	1,560,857	1,499,569
Total funds carried forward	**26**	**70,579**	**66,068**	**1,615,823**	**1,494,789**	**1,686,402**	**1,560,857**

The notes on pages 113 to 160 form an integral part of these financial statements.

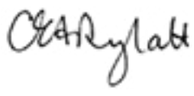
	Notes	Unrestricted funds 2025 £000	Unrestricted funds 2024 £000	Restricted funds 2025 £000	Restricted funds 2024 £000	CAF Bank balances and donor client balances 2025 £000	CAF Bank balances and donor client balances 2024 £000	Total 2025 £000	Total 2024 £000
Assets									
Balances at Bank of England		73,159	62,787	-	-	537,513	567,739	610,672	630,526
Loans and advances to banks									
On demand and short-term deposits	10	52,032	46,506	253,833	301,671	8,800	30,604	314,665	378,781
Other	10	-	-	266,938	216,245	-	-	266,938	216,245
Loans and advances to customers	11	-	121	8,670	8,738	219,101	197,702	227,771	206,561
Debt securities	12	-	-	362,915	325,067	682,783	637,376	1,045,698	962,443
Financial investments	13	-	-	1,038,321	979,616	-	-	1,038,321	979,616
Other investments	14	4,829	4,829	2,490	5,393	-	-	7,319	10,222
Tangible fixed assets	16	3,478	3,701	-	-	-	-	3,478	3,701
Intangible fixed assets	17	15,908	10,758	-	-	-	-	15,908	10,758
Other debtors	18	1,182	1,928	19,879	12,214	-	-	21,061	14,142
Prepayments and accrued income	19	16,883	17,136	51,927	25,122	9,134	8,486	77,944	50,744
Total assets		**167,471**	**147,766**	**2,004,973**	**1,874,066**	**1,457,331**	**1,441,907**	**3,629,775**	**3,463,739**
Liabilities									
CAF Bank depositor balances	20	-	-	-	-	1,450,920	1,419,427	1,450,920	1,419,427
CAF Give As You Earn and CAF Donate balances	21	-	-	-	-	3,860	6,207	3,860	6,207
Due to beneficiary charities	22	-	-	7,720	17,802	-	-	7,720	17,802
Other creditors	23	10,951	7,318	6,241	6,316	734	406	17,926	14,040
Accruals and deferred income		3,957	4,437	50	1,481	1,817	2,015	5,824	7,933
Provision for corporation tax		144	346	-	-	-	-	144	346
Repurchase agreement	24	-	-	-	-	-	13,852	-	13,852
Long-term loans	25	37,241	37,169	-	-	-	-	37,241	37,169
Total liabilities		**52,293**	**49,270**	**14,011**	**25,599**	**1,457,331**	**1,441,907**	**1,523,635**	**1,516,776**
Funds	**26**	**115,178**	**98,496**	**1,990,962**	**1,848,467**	**-**	**-**	**2,106,140**	**1,946,963**
Total liabilities and charitable funds		**167,471**	**147,766**	**2,004,973**	**1,874,066**	**1,457,331**	**1,441,907**	**3,629,775**	**3,463,739**

The notes on pages 113 to 160 form an integral part of these financial statements.

Approved by the Trustees and authorised for issue on 31 July 2025 and signed on their behalf by:



Mike Ashley FCA
Trustee



Liz Rylatt FCA
Group Chief Financial Officer

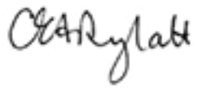
Registered charity number 268369	Notes	Unrestricted funds 2025 £000	Unrestricted funds 2024 £000	Restricted funds 2025 £000	Restricted funds 2024 £000	Donor client balances 2025 £000	Donor client balances 2024 £000	Total 2025 £000	Total 2024 £000
Assets									
Loans and advances to banks									
On demand and short-term deposits	10	42,740	37,300	93,137	137,569	4,594	6,613	140,471	181,482
Other	10	-	-	211,926	167,739	-	-	211,926	167,739
Loans and advances to customers	11	-	121	3,585	3,000	-	-	3,585	3,121
Debt securities	12	-	-	325,383	296,246	-	-	325,383	296,246
Financial investments	13	-	-	928,765	874,535	-	-	928,765	874,535
Other investments	14	4,829	4,829	2,426	5,325	-	-	7,255	10,154
Subsidiary undertakings	15	46,700	46,700	-	-	-	-	46,700	46,700
Tangible fixed assets	16	3,446	3,660	-	-	-	-	3,446	3,660
Other debtors	18	4,346	2,676	18,779	4,591	-	-	23,125	7,267
Prepayments and accrued income	19	12,224	13,064	43,154	23,909	-	-	55,378	36,973
Total assets		**114,285**	**108,350**	**1,627,155**	**1,512,914**	**4,594**	**6,613**	**1,746,034**	**1,627,877**
Liabilities									
CAF Give As You Earn and CAF Donate balances	21	-	-	-	-	3,860	6,207	3,860	6,207
Due to beneficiary charities	22	-	-	5,091	11,809	-	-	5,091	11,809
Other creditors	23	3,357	2,459	6,241	6,316	734	406	10,332	9,181
Accruals and deferred income		3,108	2,654	-	-	-	-	3,108	2,654
Long-term loans	25	37,241	37,169	-	-	-	-	37,241	37,169
Total liabilities		**43,706**	**42,282**	**11,332**	**18,125**	**4,594**	**6,613**	**59,632**	**67,020**
Funds	**26**	**70,579**	**66,068**	**1,615,823**	**1,494,789**	**-**	**-**	**1,686,402**	**1,560,857**
Total liabilities and charitable funds		**114,285**	**108,350**	**1,627,155**	**1,512,914**	**4,594**	**6,613**	**1,746,034**	**1,627,877**

The notes on pages 113 to 160 form an integral part of these financial statements.

Approved by the Trustees and authorised for issue on 31 July 2025 and signed on their behalf by:



Mike Ashley FCA
Trustee



Liz Rylatt FCA
Group Chief Financial Officer

	Notes	2025 £000	2025 £000	2024 £000	2024 £000
Cash flows from operating activities:					
Net cash generated from/(used in) operating activities	**27**		**34,033**		**(150,243)**
Cash flows from investing activities:					
Net (increase)/decrease in loans and advances to banks		(50,693)		70,931	
Payments to acquire debt securities		(409,498)		(501,616)	
Proceeds on redemption and disposal of debt securities		328,841		535,597	
Payments to acquire financial investments		(215,185)		(266,873)	
Proceeds on disposal of financial investments		233,185		239,391	
Payments to acquire other investments		(175)		(29)	
Proceeds on disposal of other investments		3,362		3,720	
Payments to acquire tangible fixed assets		-		(853)	
Payments to acquire intangible fixed assets		(5,150)		(4,425)	
Decrease in investment portfolio cash and settlements pending		4,394		7,036	
Proceeds from repurchase agreements		-		5,000	
Repayment of repurchase agreements		(13,852)		-	
Receipts of Trust Funds investment income		24,646		23,392	
Payment to purchase buy-in of defined benefit pension scheme		(774)		-	
Net cash (used in)/generated from investing activities			**(100,899)**		**111,271**
Payments of interest on long-term loans		(1,450)		(1,449)	
Net cash used in financing activities			**(1,450)**		**(1,449)**
Change in cash and cash equivalents in the year			**(68,316)**		**(40,421)**
Cash and cash equivalents as at 1 May			**1,009,307**		**1,048,645**
Change in cash and cash equivalents due to exchange rate movements			**(15,654)**		**1,083**
Cash and cash equivalents as at 30 April			**925,337**		**1,009,307**
Represented by:					
Balances at Bank of England repayable on demand			610,672		630,526
Loans and advances to banks repayable on demand			314,665		378,781
			925,337		**1,009,307**

The notes on pages 113 to 160 form an integral part of these financial statements.

	Notes	2025 £000	2025 £000	2024 £000	2024 £000
Cash flows from operating activities:					
Net cash generated from/(used in) operating activities	**27**		**20,131**		**(50,670)**
Cash flows from investing activities:					
Net (increase)/decrease in loans and advances to banks		(44,187)		96,480	
Payments to acquire debt securities		(241,984)		(218,683)	
Proceeds on redemption and disposal of debt securities		213,243		135,490	
Payments to acquire financial investments		(188,582)		(179,329)	
Proceeds on disposal of financial investments		184,397		147,706	
Payments to acquire other investments		(175)		-	
Proceeds on disposal of other investments		3,362		-	
Advances of sub-ordinated debt to subsidiary undertakings		-		(15,000)	
Repayment of sub-ordinated debt from subsidiary undertakings		-		10,500	
Payments to acquire tangible fixed assets		-		(848)	
(Increase)/decrease in investment portfolio cash and settlements pending		(1,089)		4,028	
Receipts of Trust Funds investment income		19,795		18,956	
Payment to purchase buy-in of defined benefit pension scheme		(774)		-	
Net cash used in investing activities			**(55,994)**		**(700)**
Cash flows from financing activities:					
Payments of interest on long-term loans		(1,450)		(1,449)	
Net cash used in financing activities			**(1,450)**		**(1,449)**
Change in cash and cash equivalents in the year			**(37,313)**		**(52,819)**
Cash and cash equivalents as at 1 May			**181,482**		**234,599**
Change in cash and cash equivalents due to exchange rate movements			**(3,698)**		**(298)**
Cash and cash equivalents as at 30 April			**140,471**		**181,482**

The notes on pages 113 to 160 form an integral part of these financial statements.

1. ACCOUNTING POLICIES

The principal accounting policies and judgements used in the preparation of the financial statements are:

1.1. Basis of preparation

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102') and the Statement of Recommended Practice: Accounting and Reporting by Charities (Charity SORP (FRS 102)), except for the adoption of a balance sheet format which the Trustees believe more clearly represents the group's financial assets and liabilities.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following 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) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Monetary amounts in these financial statements are stated in pounds sterling, which is the functional and presentational currency, and are rounded to the nearest whole £1,000, except where otherwise indicated.

1.2 Going Concern

In order to assess the appropriateness of the going concern assumption basis, the Trustees have considered the group's and the charity's financial position, liquidity, unrestricted reserves and forecasts for the foreseeable future, taking into account the principal risks to which the group and the charity are exposed, and the ongoing cost-of-living crisis and geopolitical uncertainties.

The Trustees and boards of CAF subsidiaries have considered the impact of severe but plausible stress scenarios on each group entity and the effectiveness of management actions that might be taken to mitigate the impact of these stress. Trustees and boards of subsidiaries have also considered the circumstances under which operations of each group entity would be unable to continue.

Accordingly, and after making appropriate enquiries, the Trustees have a reasonable expectation that the group and the charity will be able to continue in operation and meet their liabilities as they fall due for at least 12 months from the date of signing this report. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

1.3 Fund accounting

The group holds restricted and unrestricted funds.

Fund classification is an area of significant judgement and is dealt with in Note 1.18a.

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects of the group. Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors. Restricted funds comprise donations to the group that are held pending suggestions for investment or onward donation to charitable organisations.

Further details of each fund are disclosed in note 26.

1.4 Income recognition

Income is recognised once the group has entitlement to the income, it is probable that the income will be received, and the amount can be measured reliably.

(a) Donations and legacies

Donations received, including Gift Aid on eligible donations, are recognised once the group has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

In the event that a donation or grant is subject to conditions, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the group, and it is probable that those conditions will be fulfilled.

Non-cash donations principally comprise share gift donations, which are recognised as donations received at the market value on the date of gift. Proceeds from the sale of non-cash donations are recognised as investing activities in the cash flow statement.

Legacy donations are recognised on a case-by-case basis normally where there has been a grant of probate or notification has been made by executors that a distribution will be made. In the event that the gift is in the form of an asset other than cash, or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the group. Where legacies have been notified with an estimated value but the criteria for income recognition have not been met, then the legacies are treated as contingent assets and disclosed if material (see note 30).

Donations processed by the group acting in an agency role are not recognised in the Statement of Financial Activities (SOFA). Any cash held is recognised in the balance sheet as liabilities. Such donations consist of amounts in respect of CAF Give As You Earn and CAF Donate services.

(b) Government grants

Income in respect of government grants is recognised, in accordance with any applicable agreement, over the period to which the grant relates. Any underspends of the grants that are due to be returned are included within creditors.

(c) Fee income

Income in respect of grant administration services provided to grantmakers, which forms part of wider arrangements including the receipt and onward payment of funds to beneficiary charities, is recognised upon delivery of the administration services. Recognition of this income is dependent upon being able to measure reliably: the stage of completion, the costs incurred in delivering the service and the costs to complete the requirements of the service.

Loan arrangement fees are recognised using the effective interest method over the term of the loan. Non-utilisation fees on undrawn loans are recognised as income in the period they are earned.

(d) Investment income

Investment income consists of interest receivable and dividend income.

Interest receivable on financial assets is recognised using the effective interest method.

Dividends are recognised once the dividend has been declared, and notification has been received of the value of the dividend due. Where investments are managed by external investment managers, this is normally upon notification by the investment manager of the dividend income.

1.5 Expenditure recognition

Expenditure is recognised as soon as there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Donations payable to charities principally represent donations suggested by donors and are charged to the SOFA when both the group and beneficiary charities are notified in the normal course of business of an unconditional obligation to transfer funds. Amounts to be paid at a future date are included in creditors.

On occasion the beneficiary charity is formally notified in writing of a donation by the group. This notification gives the recipient a reasonable expectation that they will receive a one-off or multi-year donation. In the case of an unconditional offer this is accrued once the recipient has been notified of the donation. Donations that are subject to the recipient fulfilling performance conditions are recognised as payable when any remaining unfulfilled conditions attached to that award are outside of the control of the group.

The provision for a multi-year donation is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the group that would permit the group to avoid making the future payment(s), settlement is probable, and the effect of discounting is material. The discount rate used is the average rate of investment yield in the year in which the donation is made.

1.6 Allocation of support costs

All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. Where support costs cannot be directly attributed to one or more categories, they are apportioned on the basis of employee headcount. No support costs are allocated to restricted funds.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

Irrecoverable VAT is charged as a cost.

1.7 Operating leases

Operating lease rentals are charged to the SOFA on a straight-line basis over the term of the lease.

1.8 Pension costs

Details of the group's pension arrangements are set out in note 31. The following policies are applied to the recognition and measurement of costs and liabilities in respect of the pension plans.

Defined contribution pension plans

Pension contributions payable for the year in respect of defined contribution pension plans are recognised as an expense and as a liability, after deducting any amounts already paid.

Defined benefit pension scheme

The CAF-specific defined benefit pension scheme (Charities Aid Foundation Pension Scheme) is closed to both new members and benefit accrual. In accordance with the requirements of FRS 102, if CAF's obligations under the plan exceed the value of the plan's assets, CAF recognises a 'net defined benefit liability'. In the event of a winding up of the plan, the trust deed allows CAF to recover any surplus that may exist. Consequently, where the value of the plan's assets exceeds CAF's obligation under the plan, CAF recognises a 'net defined benefit asset', but only to the extent it is expected that the asset might be recovered by CAF.

The net defined benefit asset or liability is measured in accordance with the requirements of FRS 102 and is determined by an independent actuary. The net change in the defined benefit asset or liability during the period is recognised in the SOFA.

1.9 Foreign currency

Transactions in foreign currencies are translated to Sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to pound sterling at the exchange rate ruling at that date.

The results of overseas operations are translated at the average annual rate of exchange and their balance sheets at the rates ruling at the balance sheet date.

Exchange differences arising, including those on the translation of opening net assets of overseas subsidiary undertakings, are taken to the SOFA and presented as part of other recognised gains and losses.

1.10 Taxation

Current tax, including UK Corporation Tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

1.11 Tangible fixed assets

Tangible fixed assets, other than long-leasehold property, are stated at cost less accumulated depreciation and accumulated impairment losses.

Long-leasehold property is stated at fair value less any subsequent accumulated depreciation and impairment losses. Gains and losses on revaluation are recognised in the SOFA and accumulated in the revaluation reserve where, for the latter, they exceed cost less depreciation.

Impairment losses are recognised in accordance with note 1.17.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Group entities assess at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the SOFA on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

• Long-leasehold property	50 years
• Long-leasehold and other leasehold improvements	Shorter of the remaining term of the lease or the useful economic life of the asset
• Furniture and fittings	up to 4 years
• Computer equipment	up to 3 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change in the pattern by which the group expects to consume an asset's future economic benefits.

1.12 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation and impairment losses. Amortisation will commence when the assets are substantially ready for their intended use.

Intangible fixed assets are assessed for impairment at each balance sheet date.

External spend to suppliers on software and system development in respect of an asset controlled by a group entity is capitalised where the recognition criteria are satisfied. Internal spend on staff and contractors is expensed, except where effort directly relates to system development and the recognition criteria are satisfied.

Control of an asset is present if the power exists to obtain the future economic benefits flowing from software and to restrict the access of others to those benefits. Where an intangible asset is not recognised for the costs of configuration or customisation of the software, then the costs are recognised as an expense.

1.13 Basic financial instruments

(a) Loans and advances to banks

Loans and advances to banks comprise the group's cleared and uncleared balances held at clearing banks and deposits with an original maturity of five years or less. These are shown at the lower of cost or estimated realisable value.

Where a pool of 'Financial investments' is managed on a discretionary basis by an investment manager and the portfolio includes cash and cash deposits, those balances are included with the investment balance to reflect that the funds do not form part of day-to-day operational cash flows and balances.

(b) Debt securities

Debt securities held to support the group's operations and generate income to support the group's charitable objectives are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Certain debt securities are held as part of a portfolio of investments maintained to achieve capital appreciation and to generate income for donor advised funds. Debt securties held for these purposes are classified as 'Financial investments' in the balance sheet. They are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition those that can be measured reliably are measured at fair value with changes recognised in the SOFA. Where their fair value cannot be reliably measured, for example they are not publicly traded, the investments are measured at cost less impairment.

(c) Financial investments

Investments in equity instruments, such as ordinary and certain preference shares, are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit or loss. Subsequent to initial recognition investments that can be measured reliably are measured

at fair value with changes recognised in the SOFA. Where the fair value of such investments cannot be reliably measured, for example they are not publicly traded, the investments are measured at cost less impairment.

(d) CAF Bank depositor balances
CAF Bank depositor balances represent the value of deposits by account holders and are recorded as liabilities.

(e) Repurchase agreements
When securities are sold subject to a commitment to repurchase them at a predetermined price ('repos'), they remain on the balance sheet and a liability is recorded in respect of the consideration received. Repos are measured at amortised cost. The difference between the sale and repurchase price is treated as interest and recognised in net interest income over the life of the agreement.

(f) Debtors and creditors
Debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid.

Creditors are recognised where there is a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

(g) Interest-bearing loans receivable and payable
Interest-bearing loans are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing loans are stated at amortised cost using the effective interest method, less any impairment losses.

(h) Concessionary loans receivable and payable
Concessionary loans may be receivable from other charities as a result of social lending activity undertaken by CAF Venturesome and loans advanced by CAF Charitable Trusts. Such loans are advanced at concessionary (non-market) rates of interest, which may include interest-free loans. These are initially recognised at the amount advanced to the borrower and are subsequently measured at the amount advanced less amounts received less any impairment.

Concessionary loans may be payable in respect of funds advanced to support social lending undertaken by CAF Venturesome. Such loans are advanced at concessionary (non-market) rates and are usually interest-free loans. These are initially recognised at the amount advanced by the lender and are subsequently measured at the amount advanced less any amounts repaid to the lender.

1.15 Investment properties
Investment properties which are only acquired upon donation, usually by legacies, to the group are measured initially at probate valuation. Subsequent to initial recognition, investment properties are held at open market value.

1.16 Investments in subsidiaries
Investments in subsidiaries which represent ordinary share capital and subordinated debt are carried at cost less impairment.

1.17 Impairment of assets

(a) Financial assets (including trade and other debtors)
Financial assets, including loans, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence of impairment of a loan can include default or delinquency by a borrower, restructuring of a loan or advance on terms the group would otherwise not consider, indications that a borrower or issuer may become insolvent, or a reduction in marketability of the security.

The group considers evidence for impairment for loans and advances (including on-demand commitments) at both specific and collective level. If there is evidence of impairment leading to an impairment loss for an individual counterparty relationship, then the amount of the loss is determined as the difference between the carrying amount of the loan, including accrued interest, and the estimated recoverable amount.

The estimated recoverable amount is measured as the present value of expected future cash flows discounted at the loan's original effective interest rate, including cash flows that may result from foreclosure less costs for obtaining and selling collateral. The carrying amount of the loan is reduced by the use of an allowance account and the amount of the loss is recognised in the SOFA.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and loss experience for assets with credit risk characteristics similar to those in the group. In addition, the group uses its judgement to estimate the amount of an impairment loss, supported by historical loss experience data for similar assets. The use of such judgements and reasonable estimates is considered by management to be an essential part of the process.

(b) Non-financial assets
The carrying amounts of the group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the SOFA. An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.18 Critical accounting judgements and significant estimates

(a) Critical accounting judgements

Classification of funds
The activities of CAF and the other charitable entities in the group (see note 2) include donations received on the understanding they will be held pending the donors' suggestions for onward donation to third-party charities. These are referred to below as DAFs (Donor Advised Funds) and for CAF itself include CAF Charity Accounts, CAF Company Accounts, and certain CAF Charitable Trusts.

The conditions of donation under which funds are gifted into DAFs include that the donations are irrevocably gifted outright to the group charitable entity. This is indicative of the DAFs having the form of unrestricted funds, that is funds that may be spent or applied at the discretion of the relevant charity's trustees to further any of its purposes. However, the principal purpose of this condition of donation, is to provide protection, for instance, in a case where it is not possible for legal or regulatory constraints, to fulfil a donor's suggestion to make an onward donation to another charity.

In the ordinary course of activities, there is no expectation that funds held in DAFs will be applied for any purpose other than onward gifting. This expectation is further affirmed by long-term practice by CAF and the other charities in the group. Should DAFs be used for general purposes at the discretion of the relevant charity's trustees (as unrestricted funds), the charity's operating model and reputation would be significantly damaged. Consequently, the application of the funds, other than for onward donations, would only ever be contemplated in response to an exceptional circumstance.

Given the expectation that the funds will be applied for onward donation, the classification as unrestricted funds is not considered appropriate for donations to DAFs. The SORP recognises the inherent complexity of accounting for income from donations and consequently includes the provision that donations should be accounted for and presented in accordance with their substance and not simply their legal form.

Consequently, the Trustees of CAF consider that donations received into, and funds held in DAFs by CAF and by other charities in the group are better classified as restricted funds in CAF's and the group's financial statements.

The values of such funds for which this judgement has been exercised in CAF's and the group financial statements are as follows:

	2025	2024
	£m	£m
Charities Aid Foundation	715.8	672.6
CAF America	165.6	164.8
CAF American Donor Fund	192.3	172.8
CAF Canada	17.3	16.0
	1,091.0	**1,026.2**

Legacies
Judgement has been applied in recognising income from legacies gifted to CAF. Legacies are recognised as income where receipt is probable, which is determined from a review of a number of criteria including grant of probate, sufficiency of assets and the existence of any conditions to be met.

Donations payable to charities
Judgement has been applied in the disclosure in the SOFA of payments to beneficiaries as 'Donations payable to charities'. These amounts principally represent payments to beneficiary organisations for charitable purposes based on the suggestion of our donors (donor-advised payments). It is the group's objective to be cause neutral and, within the requirements of relevant regulations, to support any charitable cause wherever in the world it may be. Consequently, the Trustees do not consider these donor-advised payments to be made in pursuit of a grantmaking programme to support organisations that operate in specific charitable sectors or geographical locations, or that are of a certain size.

Exceptionally, the group may from time-to-time make donor-advised payments to individuals rather than to organisations. However, such payments are made only in compliance with relevant regulations and following a successful assessment of the payment being for charitable purposes.

Intangible fixed assets
The intangible fixed assets of £15.9m represent CAF Bank's investment in a new core banking system under its transformation programme. In assessing for impairment at the balance sheet date, management assesses the current status of the programme, the continued viability of the programme, any obsolescence within the programme and whether there will be an economic benefit to CAF Bank on completion of the programme. Management have concluded that the transformation programme will be taken to completion and will deliver economic benefits to the organisation when brought into use and has, therefore, not been impaired.

(b) Significant estimates

There are no sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1.19 Entity status
CAF meets the definition of a Public Benefit Entity under FRS 102.

2. CONSOLIDATION
The group financial statements include the accounts of CAF (the charity) and its subsidiary undertakings for the year.

Consolidated entities
The following entities are controlled by CAF and are consolidated in the group financial statements:

Trading subsidiaries
By way of mixed-motive investments, CAF owns 100% of the equity share capital of the following:

- CAF Bank Limited (registered in England & Wales – company number 01837656), a bank for charities authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority
- CAF Financial Solutions Limited (registered in England & Wales – company number 02771873), a company authorised and regulated by the Financial Conduct Authority, responsible for the marketing and promotion of regulated savings and investment products to charities and its subsidiaries and the sponsor of an Open Ended Investment Company (OEIC), namely, IFSL CAF Investment Fund.

UK registered charities
Southampton Row Trust Limited, which operates as the CAF American Donor Fund, is a UK charitable company registered with the Charity Commission (number 1079020) and is wholly-owned by CAF America (see below). CAF American Donor Fund supports cross-border tax-efficient giving by enabling individuals liable for tax in both the UK and USA to obtain tax relief on charitable gifts in each country.

Overseas charitable entities
CAF controls the following overseas charitable entities:

- CAF America, a US public charity recognised by the US Internal Revenue Service. CAF America provides US citizens with the opportunity to make tax-effective gifts for the support of overseas charities. CAF has the power to appoint and remove the members of CAF America at any time.
- CAF Canada, a Canadian charity registered with the Canadian Revenue Agency (Canadian charity number 801966334RR0001) of which CAF and CAF America are the only members.



3. RESULTS AND NET ASSETS OF SUBSIDIARIES

Due to the number of subsidiary undertakings, the disclosure required by the Charities SORP would result in information of excessive length being given. Detailed information is only given for those subsidiary undertakings that materially affect the group accounts being CAF Bank, CAF America and CAF American Donor Fund. The other entities, CAF Canada and CFSL, do not materially affect the group results.

	2025	2024
CAF Bank Limited	£000	£000
Profit and Loss Account		
Interest receivable	66,478	65,024
Interest payable	(20,929)	(20,251)
Net interest income	**45,549**	**44,773**
Other operating income	1,755	1,768
Administrative expenses	(32,825)	(27,659)
Movement in loan loss provision	184	(715)
Profit on ordinary activities before taxation	**14,663**	**18,167**
Tax on profit on ordinary activities	(3,522)	(4,542)
Profit on ordinary activities after taxation	**11,141**	**13,625**
Profit and loss account balance brought forward	24,779	11,154
Profit and loss account balance carried forward	**35,920**	**24,779**

	2025	2024
	£000	£000
Balance Sheet		
Assets		
Loans and advances to banks & Bank of England	614,885	654,523
Loans and advances to customers	219,101	197,702
Debt securities	682,783	637,376
Other assets	27,750	21,324
Total assets	**1,544,519**	**1,510,925**
Liabilities		
Depositors' balances	1,450,926	1,419,433
Other liabilities	17,354	26,394
Total liabilities	**1,468,280**	**1,445,827**
Shareholders' funds	76,239	65,098
Total liabilities and shareholders' funds	**1,544,519**	**1,510,925**

	2025	2024
CAF America	£000	£000
Statement of Financial Activities		
Donations and legacies receivable	665,365	568,860
Income from group entities	1,760	171
Fee income	14,500	13,667
Investment income	6,120	6,744
Total income	**687,745**	**589,442**
Donations payable to charities	648,874	573,034
Donations payable to group entities	8,403	8,172
Direct costs of charitable activities	19,518	18,074
Governance costs	161	117
Total expenditure	**676,956**	**599,397**
Net income/(expenditure) before net gains/(losses) on investments	**10,789**	**(9,955)**
Net gains/(losses) on financial investments	(2,202)	2,228
Net income/(expenditure) before other recognised gains/(losses)	**8,587**	**(7,727)**
Gains/(losses) on foreign exchange	(8,283)	1,199
Net movement in funds	**304**	**(6,528)**
Funds brought forward	170,877	177,405
Funds carried forward	**171,181**	**170,877**

	2025	2024
	£000	£000
Balance Sheet		
Assets		
Unrestricted funds	7,255	8,715
Donor advised funds[1]	167,985	170,620
Total assets	**175,240**	**179,335**
Liabilities		
Unrestricted funds	1,634	2,633
Donor advised funds[1]	2,425	5,825
Total liabilities	**4,059**	**8,458**
Funds		
Unrestricted funds	5,621	6,082
Donor advised funds[1]	165,560	164,795
Total funds	**171,181**	**170,877**
Total liabilities and funds	**175,240**	**179,335**

Notes:

1. These funds represent donations received by CAF America on the understanding they will be held pending the donors' suggestions for onward distribution to third-party charities (donor advised funds). Therefore, they are treated as restricted funds within the group accounts. See note 1.18 (a).

	2025	2024
CAF American Donor Fund	£000	£000
Statement of Financial Activities		
Donations and legacies receivable	138,557	155,119
Donations receivable from group entities	843	299
Investment income	7,410	6,980
Total income	**146,810**	**162,398**
Donations payable to charities	117,034	112,175
Donations payable to group entities	4,626	11,308
Direct costs of charitable activities	76	225
Direct costs paid to group entities	1,881	1,682
Governance costs	117	61
Total expenditure	**123,734**	**125,451**
Net income before net gains/(losses) on investments	**23,076**	**36,947**
Net gains on financial investments	664	4,020
Net losses on other investments	-	(30)
Net income before other recognised gains/(losses)	**23,740**	**40,937**
Gains/(losses) on foreign exchange	(2,824)	296
Net movement in funds	**20,916**	**41,233**
Funds brought forward	174,927	133,694
Funds carried forward	**195,843**	**174,927**

	2025	2024
	£000	£000
Balance Sheet		
Assets		
Unrestricted funds	3,875	2,251
Donor advised funds [1]	192,568	174,333
Total assets	**196,443**	**176,584**
Liabilities		
Unrestricted funds	356	176
Donor advised funds[1]	244	1,481
Total liabilities	**600**	**1,657**
Funds		
Unrestricted funds	3,519	2,075
Donor advised funds[1]	192,324	172,852
Total funds	**195,843**	**174,927**
Total liabilities and funds	**196,443**	**176,584**

Notes:

1. These funds represent donations received by the CAF American Donor Fund on the understanding they will be held pending the donors' suggestions for onward distribution to third-party charities (donor advised funds). Therefore, they are treated as restricted funds within the group accounts. See note 1.18 (a).

4. UK GOVERNMENT GRANTS

During the year CAF received £nil (2024: £233k) from the Foreign & Commonwealth Development Office (FCDO). No amounts were due to CAF from FCDO at 30 April 2025 (2024: £nil).

5. INVESTMENT INCOME

	Unrestricted		Restricted		Total	
	2025	2024	2025	2024	2025	2024
Group	£000	£000	£000	£000	£000	£000
Interest on fixed interest securities and cash deposits	29,456	29,006	10,454	10,726	39,910	39,732
Dividends	191	-	14,045	13,056	14,236	13,056
Interest on concessionary loans to charities	315	293	-	-	315	293
	29,962	**29,299**	**24,499**	**23,782**	**54,461**	**53,081**
Charity						
Interest on fixed interest securities and cash deposits	20,988	20,382	8,254	8,574	29,242	28,956
Dividends	191	-	11,388	10,771	11,579	10,771
Interest on concessionary loans to charities	270	241	-	-	270	241
	21,449	**20,623**	**19,642**	**19,345**	**41,091**	**39,968**

6. INCOME AND DONATIONS RECEIVED AND CHARITABLE ACTIVITIES EXPENDITURE

6.1 Group unrestricted funds

	Growing Philanthropy		Serving Charities				Total	Total
	Charity[1]	CAF America and subsidiaries[2]	Financial & donation services[3]	CAF Network[1]	Grant making & sector support	Other funds	2025	2024
	£000	£000	£000	£000	£000	£000	£000	£000
Income								
Donations	4,424	1,820	15	-	-	10	6,269	6,185
Legacies	-	-	-	-	-	4,600	4,600	630
	4,424	**1,820**	**15**	**-**	**-**	**4,610**	**10,869**	**6,815**
Charitable activities:								
Fee income	6,593	15,148	4,014	-	1,051	-	26,806	25,250
CAF Bank net interest income	-	-	45,549	-	-	-	45,549	44,773
Investment income	20,239	8,973	438	-	312	-	29,962	29,299
Total income	**31,256**	**25,941**	**50,016**	**-**	**1,363**	**4,610**	**113,186**	**106,137**
Expenditure on charitable activities								
Donations payable to charities[4]	1,673	-	21	1	7	-	1,702	5,086
Direct costs	15,798	20,929	28,900	434	3,047	-	69,108	61,956
Support costs								
Human resources	976	-	710	60	189	-	1,935	1,884
Property	955	-	983	79	165	-	2,182	2,773
Finance	2,669	-	567	199	519	-	3,954	3,712
Information systems	5,664	-	4,846	304	1,049	-	11,863	12,129
Governance costs	1,729	282	983	27	281	-	3,302	3,823
Total support costs	**11,993**	**282**	**8,089**	**669**	**2,203**	**-**	**23,236**	**24,321**
Total expenditure	**29,464**	**21,211**	**37,010**	**1,104**	**5,257**	**-**	**94,046**	**91,363**
Net income/(expenditure) before gains/(losses) on investments	**1,792**	**4,730**	**13,006**	**(1,104)**	**(3,894)**	**4,610**	**19,140**	**14,774**
Net losses on debt securities	-	-	-	-	-	(22)	(22)	(79)
Net gains on other investments	-	-	-	-	-	-	-	732
Net income/(expenditure)	**1,792**	**4,730**	**13,006**	**(1,104)**	**(3,894)**	**4,588**	**19,118**	**15,427**

For the above table, and subsequent tables in this note, summary comparative information only has been provided as it is considered that the provision of full comparatives would add a disproportionate volume of additional information, compared with the benefit obtained by the reader of the accounts.

Notes:

1. Activities undertaken by CAF (the Charity).
2. Activities undertaken by CAF America, CAF American Donor Fund and CAF Canada.
3. Activities undertaken by CAF, CAF Bank Limited and CAF Financial Solutions Limited.
4. Donations payable to charities includes £1.6m payable to NCVO for the period 1 May 2024 to 30 April 2025 as part of our ongoing commitment, which is payable in support of their representation of the interests of charities. £5.0m was paid in the prior year in respect of the period 1 May 2021 to 30 April 2024 following a review of the terms of CAF's products and services.

6.2 Charity unrestricted funds

	Growing Philanthropy			Serving Charities				Total	
	Major donors	Regular givers	Companies	Financial & donation services[1]	CAF Network	Grant making & sector support	Other funds	2025	2024
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Income									
Donations	1,008	2,303	1,113	15	-	-	2,796	7,235	6,901
Legacies	-	-	-	-	-	-	4,600	4,600	630
	1,008	**2,303**	**1,113**	**15**	**-**	**-**	**7,396**	**11,835**	**7,531**
Charitable activities:									
Fee income	3,959	346	2,288	8,501	1,109	1,058	-	17,261	15,117
Investment income	10,238	5,061	4,940	898	-	312	-	21,449	20,623
Total income	**15,205**	**7,710**	**8,341**	**9,414**	**1,109**	**1,370**	**7,396**	**50,545**	**43,271**
Expenditure on charitable activities									
Donations payable to charities[2]	955	523	195	21	1	7	-	1,702	5,086
Direct costs	5,677	2,631	7,489	3,614	434	3,048	-	22,893	20,409
Support costs									
Human resources	356	152	468	710	60	189	-	1,935	1,884
Property	325	157	473	983	79	165	-	2,182	2,773
Finance	975	414	1,280	567	199	519	-	3,954	3,712
Information systems	2,008	902	2,754	4,846	304	1,049	-	11,863	12,129
Governance costs	736	285	708	422	27	281	-	2,459	3,183
Total support costs	**4,400**	**1,910**	**5,683**	**7,528**	**669**	**2,203**	**-**	**22,393**	**23,681**
Total expenditure	**11,032**	**5,064**	**13,367**	**11,163**	**1,104**	**5,258**	**-**	**46,988**	**49,176**
Net income/(expenditure) before net gains/(losses) on investments	**4,173**	**2,646**	**(5,026)**	**(1,749)**	**5**	**(3,888)**	**7,396**	**3,557**	**(5,905)**
Net losses on debt securities	-	-	-	-	-	-	(22)	(22)	(79)
Net gains on other investments	-	-	-	-	-	-	-	-	732
Net income/(expenditure)	**4,173**	**2,646**	**(5,026)**	**(1,749)**	**5**	**(3,888)**	**7,374**	**3,535**	**(5,252)**

Notes:

1. CAF's income and expenditure arising from activities delivered by CAF (CAF Venturesome and CAF Donate), management fees received from its subsidiaries (CAF Bank Limited and CAF Financial Solutions Limited) and CAF's associated costs.
2. Donations payable to charities includes £1.6m payable to NCVO for the period 1 May 2024 to 30 April 2025 as part of our ongoing commitment, which is payable in support of their representation of the interests of charities. £5.0m was paid in the prior year in respect of the period 1 May 2021 to 30 April 2024 following a review of the terms of CAF's products and services.

6.3 Unrestricted funds — Allocation of support costs

Support costs of charitable activities comprise costs of certain central functions, which underpin the delivery of our services to support donors, charities and the sector and are shared across more than one of our activities. These shared functions provide support in areas such as information systems, premises, human resources, finance, executive management and governance. Where the costs of these shared functions cannot be attributed directly to an area of our activities, they are allocated on the basis of staff headcount.

No support costs are allocated to restricted funds.

6.4 Group restricted funds

	Growing Philanthropy		Serving Charities		Total	Total
	Charity[1]	CAF America and subsidiaries[2]	Financial & donation services[3]	Grant making & sector support[1]	2025	2024
	£000	£000	£000	£000	£000	£000
Income						
Donations	376,209	814,953	169	661	1,191,992	1,030,956
Legacies	53,395	7,517	-	-	60,912	33,715
Government grants	-	-	-	-	-	233
	429,604	**822,470**	**169**	**661**	**1,252,904**	**1,064,904**
Investment income	19,526	4,857	-	116	24,499	23,782
Total income	**449,130**	**827,327**	**169**	**777**	**1,277,403**	**1,088,686**
Expenditure on charitable activities						
Donations payable to charities	347,479	784,772	685	823	1,133,759	1,064,420
Direct costs	-	-	-	-	-	290
Total expenditure	**347,479**	**784,772**	**685**	**823**	**1,133,759**	**1,064,710**
Net income/(expenditure) before net gains/(losses) on investments	**101,651**	**42,555**	**(516)**	**(46)**	**143,644**	**23,976**
Net gains/(losses) on financial investments	17,703	(1,292)	-	-	16,411	73,469
Net gains/(losses) on other investments	22	-	(134)	-	(112)	(30)
Net income/(expenditure)	**119,376**	**41,263**	**(650)**	**(46)**	**159,943**	**97,415**

Terms and conditions vary between products. As a result, a portion of investment income on restricted funds awaiting charitable distribution is allocated to unrestricted funds (see note 6.1).

Notes:

1. Activities undertaken by CAF (the Charity).
2. Activities undertaken by CAF America, CAF American Donor Fund and CAF Canada.
3. Activities undertaken by CAF, CAF Bank Limited and CAF Financial Solutions Limited.

6.5 Charity restricted funds

	Growing Philanthropy			Serving Charities		Total	Total
	Major donors	Regular givers	Companies	CAF Venturesome	Grant making	2025	2024
	£000	£000	£000	£000	£000	£000	£000
Income							
Donations	203,122	100,705	80,349	169	661	385,006	312,302
Legacies	53,450	-	-	-	-	53,450	30,293
Government grants	-	-	-	-	-	-	233
	256,572	**100,705**	**80,349**	**169**	**661**	**438,456**	**342,828**
Investment income	19,526	-	-	-	116	19,642	19,345
Total income	**276,098**	**100,705**	**80,349**	**169**	**777**	**458,098**	**362,173**
Expenditure on charitable activities							
Donations payable to charities	178,080	98,498	71,187	685	823	349,273	362,316
Direct costs	-	-	-	-	-	-	290
Total expenditure	**178,080**	**98,498**	**71,187**	**685**	**823**	**349,273**	**362,606**
Net income/(expenditure) before net gains/ (losses) on investments	**98,018**	**2,207**	**9,162**	**(516)**	**(46)**	**108,825**	**(433)**
Net gains on financial investments	17,703	-	-	-	-	17,703	67,024
Net gains/(losses) on other investments	22	-	-	(134)	-	(112)	-
Net income/(expenditure)	**115,743**	**2,207**	**9,162**	**(650)**	**(46)**	**126,416**	**66,591**

Terms and conditions vary between products. As a result, a portion of investment income on restricted funds awaiting charitable distribution is allocated to unrestricted funds (see note 6.2).

7. GOVERNANCE COSTS

Governance costs include the following amounts:

	Group		Charity	
	2025 £000	2024 £000	2025 £000	2024 £000
Internal audit	284	309	135	167
Fees payable to the group external auditor, net of VAT:				
Audit of financial statements	971	897	610	610
Other services	76	65	-	-
Fees payable to component external auditor, net of VAT:				
Audit of financial statements	165	135	-	-
Trustees' indemnity insurance	200	114	131	64

8. STAFF COSTS

	Charity		CAF America and subsidiaries		CAF Bank and other trading subsidiaries		Group	
	2025 £000	2024 £000	2025 £000	2024 £000	2025 £000	2024 £000	2025 £000	2024 £000
Salaries and wages	21,136	20,045	8,881	7,782	10,671	8,085	40,688	35,912
Social security costs	2,306	2,017	599	438	1,060	837	3,965	3,292
Defined contribution scheme pension costs	1,740	1,791	663	556	677	587	3,080	2,934
Training and welfare	970	763	1,050	327	133	1	2,153	1,091
	26,152	**24,616**	**11,193**	**9,103**	**12,541**	**9,510**	**49,886**	**43,229**
Other pension costs (see note 31)	66	247	-	-	-	-	66	247
	26,218	**24,863**	**11,193**	**9,103**	**12,541**	**9,510**	**49,952**	**43,476**

Throughout this note, where employees of the charity are assigned to duties exclusively for one of CAF's subsidiaries, the associated staff costs and employee numbers are included within the figures for either 'CAF America and subsidiaries' or for 'CAF Bank and other trading subsidiaries'.

Included within salaries and wages are redundancy and termination costs totalling £417k for the group and £155k for the Charity (2024: £188k for the group and £43k for the Charity). All amounts were paid during the year.

The average number of employees during the year was:

	Charity		CAF America and subsidiaries		CAF Bank and other trading subsidiaries		Group	
	2025 Number	2024 Number	2025 Number	2024 Number	2025 Number	2024 Number	2025 Number	2024 Number
Full-time and part-time employees	**443**	**422**	**131**	**139**	**194**	**173**	**768**	**734**
Full-time equivalent	**425**	**406**	**130**	**139**	**186**	**164**	**741**	**709**

Average number of full time equivalent employees analysed by function:

	2025	2024
Major donors	92	109
Regular givers	45	59
Companies	134	131
Financial and donation services	94	45
CAF International team	13	10
Grantmaking and sector support	47	51
Governance	-	1
Charity	**425**	**406**
CAF America and subsidiaries	130	139
CAF Bank and other trading subsidiaries	186	164
Group	**741**	**709**

Employee emoluments

Emoluments include gross salary, taxable benefits and one-off end-of-contract payments, such as redundancy, but exclude employer pension contributions.

The number of employees whose total emoluments exceeded £60,000 during the year is as follows:

	Charity		CAF America and subsidiaries		CAF Bank and other trading subsidiaries		Group	
	2025 Number	2024 Number	2025 Number	2024 Number	2025 Number	2024 Number	2025 Number	2024 Number
£60,001 - £70,000	33	29	26	10	8	4	67	43
£70,001 - £80,000	20	16	8	5	3	10	31	31
£80,001 - £90,000	14	7	7	6	11	3	32	16
£90,001 - £100,000	8	8	3	1	3	2	14	11
£100,001 - £110,000	8	3	2	5	2	2	12	10
£110,001 - £120,000	6	1	4	1	1	-	11	2
£120,001 - £130,000	1	1	-	-	1	1	2	2
£130,001 - £140,000	1	2	1	-	1	-	3	2
£140,001 - £150,000	4	-	-	1	-	1	4	2
£150,001 - £160,000	-	2	1	-	1	-	2	2
£160,001 - £170,000	2	1	-	-	-	-	2	1
£170,001 - £180,000	-	1	1	-	-	2	1	3
£180,001 - £190,000	-	-	-	-	2	1	2	1
£190,001 - £200,000	1	1	-	1	1	-	2	2
£200,001 - £210,000	-	-	-	-	1	-	1	-
£210,001 - £220,000	-	-	-	-	-	1	-	1
£220,001 - £230,000	-	-	-	-	1	-	1	-
£240,001 - £250,000	-	1	-	1	-	-	-	2
£250,001 - £260,000	1	-	1	-	-	-	2	-
£260,001 - £270,000	-	-	1	-	-	-	1	-
£290,001 - £300,000	1	1	-	-	-	-	1	1
£300,001 - £310,000	-	-	-	-	-	1	-	1
£310,001 - £320,000	-	-	1	-	1	-	2	-
£350,001 - £360,000	-	-	-	1	-	-	-	1
	100	**74**	**56**	**32**	**37**	**28**	**193**	**134**

The highest paid role for the year ended 30 April 2025 is the CEO of CAF Bank and CAF Financial Solutions Limited. The highest paid role in the year ended 30 April 2024 for the group was the former President and CEO of CAF America whose emoluments are paid in US dollars. The average exchange rate for the year was $1.281:£1 (2024: $1.257:£1).

The Group Chief Executive received salary and benefits of £297k (2024: £291k) and employer pension contributions of £34k (2024: £33k).

Pension contributions

Pension contributions paid in respect of the employees included in the preceding table are as follows:

	Charity		CAF America and subsidiaries		CAF Bank and other trading subsidiaries		Group	
	2025 Number	2024 Number	2025 Number	2024 Number	2025 Number	2024 Number	2025 Number	2024 Number
Number of employees	**99**	**73**	**54**	**32**	**34**	**27**	**187**	**132**
	£000	£000	£000	£000	£000	£000	£000	£000
Aggregate value of contributions	**785**	**602**	**443**	**268**	**287**	**231**	**1,515**	**1,101**

Key management personnel

The key management personnel of the group are the Trustees of the charity and members of the Group Executive Committee.

The Trustees receive no remuneration for their services, but may be reimbursed for out-of-pocket expenses in respect of attending meetings and carrying out duties on behalf of CAF. Expenses of £3,488 were reimbursed during the year (2024: £526).

Total salary and employee benefits for members of the Group Executive Committee during the year amounted to £2,049,897 (2024: £1,936,020) plus pension contributions of £134,682 (2024: £115,616). Employers' National Insurance contributions amounted to £231,305 (2024: £188,986).

9. TAXATION

CAF is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and, therefore, it meets the definition of a charitable trust for UK Income Tax purposes. Accordingly, the charity is exempt from taxation in respect of income or capital gains received within categories covered by Part 10 of the Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Consequently, no tax charge has arisen in the current or preceding year for the charity.

A Corporation Tax charge for the year of £3.5m (2024: £4.5m) arose for the group which is attributable to CAF Bank Limited.

	Group	
	2025 £000	2024 £000
Tax expense:		
Profit on ordinary activities before tax	**14,661**	**18,167**
Reconciliation to tax expense		
Profit on ordinary activities before tax at 25.0% (2024: 25.0%)	3,665	4,542
Amounts relating to other comprehensive income	7	-
Adjustment in respect of prior periods	(311)	-
Deferred tax - adjustment in respect of prior periods	161	-
Tax charge	**3,522**	**4,542**

10. LOANS AND ADVANCES TO BANKS

	Unrestricted funds		Restricted funds		CAF Bank balances and donor client balances		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Group	£000	£000	£000	£000	£000	£000	£000	£000
On demand and short-term deposits	52,032	46,506	253,833	301,671	8,800	30,604	314,665	378,781
Remaining maturity of other loans and advances:								
Less than 6 months	-	-	209,793	141,722	-	-	209,793	141,722
Between 6 months and 1 year	-	-	57,145	74,523	-	-	57,145	74,523
	52,032	**46,506**	**520,771**	**517,916**	**8,800**	**30,604**	**581,603**	**595,026**

	Unrestricted funds		Restricted funds		Donor client balances		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Charity	£000	£000	£000	£000	£000	£000	£000	£000
On demand and short-term deposits	42,740	37,300	93,137	137,569	4,594	6,613	140,471	181,482
Remaining maturity of other loans and advances:								
Less than 6 months	-	-	182,287	113,216	-	-	182,287	113,216
Between 6 months and 1 year	-	-	29,639	54,523	-	-	29,639	54,523
	42,740	**37,300**	**305,063**	**305,308**	**4,594**	**6,613**	**352,397**	**349,221**

11. LOANS AND ADVANCES TO CUSTOMERS

	Unrestricted funds		Restricted funds		CAF Bank balances and donor client balances		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	£000	£000	£000	£000	£000	£000	£000	£000
Concessionary loans:								
CAF Venturesome loans to charities	-	121	1,587	1,729	-	-	1,587	1,850
CAF Charitable Trust loans to charities	-	-	1,998	1,271	-	-	1,998	1,271
Charity	**-**	**121**	**3,585**	**3,000**	**-**	**-**	**3,585**	**3,121**
CAF Bank loans to charities and social purpose enterprises	-	-	-	-	219,101	197,702	219,101	197,702
CADF loans to charities	-	-	751	801	-	-	751	801
CAF Canada loans to charities	-	-	4,334	4,937	-	-	4,334	4,937
Group	**-**	**121**	**8,670**	**8,738**	**219,101**	**197,702**	**227,771**	**206,561**

11. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

	Group		Charity	
	2025	2024	2025	2024
Maturity	£000	£000	£000	£000
Amounts receivable in less than one year				
CAF Venturesome loans to charities	1,865	332	1,865	332
CAF Charitable Trust loans to charities	1,724	715	1,724	715
CAF Bank loans	7,143	8,769	-	-
CAF Canada loan to charities	703	748	-	-
	11,435	**10,564**	**3,589**	**1,047**
Amounts receivable in one to five years				
CAF Venturesome loans to charities	1,941	3,943	1,941	3,943
CAF Charitable Trust loans to charities	435	1,256	435	1,256
CAF Bank loans	28,322	24,786	-	-
CADF loans to charities	751	801	-	-
CAF Canada loan to charities	1,616	1,712	-	-
	33,065	**32,498**	**2,376**	**5,199**
Amounts receivable in more than five years				
CAF Venturesome loans to charities	671	119	671	119
CAF Charitable Trust loans to charities	555	-	555	-
CAF Bank loans	187,898	168,425	-	-
CAF Canada loan to charities	2,015	2,477	-	-
	191,139	**171,021**	**1,226**	**119**
Less: Deferred income and provisions				
CAF Venturesome loans to charities	(2,891)	(2,544)	(2,891)	(2,544)
CAF Charitable Trust loans to charities	(715)	(700)	(715)	(700)
CAF Bank loans	(4,262)	(4,278)	-	-
	(7,868)	**(7,522)**	**(3,606)**	**(3,244)**
Total loans	**227,771**	**206,561**	**3,585**	**3,121**

12. DEBT SECURITIES

	Group				Charity			
	Book value		Market value		Book value		Market value	
	2025	2024	2025	2024	2025	2024	2025	2024
Restricted funds	£000	£000	£000	£000	£000	£000	£000	£000
Listed:								
UK Government	20,045	19,755	20,058	20,000	20,045	19,755	20,058	20,000
Multilateral financial institutions	215,916	130,928	215,476	130,519	215,916	130,928	215,476	130,519
Fixed coupon corporate bonds	34,422	50,563	32,469	47,815	34,422	50,563	32,469	47,815
	270,383	**201,246**	**268,003**	**198,334**	**270,383**	**201,246**	**268,003**	**198,334**
Unlisted:								
Certificates of deposit	92,532	123,821	92,469	125,859	55,000	95,000	54,937	97,038
	92,532	**123,821**	**92,469**	**125,859**	**55,000**	**95,000**	**54,937**	**97,038**
	362,915	**325,067**	**360,472**	**324,193**	**325,383**	**296,246**	**322,940**	**295,372**
CAF Bank balances								
Listed:								
Multilateral financial institutions	563,083	511,053	555,768	489,173	-	-	-	-
Fixed coupon corporate bonds	59,570	49,368	59,347	47,900	-	-	-	-
Floating rate corporate bonds	60,130	76,955	60,133	76,853	-	-	-	-
	682,783	**637,376**	**675,248**	**613,926**	**-**	**-**	**-**	**-**
Total debt securities	**1,045,698**	**962,443**	**1,035,720**	**938,119**	**325,383**	**296,246**	**322,940**	**295,372**

12. DEBT SECURITIES (CONTINUED)

	Group		Charity	
	Book value		Book value	
Maturity	2025 £000	2024 £000	2025 £000	2024 £000
Up to 6 months	59,472	89,672	2,650	70,081
Between 6 months and 1 year	194,319	242,075	70,155	116,993
	253,791	**331,747**	**72,805**	**187,074**
Between 1 year and 5 years	724,226	617,562	184,897	104,619
	978,017	**949,309**	**257,702**	**291,693**
Over 5 years	67,681	13,134	67,681	4,553
Total debt securities	**1,045,698**	**962,443**	**325,383**	**296,246**
Unamortised discounts/(premiums)	**(10,947)**	**(13,085)**	**(720)**	**764**

In accordance with FRS 102 debt securities are measured at amortised cost using the effective interest method.

Group	Cost £000	Amortisation £000	Book value £000
Restricted funds			
At 1 May 2024	326,498	(1,431)	325,067
Acquisitions	252,493	56	252,549
Disposals	(1,454)	132	(1,322)
Redemptions	(212,531)	610	(211,921)
Amortisation	-	340	340
Foreign exchange gains	(1,798)	-	(1,798)
At 30 April 2025	**363,208**	**(293)**	**362,915**
CAF Bank balances and donor client balances			
At 1 May 2024	635,548	1,828	637,376
Acquisitions	157,005	(41)	156,964
Redemptions	(117,369)	1,771	(115,598)
Amortisation	-	4,041	4,041
At 30 April 2025	**675,184**	**7,599**	**682,783**
Total	**1,038,392**	**7,306**	**1,045,698**

Charity	Cost £000	Amortisation £000	Book value £000
Restricted funds			
At 1 May 2024	297,677	(1,431)	296,246
Acquisitions	241,984	56	242,040
Disposals	(1,454)	132	(1,322)
Redemptions	(212,531)	610	(211,921)
Amortisation	-	340	340
At 30 April 2025	**325,676**	**(293)**	**325,383**

13. FINANCIAL INVESTMENTS

Restricted funds

The following tables show the carrying amounts of investments held by the group at fair value and represent restricted funds held for CAF Charitable Trusts, CAF America and CAF Canada Donor Advised Funds and CAF American Donor Fund Trusts (collectively 'Trust funds'). They do not include fair value information for other financial assets and liabilities held by the group which are not measured at fair value.

Nature of Trust funds

Trust funds are held pending onward donation suggestions from clients. Until such suggestions are received there is no constructive obligation or liability to pay a defined amount within a set time period. Donors typically hold a portion of these funds in cash in order to meet their short-term giving expectations and invest funds to meet their medium to long-term philanthropic objectives. Donors plan donation suggestions by reference to the market values and liquidity profile of the assets held for their trust fund.

	Group		Charity	
Restricted funds	2025 £000	2024 £000	2025 £000	2024 £000
At 1 May	967,603	817,717	870,005	750,244
Additions	292,268	326,439	228,211	211,074
Disposal proceeds	(245,580)	(250,022)	(192,773)	(158,337)
Net investment gains/(losses)	16,411	73,469	17,703	67,024
	1,030,702	**967,603**	**923,146**	**870,005**
Investment portfolio cash and settlements pending	7,619	12,013	5,619	4,530
At 30 April	**1,038,321**	**979,616**	**928,765**	**874,535**
Historical cost of investments	**898,378**	**828,014**	**797,556**	**735,450**

Measurement of fair values

The following hierarchy is used to estimate the fair value of investments:

Level 1 The quoted price for an identical asset in an active market.

Level 2 When quoted prices are unavailable, the fair value is taken as the price of a recent transaction for an identical asset. No investments were held in this category as at 30 April 2025 or 30 April 2024.

Level 3 If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, a valuation technique is used to estimate the fair value. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations. If the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed, the assets are valued at cost less impairment until a reliable measure of fair value becomes available.

13. FINANCIAL INVESTMENTS (CONTINUED)

	Level 1		Level 3		Total	
	2025	2024	2025	2024	2025	2024
Group	£000	£000	£000	£000	£000	£000
Represented by:						
Listed securities:						
UK Government fixed interest	35,791	25,462	-	-	35,791	25,462
Overseas Government fixed interest	2,374	5,337	-	-	2,374	5,337
Other fixed interest	10,147	7,701	-	-	10,147	7,701
UK equities	30,391	32,334	-	-	30,391	32,334
Overseas equities	89,350	79,414	-	-	89,350	79,414
CAF investment funds:						
IFSL CAF Funds	157,241	128,679	-	-	157,241	128,679
Unit trusts and other pooled investments	667,693	653,625	-	-	667,693	653,625
Investment trusts	35,291	32,742	-	-	35,291	32,742
Unlisted investments:						
UK	-	-	2,424	2,309	2,424	2,309
	1,028,278	**965,294**	**2,424**	**2,309**	**1,030,702**	**967,603**
Investment portfolio cash and settlements pending	7,619	12,013	-	-	7,619	12,013
	1,035,897	**977,307**	**2,424**	**2,309**	**1,038,321**	**979,616**

	Level 1		Level 3		Total	
	2025	2024	2025	2024	2025	2024
Charity	£000	£000	£000	£000	£000	£000
Represented by:						
Listed securities:						
UK Government fixed interest	35,791	24,659	-	-	35,791	24,659
Overseas Government fixed interest	2,022	4,480	-	-	2,022	4,480
Other fixed interest	7,582	7,701	-	-	7,582	7,701
UK equities	29,436	31,804	-	-	29,436	31,804
Overseas equities	66,968	62,479	-	-	66,968	62,479
CAF investment funds:						
IFSL CAF Funds	157,013	128,495	-	-	157,013	128,495
Unit trusts and other pooled investments	587,060	575,930	-	-	587,060	575,930
Investment trusts	34,850	32,148	-	-	34,850	32,148
Unlisted investments:						
UK	-	-	2,424	2,309	2,424	2,309
	920,722	**867,696**	**2,424**	**2,309**	**923,146**	**870,005**
Investment portfolio cash and settlements pending	5,619	4,530	-	-	5,619	4,530
	926,341	**872,226**	**2,424**	**2,309**	**928,765**	**874,535**

14. OTHER INVESTMENTS

	Unrestricted funds		Restricted funds		Total	
	2025	2024	2025	2024	2025	2024
Group	£000	£000	£000	£000	£000	£000
Investment properties	-	-	1,300	4,600	1,300	4,600
Unlisted investments	4,829	4,829	726	725	5,555	5,554
Other	-	-	464	68	464	68
	4,829	**4,829**	**2,490**	**5,393**	**7,319**	**10,222**

	Unrestricted funds		Restricted funds		Total	
	2025	2024	2025	2024	2025	2024
Charity	£000	£000	£000	£000	£000	£000
Investment properties	-	-	1,300	4,600	1,300	4,600
Unlisted investments	4,829	4,829	726	725	5,555	5,554
Other	-	-	400	-	400	-
	4,829	**4,829**	**2,426**	**5,325**	**7,255**	**10,154**

	Unrestricted funds	Restricted funds	Total
Group	£000	£000	£000
As at 1 May 2024	4,829	5,393	10,222
Additions	-	575	575
Disposal proceeds	-	(3,362)	(3,362)
Gain on disposal	-	22	22
Revaluation	-	(134)	(134)
Foreign exchange movements	-	(4)	(4)
At 30 April 2025	**4,829**	**2,490**	**7,319**

	Unrestricted funds	Restricted funds	Total
Charity	£000	£000	£000
As at 1 May 2024	4,829	5,325	10,154
Additions	-	575	575
Disposal proceeds	-	(3,362)	(3,362)
Gain on disposal	-	22	22
Revaluation	-	(134)	(134)
At 30 April 2025	**4,829**	**2,426**	**7,255**

For the sole investment property held in restricted funds in CAF, the valuation was carried out by an independent, qualified chartered surveyor, Berrys as at 30 April 2024. The valuation was carried out in accordance with the guidelines of the Royal Institution of Chartered Surveyors.

15. SUBSIDIARY UNDERTAKINGS

	Ordinary share capital	Sub-ordinated debt	Total
Charity	£000	£000	£000
At 1 May 2024 and 30 April 2025	**41,700**	**5,000**	**46,700**

Details of the entities held as subsidiary undertakings are disclosed in note 2 of these financial statements.

16. TANGIBLE FIXED ASSETS

	Long leasehold property & improvements	Other leasehold improvements	Furniture fittings & computer equipment	Total
Group - unrestricted funds	£000	£000	£000	£000
Cost or valuation				
At 1 May 2024	3,200	969	2,665	6,834
Foreign exchange movements	-	(7)	(8)	(15)
At 30 April 2025	**3,200**	**962**	**2,657**	**6,819**
Depreciation				
At 1 May 2024	300	170	2,663	3,133
Charged in year	97	124	2	223
Foreign exchange movements	-	(7)	(8)	(15)
At 30 April 2025	**397**	**287**	**2,657**	**3,341**
Net book value				
At 30 April 2025	**2,803**	**675**	**-**	**3,478**
At 30 April 2024	**2,900**	**799**	**2**	**3,701**

	Long leasehold property & improvements	Other leasehold improvements	Furniture fittings & computer equipment	Total
Charity - unrestricted funds	£000	£000	£000	£000
Cost or valuation				
At 1 May 2024 and 30 April 2025	**3,200**	**849**	**2,527**	**6,576**
Depreciation				
At 1 May 2024	300	89	2,527	2,916
Charged in year	97	117	-	214
At 30 April 2025	**397**	**206**	**2,527**	**3,130**
Net book value				
At 30 April 2025	**2,803**	**643**	**-**	**3,446**
At 30 April 2024	**2,900**	**760**	**-**	**3,660**

Long-leasehold property

The long-leasehold property consists of the lease to the year 2190 on the land and buildings occupied by CAF as its principal place of business. The property is held at valuation and was valued at 30 April 2025 by CBRE, Chartered Surveyors. The valuation was carried out in accordance with the guidelines of the Royal Institution of Chartered Surveyors. The open market value, on a vacant possession basis, at that date was estimated at £2.7m (2024: £2.9m), giving rise to an unrecognised impairment loss of £0.1m at the balance sheet date.

A revaluation in accordance with appropriate professional guidelines will be carried out when needed to ensure valuation is kept up-to-date.

The historical cost carrying value of the property and improvements at the balance sheet date was £3.2m (2024: £3.2m).

17. INTANGIBLE FIXED ASSETS

	Development cost
Group - unrestricted funds	£000
Cost or valuation	
At 1 May 2024	10,758
Additions	5,150
At 30 April 2025	**15,908**

Intangible fixed assets represent software development costs associated with the development of a banking system for CAF Bank Limited, which went live after the year end in June 2025. They have been capitalised in accordance with FRS 102 Section 18, Intangible Assets Other than Goodwill. CAF Bank Limited performed an impairment review of its capitalised development costs as at 30 April 2025 in accordance with FRS 102 Section 27. Based on the review, no indicators of impairment were identified to the carrying value of the asset. Accordingly, no impairment has been recognised in the current period.

18. OTHER DEBTORS

Balances falling due within one year.

	Unrestricted funds		Restricted funds		Total	
	2025	2024	2025	2024	2025	2024
Group	£000	£000	£000	£000	£000	£000
Income Tax recoverable	-	-	15,181	10,309	15,181	10,309
Other debtors	1,182	1,928	4,698	1,905	5,880	3,833
	1,182	**1,928**	**19,879**	**12,214**	**21,061**	**14,142**

	Unrestricted funds		Restricted funds		Total	
	2025	2024	2025	2024	2025	2024
Charity	£000	£000	£000	£000	£000	£000
Amounts due from subsidiary undertakings	3,802	2,005	-	-	3,802	2,005
Income Tax recoverable	-	-	14,474	3,239	14,474	3,239
Other debtors	544	671	4,305	1,352	4,849	2,023
	4,346	**2,676**	**18,779**	**4,591**	**23,125**	**7,267**

19. PREPAYMENTS AND ACCRUED INCOME

Balances falling due within one year.

	Unrestricted funds		Restricted funds		CAF Bank balances and donor client balances		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Group	£000	£000	£000	£000	£000	£000	£000	£000
Prepayments	4,148	4,349	-	-	-	-	4,148	4,349
Accrued income								
Legacy income	4,008	1,622	49,780	23,161	-	-	53,788	24,783
Interest receivable	7,263	10,615	1,301	1,858	9,134	8,486	17,698	20,959
Other income	1,464	550	846	103	-	-	2,310	653
	16,883	**17,136**	**51,927**	**25,122**	**9,134**	**8,486**	**77,944**	**50,744**

	Unrestricted funds		Restricted funds		Total	
	2025	2024	2025	2024	2025	2024
Charity	£000	£000	£000	£000	£000	£000
Prepayments	1,873	2,011	-	-	1,873	2,011
Accrued income						
Legacy income	4,008	1,622	41,235	22,040	45,243	23,662
Interest receivable	5,178	9,059	1,284	1,766	6,462	10,825
Other income	1,165	372	635	103	1,800	475
	12,224	**13,064**	**43,154**	**23,909**	**55,378**	**36,973**

A portion of accrued legacy income may be received after more than one year from the balance sheet date but this figure cannot be determined with any accuracy due to the inherent uncertainty in the timing of legacy income receipts.

20. CAF BANK DEPOSITOR BALANCES

	CAF Bank balances and donor client balances	
	2025	2024
Group	£000	£000
Repayable on demand	1,442,173	1,408,503
Repayable within 30 days	8,747	10,924
	1,450,920	**1,419,427**

21. DONOR CLIENT BALANCES

The following represent donations to other charities that are being processed by CAF:

	At 1 May 2024	Amounts received from donors	Amounts received from CAF	Amounts paid to charities	Donations paid to CAF	At 30 April 2025
Group and charity	£000	£000	£000	£000	£000	£000
CAF Give As You Earn	5,673	61,787	1,371	(22,893)	(42,383)	3,555
CAF Donate	534	46,599	-	(46,828)	-	305
	6,207	**108,386**	**1,371**	**(69,721)**	**(42,383)**	**3,860**

	At 1 May 2023	Amounts received	Amounts received from CAF	Amounts paid to charities	Donations paid to CAF	At 30 April 2024
Group and charity	£000	£000	£000	£000	£000	£000
CAF Give As You Earn	6,238	60,299	1,389	(21,129)	(41,124)	5,673
CAF Donate	891	46,754	-	(47,111)	-	534
	7,129	**107,053**	**1,389**	**(68,240)**	**(41,124)**	**6,207**

22. DUE TO BENEFICIARY CHARITIES

	Restricted funds	
	2025	2024
Group	£000	£000
Payable within 1 year	6,622	14,880
Payable between 1 and 5 years	1,098	2,922
	7,720	**17,802**

	Restricted funds	
	2025	2024
Charity	£000	£000
Payable within 1 year	3,993	8,887
Payable between 1 and 5 years	1,098	2,922
	5,091	**11,809**

Amounts due to beneficiary charities represent constructive obligations, principally in respect of longer-term donor suggestions.

23. OTHER CREDITORS

Balances fall due within one year except where stated below.

	Unrestricted funds		Restricted funds		CAF Bank balances and donor client balances		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Group	£000	£000	£000	£000	£000	£000	£000	£000
Payable on acquisition of investments	-	-	213	400	-	-	213	400
Trade creditors	3,443	3,449	-	-	-	-	3,443	3,449
Tax and social security	966	1,138	-	-	-	-	966	1,138
Other creditors	6,542	2,731	6,028	5,916	734	406	13,304	9,053
	10,951	**7,318**	**6,241**	**6,316**	**734**	**406**	**17,926**	**14,040**

	Unrestricted funds		Restricted funds		Donor client balances		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Charity	£000	£000	£000	£000	£000	£000	£000	£000
Amounts owed to subsidiary undertakings	-	130	-	-	-	-	-	130
Payable on acquisition of investments	-	-	213	400	-	-	213	400
Trade creditors	1,397	1,078	-	-	-	-	1,397	1,078
Tax and social security	966	1,138	-	-	-	-	966	1,138
Other creditors	994	113	6,028	5,916	734	406	7,756	6,435
	3,357	**2,459**	**6,241**	**6,316**	**734**	**406**	**10,332**	**9,181**

Included within other creditors are amounts totalling £0.2m (2024: £1.1m) repayable to six (2024: seven) third-party investors of CAF Venturesome. Amounts are repayable within three or six months from receipt of written instruction. These concessionary loans do not bear interest and amounts are repaid net of any losses that may be incurred as a result of onward lending by CAF Venturesome, on a concessionary basis to charities and social enterprises.

24. REPURCHASE AGREEMENTS

In CAF Bank, repurchase agreements total £nil (2024: £13.9m). The corresponding carrying value of assets of £nil (2024: £14.7m) sold under sale and repurchase agreements is included within debt securities (note 12).

25. LONG-TERM LOANS

	2026 Loan		2031 Loan		Total carrying value	
	2025	2024	2025	2024	2025	2024
Group and charity	£000	£000	£000	£000	£000	£000
Unrestricted funds						
At 1 May	7,163	7,142	30,006	29,959	37,169	37,101
Amortisation of capitalised costs	22	21	48	46	70	67
Interest payable for the year	369	368	1,083	1,082	1,452	1,450
Interest paid	(368)	(368)	(1,082)	(1,081)	(1,450)	(1,449)
At 30 April	**7,186**	**7,163**	**30,055**	**30,006**	**37,241**	**37,169**

	2026 Loan		2031 Loan		Total carrying value	
	2025	2024	2025	2024	2025	2024
Payable	£000	£000	£000	£000	£000	£000
Less than 3 months	-	-	422	422	422	422
Between 3 months and 6 months	19	18	-	-	19	18
Between 6 months and 1 year	7,167	-	-	-	7,167	-
	7,186	**18**	**422**	**422**	**7,608**	**440**
Between 1 year and 5 years	-	7,145	-	-	-	7,145
	7,186	**7,163**	**422**	**422**	**7,608**	**7,585**
Over 5 years	-	-	29,633	29,584	29,633	29,584
	7,186	**7,163**	**30,055**	**30,006**	**37,241**	**37,169**

To support CAF's work to grow the impact of charitable donations from the donors we work with, in December 2021, RCB Bonds PLC (RCB) issued the CAF 3.5% bond due in 2031. RCB raised £30.0m from institutional and retail investors and the full amount has been loaned to CAF under the terms of a loan agreement between CAF and RCB. CAF retains the option to request the issue of further bonds. This may be bonds up to a maximum of a further £20.0m, with proceeds to be loaned by RCB to CAF.

In addition to supporting CAF's future growth and transformation plans, the proceeds arising in December 2021 were used in part to settle a tender offer under which CAF bought back £12.8m of the previously issued CAF 5% bonds due in 2026. These were issued by RCB in 2016 and raised £20.0m and the full amount raised was loaned to CAF under the terms of a loan agreement between CAF and RCB.

Loan payable 2031

The loan is repayable to RCB in full in December 2031. Interest is payable at a rate of 3.5% per annum.

Loan payable 2026

The loan is repayable to RCB in full in April 2026. Interest is payable at a rate of 5% per annum.

Associated costs

In respect of each of the above loans, bond-issue costs and other costs associated with the advance of the loans, including legal and accountancy fees, have been capitalised and are being amortised over the term of the relevant loan.

26. STATEMENT OF FUNDS

	Notes	At 1 May 2024	Income and donations received	Expenditure on charitable activities	Transfers	Taxation and recognised gains & losses	At 30 April 2025
		£000	£000	£000	£000	£000	£000
Group							
Unrestricted funds	26.1	98,496	113,186	(94,046)	2,279	(4,737)	115,178
Restricted funds	26.2	1,848,467	1,277,403	(1,133,759)	(2,279)	1,130	1,990,962
		1,946,963	**1,390,589**	**(1,227,805)**	**-**	**(3,607)**	**2,106,140**
Charity							
Unrestricted funds	26.1	66,068	50,545	(46,988)	1,747	(793)	70,579
Restricted funds	26.2	1,494,789	458,098	(349,273)	(1,747)	13,956	1,615,823
		1,560,857	**508,643**	**(396,261)**	**-**	**13,163**	**1,686,402**

	Notes	At 1 May 2023	Income and donations received	Expenditure on charitable activities	Transfers	Taxation and recognised gains & losses	At 30 April 2024
		£000	£000	£000	£000	£000	£000
Group							
Unrestricted funds	26.1	84,051	106,137	(91,363)	3,213	(3,542)	98,496
Restricted funds	26.2	1,753,282	1,088,686	(1,064,710)	(3,213)	74,422	1,848,467
		1,837,333	**1,194,823**	**(1,156,073)**	**-**	**70,880**	**1,946,963**
Charity							
Unrestricted funds	26.1	67,814	43,271	(49,176)	3,213	946	66,068
Restricted funds	26.2	1,431,755	362,173	(362,606)	(3,213)	66,680	1,494,789
		1,499,569	**405,444**	**(411,782)**	**-**	**67,626**	**1,560,857**

26.1 Unrestricted funds

	At 1 May 2024	Income and donations received	Expenditure on charitable activities	Transfers	Taxation and recognised gains & losses	At 30 April 2025
	£000	£000	£000	£000	£000	£000
Group						
General funds	98,496	113,186	(94,046)	2,279	(4,737)	115,178
	98,496	**113,186**	**(94,046)**	**2,279**	**(4,737)**	**115,178**
Charity						
General funds	66,068	50,545	(46,988)	1,747	(793)	70,579
	66,068	**50,545**	**(46,988)**	**1,747**	**(793)**	**70,579**

	At 1 May 2023	Income and donations received	Expenditure on charitable activities	Transfers	Taxation and recognised gains & losses	At 30 April 2024
	£000	£000	£000	£000	£000	£000
Group						
General funds	84,051	106,137	(91,363)	3,213	(3,542)	98,496
	84,051	**106,137**	**(91,363)**	**3,213**	**(3,542)**	**98,496**
Charity						
General funds	67,814	43,271	(49,176)	3,213	946	66,068
	67,814	**43,271**	**(49,176)**	**3,213**	**946**	**66,068**

General funds – comprise accumulated operating surpluses, income from investments, legacies and other gifts received.

Transfers from restricted funds to unrestricted funds – transfers from restricted funds include amounts from dormant donors and from funds for which the original donor or legator has provided no wishes for the distribution of funds upon their death. All transfers from restricted funds are applied for the general charitable purposes of CAF, in support of CAF's transformation plans.

26. STATEMENT OF FUNDS (CONTINUED)

26.2 Restricted funds

Group	At 1 May 2024 £000	Income and donations received £000	Expenditure on charitable activities £000	Transfers £000	Taxation and recognised gains & losses £000	At 30 April 2025 £000
Growing philanthropy						
Major donors						
CAF Charitable Trusts	1,298,880	275,642	(177,913)	(3,519)	14,256	1,407,346
Regular givers						
CAF Charity Accounts	98,186	60,911	(61,588)	(57)	-	97,452
CAF Give As You Earn Charity Accounts	44,135	39,794	(36,910)	620	-	47,639
	142,321	100,705	(98,498)	563	-	145,091
Companies						
CAF Company Accounts	39,582	72,783	(71,068)	6,474	(166)	47,605
Charity	**1,480,783**	**449,130**	**(347,479)**	**3,518**	**14,090**	**1,600,042**
CAF America	164,796	666,355	(648,875)	(6,657)	(10,060)	165,559
CAF American Donor Fund	172,847	140,397	(117,087)	(1,611)	(2,221)	192,325
CAF Canada	16,035	20,575	(18,810)	-	(545)	17,255
CAF America and subsidiaries	**353,678**	**827,327**	**(784,772)**	**(8,268)**	**(12,826)**	**375,139**
Serving charities						
CAF Venturesome	7,623	169	(685)	(936)	(134)	6,037
Financial & donation services	**7,623**	**169**	**(685)**	**(936)**	**(134)**	**6,037**
Community Match Challenge	1	-	(1)	-	-	-
CAF discretionary funds	6,382	777	(822)	3,407	-	9,744
Grantmaking & sector support	**6,383**	**777**	**(823)**	**3,407**	**-**	**9,744**
	1,848,467	**1,277,403**	**(1,133,759)**	**(2,279)**	**1,130**	**1,990,962**

26.2 Restricted funds (continued)

Charity	At 1 May 2024 £000	Income and donations received £000	Expenditure on charitable activities £000	Transfers £000	Taxation and recognised gains & losses £000	At 30 April 2025 £000
Growing philanthropy						
Major donors						
CAF Charitable Trusts	1,298,880	276,098	(178,080)	(3,808)	14,256	1,407,346
Regular givers						
CAF Charity Accounts	98,186	60,911	(61,588)	(57)	-	97,452
CAF Give As You Earn Charity Accounts	44,135	39,794	(36,910)	620	-	47,639
	142,321	100,705	(98,498)	563	-	145,091
Companies						
CAF Company Accounts	39,582	80,349	(71,187)	(973)	(166)	47,605
Serving charities						
CAF Venturesome						
Financial & donation services	7,623	169	(685)	(936)	(134)	6,037
Grantmaking						
Community Match Challenge	1	-	(1)	-	-	-
CAF discretionary funds	6,382	777	(822)	3,407	-	9,744
	6,383	777	(823)	3,407	-	9,744
	1,494,789	**458,098**	**(349,273)**	**(1,747)**	**13,956**	**1,615,823**

26. STATEMENT OF FUNDS (CONTINUED)

26.2 Restricted funds (continued)

Group	At 1 May 2023 £000	Income and donations received £000	Expenditure on charitable activities £000	Transfers £000	Recognised gains & losses £000	At 30 April 2024 £000
Growing philanthropy						
Major donors						
CAF Charitable Trusts	1,225,532	177,774	(176,452)	5,360	66,666	1,298,880
Regular givers						
CAF Charity Accounts	104,063	55,152	(62,679)	1,650	-	98,186
CAF Give As You Earn Charity Accounts	41,711	38,920	(36,490)	(6)	-	44,135
	145,774	94,072	(99,169)	1,644	-	142,321
Companies						
CAF Company Accounts	45,417	72,506	(85,019)	6,664	14	39,582
Charity	**1,416,723**	**344,352**	**(360,640)**	**13,668**	**66,680**	**1,480,783**
CAF America	173,044	569,405	(573,034)	(8,015)	3,396	164,796
CAF American Donor Fund	132,453	157,001	(112,355)	(8,509)	4,257	172,847
CAF Canada	16,030	16,650	(16,734)	-	89	16,035
CAF America and subsidiaries	**321,527**	**743,056**	**(702,123)**	**(16,524)**	**7,742**	**353,678**
Serving charities						
CAF Venturesome	8,763	400	(369)	(1,171)	-	7,623
Financial & donation services	**8,763**	**400**	**(369)**	**(1,171)**	**-**	**7,623**
Community Match Challenge	2	233	(734)	500	-	1
CAF discretionary funds	6,267	645	(844)	314	-	6,382
Grantmaking & sector support	**6,269**	**878**	**(1,578)**	**814**	**-**	**6,383**
	1,753,282	**1,088,686**	**(1,064,710)**	**(3,213)**	**74,422**	**1,848,467**

26.2 Restricted funds (continued)

Charity	At 1 May 2023 £000	Income and donations received £000	Expenditure on charitable activities £000	Transfers £000	Recognised gains & losses £000	At 30 April 2024 £000
Growing philanthropy						
Major donors						
CAF Charitable Trusts	1,225,532	186,425	(176,458)	(3,285)	66,666	1,298,880
Regular givers						
CAF Charity Accounts	104,063	55,152	(62,692)	1,663	-	98,186
CAF Give As You Earn Charity Accounts	41,711	38,920	(36,490)	(6)	-	44,135
	145,774	94,072	(99,182)	1,657	-	142,321
Companies						
CAF Company Accounts	45,417	80,398	(85,019)	(1,228)	14	39,582
Serving charities						
CAF Venturesome						
Financial & donation services	8,763	400	(369)	(1,171)	-	7,623
Grantmaking						
Community Match Challenge	2	233	(734)	500	-	1
CAF discretionary funds	6,267	645	(844)	314	-	6,382
	6,269	878	(1,578)	814	-	6,383
	1,431,755	**362,173**	**(362,606)**	**(3,213)**	**66,680**	**1,494,789**

Restricted funds comprise:

a. **CAF Charitable Trusts** – consist of capital gifted to CAF and the related income from financial investments. The capital is held in accordance with CAF's Investment Policy for CAF Charitable Trusts and investment gains or losses are credited or charged to the funds. These funds are expected to be used to make payments to other charities as suggested by the donor.

b. **CAF Charity Accounts, CAF Company Accounts and CAF Give As You Earn Charity Accounts** – represent amounts gifted to CAF by individual and corporate donors that are held in accounts until disbursed to charities as suggested by the donor.

c. **CAF Venturesome** – represent funds set aside by CAF donors to complement the funds assigned by the Trustees for CAF Venturesome.

d. **CAF America, CAF American Donor Fund and CAF Canada** – represent undistributed donations received by each of these charities. The boards of these entities review, validate and approve donors' suggestions for distributions to charities worldwide.

e. **CAF discretionary funds** – represent funds available to support the sector at Trustees' discretion.

f. **Community Match Challenge** – represent funds received by CAF from DCMS in 2020/21 and transferred from CAF Company accounts in 2021/22 in respect of the Community Match Challenge created in response to the Coronavirus pandemic. Grants from the fund were awarded to small charities.

Transfers between restricted funds

Transfers between restricted funds occur where a donor gives funds into a range of donor advised funds and subsequently requests a transfer between the funds.

27. CASH FLOW STATEMENT

27.1 Reconciliation of net income to net cash flow from operating activities

	Group		Charity	
	2025	2024	2025	2024
	£000	£000	£000	£000
Net income before tax	179,061	112,842	129,951	61,339
Adjustments for:				
Depreciation	223	218	214	193
Impairment losses	-	203	-	203
Losses on disposal of tangible fixed assets	-	9	-	9
Gains on financial investments	(16,411)	(73,469)	(17,703)	(67,024)
Losses/(gains) on and other revaluations of other investments	116	(722)	112	(752)
Amortisation and other revaluations of debt securities	(2,598)	(2,457)	(396)	168
Amortisation of capitalised costs of borrowing	70	67	70	67
Non-cash transactions:				
In specie investment transfers and share gifts	(64,688)	(48,935)	(31,253)	(21,114)
Gift of property and other assets	(400)	-	(400)	-
Defined benefit pension plan expense	66	247	66	247
Interest on long-term loans	1,452	1,450	1,452	1,450
Investment income receivable on Trust Funds	(24,499)	(23,782)	(19,642)	(19,345)
Decrease in Cash Ratio Deposit with Bank of England	-	3,582	-	-
Increase in loans and advances to customers	(21,210)	(19,767)	(464)	(156)
Increase in other assets and prepayments	(34,266)	(12,255)	(34,416)	(4,069)
Decrease in amounts due to beneficiary charities	(10,082)	(1,477)	(6,718)	(3,370)
Increase in other liabilities and accruals	1,814	6,179	1,605	2,406
Decrease in donor client balances	(2,347)	(922)	(2,347)	(922)
Increase/(decrease) in CAF Bank depositor balances	31,493	(85,439)	-	-
Cash from operations	**37,794**	**(144,428)**	**20,131**	**(50,670)**
Corporation tax paid	(3,761)	(5,815)	-	-
Net cash generated from/(used in) operating activities	**34,033**	**(150,243)**	**20,131**	**(50,670)**

Cash from operations includes interest received of £84.4 million (2024: £73.7 million) in the group and £13.6 million (2024: £6.9 million) in the charity.

The increase/(decrease) in CAF Bank depositor balances is stated after the addition of interest paid of £20.7 million (2023: £18.4 million).

27.2 Analysis of changes in net debt

Group	At 1 May 2024	Cash flows	Foreign exchange movements	Other non-cash changes	At 30 April 2025
	£000	£000	£000	£000	£000
Total cash and cash equivalents	1,009,307	(68,316)	(15,654)	-	925,337
Loans falling due within one year	(440)	1,450	-	(8,619)	(7,609)
Loans falling due after more than one year	(36,729)	-	-	7,097	(29,632)
Cash and cash equivalents less debt	**972,138**	**(66,866)**	**(15,654)**	**(1,522)**	**888,096**

Charity	At 1 May 2024	Cash flows	Foreign exchange movements	Other non-cash changes	At 30 April 2025
	£000	£000	£000	£000	£000
Total cash and cash equivalents	181,482	(37,313)	(3,698)	-	140,471
Loans falling due within one year	(440)	1,450	-	(8,619)	(7,609)
Loans falling due after more than one year	(36,729)	-	-	7,097	(29,632)
Cash and cash equivalents less debt	**144,313**	**(35,863)**	**(3,698)**	**(1,522)**	**103,230**

28. OPERATING LEASE COMMITMENTS

At the balance sheet date, the group and CAF had total commitments under non-cancellable operating leases as set out below:

	Land & buildings		Other		Total	
	2025	2024	2025	2024	2025	2024
Group	£000	£000	£000	£000	£000	£000
Operating lease payments falling due:						
Within one year	443	645	209	244	652	889
Between one and five years	1,781	2,219	157	428	1,938	2,647
After more than five years	1,152	1,536	-	-	1,152	1,536
	3,376	**4,400**	**366**	**672**	**3,742**	**5,072**

The amounts charged to the SOFA totalled £0.6m (2024: £0.7m) in respect of land and buildings and £0.4m (2024: £0.4m) in respect of other assets.

28. OPERATING LEASE COMMITMENTS (CONTINUED)

	Land & buildings		Other		Total	
	2025	2024	2025	2024	2025	2024
Charity	£000	£000	£000	£000	£000	£000
Operating lease payments falling due:						
Within one year	213	407	209	244	422	651
Between one and five years	1,384	1,552	157	428	1,541	1,980
After more than five years	1,152	1,536	-	-	1,152	1,536
	2,749	**3,495**	**366**	**672**	**3,115**	**4,167**

The amounts charged to the SOFA totalled £0.2m (2024: £0.4m) in respect of land and buildings and £0.4m (2024: £0.4m) in respect of other assets

29. FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES

At the balance sheet date, the group was committed to the following:

	2025	2024
	£000	£000
CAF Venturesome loans	913	1,507
CAF Venturesome grants	57	92
Charity	**970**	**1,599**
CAF Bank:		
Commitments to customers	75,445	68,369
Group	**76,415**	**69,968**

CAF Venturesome loans and grants to charities

At the balance sheet date, CAF Venturesome was committed to provide concessionary loans and grants to charities, subject to certain conditions being met. No liability has been recorded in the balance sheet for these loans or grants. The commitments become due or expire within one year (if the charity no longer needs the funding).

CAF Bank commitments to customers

At the balance sheet date, CAF Bank had commitments comprising amounts yet to be drawn under loan or overdraft agreements.

CAF contingent liabilities

A disagreement between CAF and another organisation in respect of a long-standing contract remains unresolved. While there have been some developments in the period, there is uncertainty as to the outcome and while an amount cannot be reasonably estimated, there may be a possible outflow of unrestricted funds at a time that cannot currently be determined. The degree of uncertainty at this time means that it is not practicable to estimate its financial effect.

30. CONTINGENT ASSETS

At the balance sheet date, the charity had been notified of a number of legacies for which probate had not yet been granted or other factors indicated that these legacies should not be recognised as income. The aggregate value of those legacies was £33.7m for the group and the Charity (2024: £28.8m for the group and the Charity).

31. PENSION OBLIGATIONS

a. Hargreaves Lansdown

The Hargreaves Lansdown scheme is a defined contribution self-invested group pension.

Upon auto-enrolment, the initial employee contribution rate is currently 2.67% of basic salary and CAF contributes 5.33%. After three months service, employees can contribute up to 10% of basic salary, with CAF contributing a maximum of 11.33%.

b. The Charities Aid Foundation Pension Scheme

The Charities Aid Foundation Pension Scheme is a defined benefit scheme established on 15 September 2015 and is closed to new employees and further benefit accrual. The Charities Aid Foundation Pension Scheme was established solely to receive a transfer from the Growth Plan, a multi-employer section of The Pensions Trust in which CAF was a participating employer.

The most recent triennial valuation was performed by the scheme actuary as at 1 May 2022. The assets at the effective date were sufficient to cover around 103% of the scheme's technical provisions.

Given that the funding position remained favourable, in January 2023, the Trustees of CAF agreed with the scheme trustee that a buy-in with an insurer may be considered. After receiving a quote that was considered affordable, and following receipt of the necessary advice, the trustee entered into a buy-in policy with Just Retirement Limited on 27 June 2024. To facilitate this transaction, CAF injected £774k into the scheme. This policy covered all remaining uninsured liabilities of the Scheme. The scheme trustee is now working with Just Retirement Limited to conclude a buy-out, with each member to be issued with their own individual policy. This process is anticipated to complete before the end of the calendar year.

Consequently, it is unlikely that the net defined benefit asset, as determined by the actuary as at 30 April 2025 in accordance with FRS 102, will be realised by CAF and the net defined benefit asset has not been recognised in the balance sheet.

For the purposes of these financial statements and reporting in accordance with FRS 102, the scheme actuary has carried out calculations by projecting forwards the results of the triennial valuation of the scheme as at 1 May 2022, and then making appropriate adjustments for material known experience and for differences in assumptions.

The results of the actuary's estimate of the scheme's assets and liabilities at 30 April 2025, based on assumptions used for FRS 102 are as follows:

i) Amounts recognised in the balance sheet:

	2025	2024
	£000	£000
Fair value of assets	11,265	12,851
Defined benefit obligation	(11,074)	(11,880)
Surplus	**191**	**971**
Effect of asset limit	(191)	(971)
Net asset	**-**	**-**

31. PENSION OBLIGATIONS (CONTINUED)

ii) Amounts included in the SOFA under FRS 102:

	2025	2024
	£000	£000
Scheme expenses	66	247
Interest income on assets	(659)	(640)
Interest cost on defined benefit obligation	591	583
Interest on effect of asset limit	68	57
Total expense recognised in the SOFA	**66**	**247**

iii) Movement in the net defined benefit asset/liability:

	2025	2024
	£000	£000
Net defined benefit asset as at 1 May	-	-
Pension cost in SOFA	(66)	(247)
Employer contributions	774	-
Actuarial losses	(1,556)	(162)
Remeasurement of asset limit	848	409
Net defined benefit asset at 30 April	**-**	**-**

iv) Movement in present value of the defined benefit obligation:

	2025	2024
	£000	£000
Defined benefit obligation at 1 May	11,880	12,401
Interest on obligation	591	583
Actuarial (gains)/losses	(831)	(580)
Benefits paid	(566)	(524)
Defined benefit obligation at 30 April	**11,074**	**11,880**

v) Movement in fair value of scheme assets:

	2025	2024
	£000	£000
Fair value of the scheme assets at 1 May	12,851	13,724
Interest on scheme assets	659	640
Employer's contributions	774	-
Actuarial experience losses	(2,387)	(742)
Scheme expenses	(66)	(247)
Benefits paid	(566)	(524)
Fair value of scheme assets at 30 April	**11,265**	**12,851**
Actual return on Scheme assets	(1,728)	(102)

vi) Change in asset limit

	2025	2024
	£000	£000
Opening effect of the asset limit	971	1,323
Interest on effect of the asset limit	68	57
Remeasurement of the asset limit	(848)	(409)
Asset not recognised at 30 April	**191**	**971**

vii) Major categories of the scheme assets as a percentage of total assets are as follows:

	2025	2024
	Allocation	Allocation
Annuity policies	98%	13%
Corporate bonds	-	37%
Government bonds	-	49%
Cash	2%	1%
	100%	**100%**

The Scheme does not invest directly in property occupied by the employer or in financial securities issued by the employer.

31. PENSION OBLIGATIONS (CONTINUED)

viii) Principal assumptions at the balance sheet date

	2025	2024
Discount rate	5.6% pa	5.1% pa
Inflation measured by Retail Price Index (RPI)	3.0% pa	3.3% pa
Inflation measured by Consumer Price Index (CPI)	2.6% pa	2.9% pa
Pension increases in payment:		
CPI capped at 5% pa	2.6% pa	2.8% pa
CPI capped at 2.5% pa	1.8% pa	1.9% pa
Cash commutation	Members are assumed not to exchange any pension sum for a cash at retirement	50% of members assumed to exchange 25% of their pension sum for a cash sum
Base mortality table and projection basis	90% of S3PXA tables projected using CMI 2023 core projection model and a long-term improvement rate of 1.5% p.a. for males and 1.0% p.a. for females	90% of S3PXA tables projected using CMI 2023 core projection model and a long-term improvement rate of 1.5% p.a. for males and 1.0% p.a. for females
Retirement age	Members assumed to take all benefits at their Normal Retirement Age under Scheme Rules	Members assumed to take all benefits at their Normal Retirement Age under Scheme Rules
Proportion married	100% of members who have chosen spouses' benefits are married at retirement or earlier death	100% of members who have chosen spouses' benefits are married at retirement or earlier death
Discretionary increases	None	None
Life expectancy of a male currently aged 65	87.4 yrs	87.3 yrs
Life expectancy of a male currently aged 45	89.0 yrs	88.9 yrs
Life expectancy of a female currently aged 65	89.5 yrs	89.5 yrs
Life expectancy of a female currently aged 45	90.6 yrs	90.6 yrs

ix) Sensitivity analysis

	Change to defined benefit obligation as at 30 April 2025
	£000
Decrease discount rate by 0.1%	105
Increase assumed rate of future RPI and CPI inflation by 0.25%	91
Increase assumed life expectancies by one year	287
Initial addition (A factor) in mortality projections of 0.5%	135
Decrease assumed proportion married by 10%	(16)

32. TRANSACTIONS WITH RELATED PARTIES

Other than the matters detailed below, none of the Trustees nor any connected persons had a material or beneficial interest in any contract or undertaking with CAF, other than in the ordinary course of business, nor in the shares of its subsidiary companies.

	Transactions in SOFA		Due to/(by) CAF at balance sheet date	
Unrestricted funds	2025 £000	2024 £000	2025 £000	2024 £000
Donations receivable in CAF				
From CAF American Donor Fund	2,713	2,500	-	-
From CAF Financial Solutions Limited	73	-	73	-
Fee income receivable in CAF				
From CAF America	7	-	7	-
From CAF American Donor Fund	1,109	1,048	97	93
From CAF Bank Limited	6,673	5,244	1,853	441
From CAF Financial Solutions Limited	398	509	400	510
Interest receivable in CAF				
From CAF Bank Limited	460	966	-	-
Direct costs recharged by CAF				
To CAF America	148	-	-	-
To CAF American Donor Fund	544	481	55	37
To CAF Bank Limited	13,949	9,814	1,328	913
To CAF Financial Solutions Limited	147	190	11	11
Costs chargeable to CAF				
From CAF America	(39)	(130)	(22)	(130)
Sub-ordinated debt held by CAF				
Owed by CAF Bank Limited	-	-	5,000	5,000
	26,182	**20,622**	**8,802**	**6,875**

	Transactions in SOFA		Due to/(by) CAF at balance sheet date	
Restricted funds	2025 £000	2024 £000	2025 £000	2024 £000
Donations receivable in CAF				
From CAF America	7,566	7,892	-	-
From CAF American Donor Fund	456	8,651	-	-
Donations payable by CAF				
To CAF America	(280)	-	-	-
To CAF American Donor Fund	(6)	(19)	-	-
	7,736	**16,524**	**-**	**-**

33. EX-GRATIA PAYMENTS AND WAIVERS

During the year, CAF had two (2024: two) ex-gratia waivers authorised by the Charity Commission for England & Wales. Both were in respect of a waived entitlement to income from a legacy due to CAF and totalled £20,000 (2024: £14,089).

34. POST BALANCE SHEET EVENTS

There have been no events since the balance sheet date that are required to be adjusted for, or to be disclosed other than those disclosed in notes.

35. CAF BANK FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

CAF Bank is a wholly owned subsidiary of CAF and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

The group's risk management framework and principal risks, including those applicable to CAF Bank, are set out in the Risk Management Report within the Trustees' Report. CAF Bank's exposure to its principal risks, which are those associated with holding financial instruments, is further described below.

35.1 Credit risk

The following tables set out CAF Bank's principal financial instruments from which credit risk arises.

	2025		2024	
Treasury assets by class:	Book Value £000	Market Value £000	Book Value £000	Market Value £000
Listed:				
Multilateral financial institutions	563,083	555,768	511,053	489,173
Fixed coupon corporate bonds	59,570	59,347	49,368	47,900
Floating rate corporate bonds	60,130	60,133	76,955	76,853
Debt securities	682,783	675,248	637,376	613,926
Balances at Bank of England	610,671	610,671	630,526	630,526
Loans and advances to banks	4,214	4,214	23,998	23,998
	1,297,668	**1,290,133**	**1,291,900**	**1,268,450**

	2025		2024	
Treasury assets by credit rating: Category (Fitch equivalent credit rating)	Book Value £000	% of Book	Book Value £000	% of Book
UK Government	610,671	47.06%	630,526	48.81%
AAA	662,766	51.08%	617,350	47.78%
AA	20,017	1.54%	20,025	1.55%
AA-	2,077	0.16%	21,725	1.68%
A+	2,137	0.16%	2,274	0.18%
	1,297,668	**100.00%**	**1,291,900**	**100.00%**

	2025	2024
Treasury assets by exposure value:		
UK Government & multilateral financial institutions	91%	90%
Financial & non-financial institutions up to £11m	5%	6%
Financial & non-financial institutions £11m - £21m	4%	4%
	100%	**100%**

Lending

Other than the matters detailed below, none of the Trustees nor any connected persons had a material or beneficial interest in any contract or undertaking with CAF, other than in the ordinary course of business, nor in the shares of its subsidiary companies.

Loans, overdrafts and BACS facilities are subject to regular monitoring of loan performance and individual annual review. Administration of the loan book is outsourced to BCM Mortgage Services Ltd, which provides regular management information on a loan by loan and aggregated basis. A provision of £1.2m has been made at 30 April 2025 reflecting losses that may have been incurred but not yet identified (2024: £1.8m) and £1.0m has been provided for specific loan provisions (2024: £0.6m). No overdrafts were written off during the year (2024: none).

One loan was in arrears at 30 April 2025 (2024: one).

Secured and unsecured lending

	2025	2024
	£000	£000
Gross loans and advances to customers	223,363	201,979
Undrawn overdraft and loan commitments	59,886	52,831
	283,249	**254,810**
Amounts included within the above:		
Secured on property	283,249	254,810
	283,249	**254,810**

As at 30 April 2025, the average loan to value ratio across the lending portfolio was 52% (2024: 53%).

35.2 Liquidity and funding risk

CAF Bank holds liquidity buffer eligible assets of £1.23bn (2024: £1.18bn), excluding assets pledged as security under repurchase agreements. Liquidity buffer assets comprise amounts held in the Bank of England Reserve Account and investments in Multilateral Development Banks, UK Gilts and Treasury Bills.

35.3 Market and interest rate risk

The following tables set out details of the maturity and duration of financial instruments held by CAF Bank.

Non-maturity (on-demand) deposits are behaviourally adjusted as follows:

Current accounts	
£0 - £249,999	2 - 3 years
£250,000 - £999,999	1 - 2 years
Over £1m	6 - 12 months

Assets and liabilities analysed by interest rate pricing time periods:

At 30 April 2025	Next day £000	Up to 3 months £000	3 months to 6 months £000	6 months to 1 year £000	1 year to 5 years £000	Over 5 years £000	Other items £000	Total £000
Assets								
Balances at Bank of England	610,671	-	-	-	-	-	-	610,671
Loans and advances to banks	4,214	-	-	-	-	-	-	4,214
Loans and advances to customers	180,537	-	1,254	4,374	31,390	1,546	-	219,101
Debt securities	-	139,236	10,004	53,346	479,199	-	998	682,783
Prepayments and accrued income	-	-	-	-	-	-	11,455	11,455
Intangible fixed assets	-	-	-	-	-	-	15,908	15,908
	795,422	**139,236**	**11,258**	**57,720**	**510,589**	**1,546**	**28,361**	**1,544,132**
Liabilities								
Customer accounts	818,153	-	-	87,093	545,656	-	24	1,450,926
Other liabilities	-	-	5,000	-	-	-	11,967	16,967
Shareholders' funds	-	-	-	-	-	-	76,239	76,239
	818,153	**-**	**5,000**	**87,093**	**545,656**	**-**	**88,230**	**1,544,132**
Interest rate sensitivity gap	**(22,731)**	**139,236**	**6,258**	**(29,373)**	**(35,067)**	**1,546**	**(59,869)**	**-**
Impact of 2% change in interest rates	**-**	**297**	**45**	**(420)**	**967**	**184**	**-**	**1,073**

At 30 April 2024	Next day £000	Up to 3 months £000	3 months to 6 months £000	6 months to 1 year £000	1 year to 5 years £000	Over 5 years £000	Other items £000	Total £000
Assets								
Balances at Bank of England	630,526	-	-	-	-	-	-	630,526
Loans and advances to banks	23,997	-	-	-	-	-	-	23,997
Loans and advances to customers	162,926	-	410	80	32,702	1,584	-	197,702
Debt securities	-	148,884	-	76,555	402,525	8,581	831	637,376
Prepayments and accrued income	-	-	-	-	-	-	10,566	10,566
Intangible fixed assets	-	-	-	-	-	-	10,758	10,758
	817,449	**148,884**	**410**	**76,635**	**435,227**	**10,165**	**22,155**	**1,510,925**
Liabilities								
Customer accounts	731,832	-	-	109,788	577,803	-	10	1,419,433
Repurchase agreements	13,852	-	-	-	-	-	-	13,852
Other liabilities	-	-	5,000	-	-	-	7,542	12,542
Shareholders' funds	-	-	-	-	-	-	65,098	65,098
	745,684	**-**	**5,000**	**109,788**	**577,803**	**-**	**72,650**	**1,510,925**
Interest rate sensitivity gap	**71,765**	**148,884**	**(4,590)**	**(33,153)**	**(142,576)**	**10,165**	**(50,495)**	**-**
Impact of 2% change in interest rates	**-**	**538**	**(33)**	**(465)**	**(706)**	**976**	**-**	**310**

Sensitivity Analysis

CAF Bank is exposed to interest rate risk arising from fluctuations in market interest rates, which impacts its net interest income (NII). Interest rate risk is managed within approved risk limits and monitored regularly.

The following table illustrates the estimated impact on CAF Bank's NII for the next 12 months arising from hypothetical parallel shifts in interest rates, assuming all other variables remain constant.

Interest Rate Change	Impact on CAF Bank net interest income (£000)
+ 100 basis points	2,624
– 100 basis points	(2,624)

The sensitivity analysis is based on CAF Bank's interest rate risk profile as at the reporting date. The impact reflects changes in interest rates on interest-earning assets and interest-bearing liabilities, considering the repricing timing and volume. It does not take into account management actions or changes in market conditions subsequent to the reporting date.

35.4 Capital management

CAF Bank aims at all times to maintain an adequate level of capital to support the development of its business and to meet regulatory capital requirements.

Business and capital plans are drawn up annually, covering a three year period and approved by CAF Bank's Board. The plans ensure that adequate levels of capital are maintained by CAF Bank to support its strategy. This is integrated with CAF Bank's annual planning process.

The capital plan takes the following into account:

- current and anticipated future regulatory capital requirements;
- increases in demand for capital due to business development, including planned lending growth;
- potential demand for capital from market shocks or stresses;
- available supply of capital and capital raising options;
- achieving a minimum required leverage ratio; and
- internal controls and governance for managing CAF Bank's risk, operations and capital.

CAF Bank undertakes a detailed capital adequacy assessment to support its capital requirements. Each material risk is assessed, relevant mitigants considered, and appropriate levels of capital determined. The capital adequacy assessment is a key part of CAF Bank's risk and planning framework and a minimum capital requirement is assessed and agreed with the PRA. CAF Bank's internal capital adequacy assessment is regularly updated.

CAF Bank's capital resources comprise:

	2025 £000	2024 £000
Ordinary share capital	40,319	40,319
Profit and loss account	35,920	24,779
	76,239	**65,098**

Board of Trustees

SIR JAMES LEIGH-PEMBERTON, CVO
Chair

RT HON SIR ERNEST RYDER
TD, PC, DL
Vice Chair

DR PRIYA SINGH
Chair, NCVO

MEREDITH NILES

MICHAEL ASHLEY

SABINE EVERAET

OWEN PRINGLE

ROBERT VOGTLE

DAVID SHALDERS

SIR EDWARD BRAHAM
(Appointed February 2025)
Chair-Elect

JANET POPE
(Resigned September 2024)

CYRUS ARDALAN
(Retired November 2024)

ROBERT DENCH
(Resigned February 2025)

Executive Committee at the date of signing

NEIL HESLOP, OBE
Group Chief Executive Officer

LIZ RYLATT FCA
Group Chief Financial Officer

MARK GREER
Managing Director,
Charities Aid Foundation in the United Kingdom

JESSIE KRAFFT
President and CEO,
Charities Aid Foundation in North America

BARNABY DAVIS
Interim Chief Information Officer

NORA SAKAAN
Chief Marketing Officer

DAVID JESSOP
Chief People Officer

KATE NEWMAN
General Counsel and Executive
Director Governance

ALISON TAYLOR
CEO, CAF Bank Limited and
CAF Financial Solutions LImited

Independent auditors

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Registered Charity Number 268369

Registered Charity Number 268369

CAF
Charities Aid Foundation

Charities Aid Foundation. Visit **www.cafonline.org** to find out more

THE CHARITIES AID FOUNDATION

England & Wales - Charity number 268369

Accounts

CAF
Charities Aid Foundation



TOGETHER,

WE GIVE MORE

ANNUAL REPORT
2023/24

Trustees' report and financial statements for the year ended 30 April 2024

The Charities Aid Foundation (CAF) exists to accelerate progress in society towards a fair and sustainable future for all. Over the last 100 years, we have led the way in developing innovative approaches to giving. Annually, we distribute over £1 billion to charities around the globe.

As a leading charity operating in the UK and internationally, CAF works at the centre of the giving world. We partner with corporate and individual donors to enable them to give more effectively, strategically and impactfully. This includes connecting them to charities globally and providing access to our in-depth sector knowledge, governance expertise and innovative giving solutions.

We help charities to strengthen their resilience and do more of their life-changing work, through our strategic advisory services, tools to support charities' fundraising activities, and charity financial services from CAF Bank Limited and CAF Financial Solutions Limited. Using our research, policy and campaigns work, we understand and influence the wider environment for charities and donors.

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Chair's report



SIR JAMES LEIGH-PEMBERTON, CVO
Chair of Trustees

In this our centenary year, there is much for us to celebrate, but there is also so much still for us to do. Although inflation has come down, the costs faced by charities remain high and demand for their services continues to rise. Our donors have once again responded generously to these challenges, and we are delighted that, in our 100th year, we have been able to help them to give a record amount to charities in the UK and around the world.

The £1.13 billion given through the Charities Aid Foundation (CAF) this year is testament to the remarkable commitment of donors to making a positive difference. It also reflects the hard work put in every day by CAF colleagues to enable the philanthropy that does so much to support many thousands of non-profit organisations around the world.

In 1924, the National Council of Social Service set up a Charities Department to encourage giving to charities. This department was later renamed the Charities Aid Fund, and the National Council of Social Service became the National Council for Voluntary Organisations (NCVO). The progress that has been made since those early days is an uplifting story of endeavour over the century of partnership with our founder, the NCVO. Along the way, CAF has been instrumental in introducing important innovations that have helped to unlock much more generosity, such as Gift Aid and Payroll Giving. CAF has never forgotten its core purpose, which is to encourage and help donors to give to support charities, and in collaboration with others, we have always sought to foster an even greater culture of giving for the future. Since NCVO established CAF as an independent organisation in 1974, we have worked closely with them to deliver on this aim, and we look forward in the years ahead to building together on our shared history in service of charities across the UK.

In an important election year, I am pleased to reflect on how we – alongside NCVO and other sector voices – have highlighted the challenges that charities face, as illustrated by CAF's Charity Resilience Index, and have clearly demonstrated how philanthropy enables progress. It can be said that philanthropy has never been more prominent in policy debates than it is now.

This is, at least in part, thanks to the work CAF has undertaken using its expertise in understanding donor motivations in conversations with policymakers.

The last year has seen growing momentum for a National Strategy for Philanthropy and Charitable Giving. We have worked with partners in the sector to develop this agenda and, more importantly, propose practical steps for even greater giving in the UK, recommending how the government might use its influence and tools to help.

Our understanding of a rapidly changing international philanthropic environment has been an important part of our contribution to these discussions. CAF's World Giving Index has figured prominently when it comes to discussing generosity around the world, whether it is at the UN General Assembly, in countries seeking to celebrate their success or in those wishing to address the barriers to philanthropic giving.

Expansion of the CAF Network of partners has deepened our international relationships and given us a new range of different insights into how best to advocate for more philanthropy at home.

Across the Atlantic, CAF America continues to go from strength to strength. The CAF American Donor Fund had a particularly strong year, achieving a record £112 million in donations payable to charities in the UK and around the world.

In addition, the award-winning CAF Bank has never been in a stronger position since its establishment in 1984. It continues to support its 14,000 customers to navigate tough times, adding the kind of value that only a bank that truly understands the ethos of its not-for-profit customers can.

After our first 100 years, CAF is making more of a difference than ever before, thanks to the generosity of more and more engaged donors, impactful charities supported in their work by our dedicated team, and the increasing importance of giving on the political agenda.

Looking to the future, we continue to pursue our vision of a digitally enabled global platform for giving, connecting people to play their part. This year has seen us further strengthen our product offering to clients, while continuing to invest in upgrading our technology.

I want to thank all my colleagues at CAF, both employees and my fellow Trustees, especially those whose terms ended this year, for their hard work and unwavering dedication. I am grateful too to our partners for their constructive collaboration. Most of all, however, I acknowledge with deep gratitude the generosity of our donors, who make the principled decision to address the needs of others. None of what we achieve together could happen without thousands of individuals and businesses acting on that impulse every day. As this year has demonstrated, together, we really do give more.



SIR JAMES LEIGH-PEMBERTON, CVO
Chair of Trustees

KEY HIGHLIGHTS DURING THE YEAR

PAID IN

£1.155BN+

donations to CAF group

£1.119bn donations to CAF group in 2023

PAID OUT

£1.132BN+

given to charities throughout CAF group

£1.024bn given to charities throughout CAF group in 2023

Chief Executive's introduction



NEIL HESLOP, OBE
Chief Executive

There are fewer things more humbling for a chief executive than leading an organisation into its 100th year. Every day, I am reminded that we at CAF are building on the legacy we have inherited from so many remarkable people who preceded us.

Thankfully, we do so fortified by the dedication and drive of my colleagues and powered by the individuals and organisations that we have the privilege to work with. It is only with their support and commitment that we are able to say that, in our centenary year, we have again distributed a record sum to charities and non-profits the world over.

To say that this is much needed is an understatement. In the UK, our research has underlined the very severe challenges charities continue to face. They are the glue that holds our society together and it is a tribute to the trust people place in them that they turn to them in times of need. But we know they have struggled and continue to do so, with some taking the impossibly tough decision to turn people away.

It is CAF's important role, therefore, to link those who can afford to give to those who know how to maximise the impact of that giving. It's our unique task to connect donors and charities. But I am always conscious that we can do more, and that there is potential for greater giving.

That is what lies behind our advocacy work to push philanthropy up the political agenda, and we have made the most of the fact that our centenary coincides with a General Election year. As we look towards the next 100 years, it has given us the opportunity, alongside NCVO and others, to engage with policymakers about how future governments can work with the sector to unlock more giving.

Our insight is based on working with thousands of individual donors and businesses, and is shared in the landmark CAF *UK Giving* report and our corporate giving research.

This work, as well as collaboration with partners in the sector, appears to be paying off with a burgeoning interest in the role that a National Strategy for Philanthropy and Charitable Giving can play in future policy development.

We were delighted to support Pro Bono Economics' Civil Society Summit in January, with partners including NCVO and ACEVO, which brought together senior then Opposition figures, with hundreds of charities represented. I am pleased too that we were able to support the launch of Onward's research on philanthropy later the same week where the then Secretary of State insisted that we need look no further than her for a philanthropy champion in government.

This bipartisan commitment is encouraging for the future and one thing I am absolutely certain about is that our calls on policymakers would fall on deaf ears if it were not for the continued strong performance of CAF as a whole, and of its autonomous constituent parts.

The phenomenal success of the CAF American Donor Fund is a case in point where donations income is up 49%, demonstrating the importance of our transatlantic relationships. The work of our newly launched Impact Accelerator, with its expanded Venturesome Impact Fund, will further stimulate innovation and deepen the connection between donors and charities.

This report sets out how we continue to invest in our people and future sustainable growth. As gold-accredited Investors in People, we have again reduced our employee turnover, and increased employee satisfaction. We won the 2023 Spear's Private Client Service Award. Now, we are rolling out the next stage of our people strategy, focusing on opportunities for our employees to further develop and progress at CAF.

To keep CAF at the leading edge, we are updating the right tools to do the job donors need us to do. This requires sustained investment in our technology and systems in our ongoing digitisation efforts. In January, I spoke at Microsoft's Global Non-Profit Leaders' Summit about the potential for artificial intelligence (AI) to support the work of the charity sector, drawing on our research that looked for the first time at public attitudes to AI and charities.

This year, we have also used the opportunity of our centenary to refresh our appearance with the rollout of a new visual identity and theme, 'Together, we give more'. A fitting commitment to build on the legacy of the last hundred years: CAF has always been about bringing people and organisations together.

Whether it is government, businesses, individual donors, charities or social enterprises, in the years ahead, we are striving to be truly connected so that Together, We Give More.



NEIL HESLOP, OBE
Chief Executive

WHO WE ARE, WHAT WE DO



1.



Who we are, what we do

CAF is a group of charitable organisations in the UK and North America – the Charities Aid Foundation in the UK, Charities Aid Foundation America, Charities Aid Foundation Canada, and the CAF American Donor Fund. These organisations work with corporate and individual donors to ensure their giving is impactful and provide strategic support to help charities.

In the UK, CAF also owns CAF Bank Limited and CAF Financial Solutions Limited (CFSL). They help charities to manage their finances and funds so they can continue to support causes and communities that matter to them.

Over the last 100 years, first, as part of the National Council of Social Service and, since 1974, as an independent charity, we've become a service provider, adviser, innovator and influencer.

Our aim is to increase charitable giving and strengthen the solutions we offer to assist social purpose organisations, donors, government and others in accelerating progress towards a fair and sustainable future for all.

100 YEARS OF GIVING

CAF traces its roots back to 1924 when the National Council of Social Service (now the NCVO) established its Charities Department to facilitate Deeds of Covenant.

These Deeds were legal agreements from donors to pay a specific annual sum of money to the charities of their choice, which enabled tax-efficient giving for both the donors and charities. During our first three years, we helped recover just under £40,000 for these charities, equivalent to £2 million today.

Over the century that followed, we became an independent charity as our role in the giving world evolved and grew. But our purpose remained the same – to work together, to help civil society thrive for the benefit of all.

TOGETHER, WE GIVE MORE.



Image: MSI Reproductive Choices

TRUST-BASED PHILANTHROPY

Every year, reproductive choice helps girls and women to complete their education, pursue careers and achieve independence. Women's equal participation in the economy has the potential to boost global GDP by $28 trillion – benefiting everyone.

A family foundation, working with CAF, was drawn to UK charity, MSI Reproductive Choices' work and impact in this area. MSI provides sexual and reproductive healthcare in 36 countries, supporting 200 million women and girls to decide their own futures, through access to reproductive healthcare including contraception and abortion.

Committed to trust-based philanthropy, the client provided MSI with $15 million of flexible funding in total over three years. This gave MSI the autonomy to invest in outreach teams globally, and pivot services to the areas of greatest need.

"By giving flexible funding to well-led charities with strong track records of work, we know that the funds will be used where and when they are most needed."

CAF CLIENT

The funding enabled MSI to deliver more than 2.6 million reproductive healthcare services across 10 countries in Africa and Asia. MSI estimates that these services led to over £177.6 million in direct healthcare savings, in countries with limited resources. It also allowed MSI to advocate for the removal of laws and policies that restrict women's access to healthcare – contributing to 13 high-impact changes in policy, law, regulation, or financing in 2023.

"Private philanthropy has the power to galvanise the movement for reproductive choice and save lives."

SAM TIWARI
Head of Philanthropy for UK & Europe, MSI Reproductive Choices.

FTSE 100 real-estate company, Landsec called on CAF's experience and knowledge to help them rethink their approach to community giving.

Together, we helped shape an effective strategy, and supported Landsec through setting up their independent charitable foundation.

To scale up Landsec's community giving, we designed a grant programme to best-practice standards, advising on appropriate grant sizing and reporting, and simplifying the grant process. As a result, Landsec has been awarding unrestricted grants to small and medium community-focused charitable organisations across England, Wales and Scotland.

Our impact advisory team worked with Landsec to find employment and education partners around the UK. We also undertook a bespoke charity search and select exercise to help Landsec teams identify local causes and projects aligned to their programme priorities.

With our support, Landsec is now able to demonstrate the difference its local giving is making nationwide, as a standard bearer of best practice in corporate giving governance.

"Throughout our partnership with CAF, it is clear that they are aligned on the journey we are trying to take through our programmes – it feels like they are working alongside us, not just working for us."

JENNIE COLVILLE
Head of ESG and Sustainability, Landsec

CREATING OPPORTUNITIES, BUILDING FOR THE FUTURE



Image: Bluevale Community Club, recipient of Buchanan Galleries' Community Grant



Image: The Deaf Academy in Exmouth

AMBITIOUS FOR THE FUTURE

From Give As You Earn to Gift Aid and social investment to CAF America, we've always strived to be at the forefront of sector-wide innovations. To meet the needs of charities and donors everywhere, we continue to evolve and collaborate across sectors and borders to achieve even more in the years ahead.

ACCELERATING PROGRESS IN UNCERTAIN TIMES

This is a period of great challenge and opportunity. Charities the world over are working to address the fallout from conflict, navigate political uncertainty and build community resilience. Many charities, particularly in the UK, continue to struggle with volatility in their costs and workforces, and with changes in giving habits precipitated by the pandemic.

Meanwhile, there is great potential to boost charitable giving. Companies are increasingly aware of the importance to their shareholders and consumers of their environmental, social and governance credentials, while the coming decades are set to see an unprecedented intergenerational transfer of personal wealth. Both present opportunities for greater resources to be directed towards making a positive difference, while the increasing availability of new technology, such as AI, may provide more effective tools to unlock them.

Together Building Opportunity is CAF's strategic plan to equip our people and organisation to be:

Future-focused

To innovate, think ahead and proactively tackle the challenges faced by the charitable sector and society.

Future-fit

To be ready for the demands of the next generation of giving and impact, enabling the communities we serve to succeed.

Our vision is to provide a global, digitally enabled platform for giving, connecting people so they can play their part. Our transformation journey began in 2021. Since then, we've worked to revitalise our organisational culture, structure and operations, including our products, services and people management processes.

Together, we have developed new, shared values, and delivered an ambitious people plan to reinvigorate our employee value proposition and unite our workforce. As a result, our employees are more engaged, our attrition rates are lower, and we have maintained the Investors in People Gold accreditation in the UK.

BY THE SECTOR, FOR THE SECTOR

From this strong foundation, we're now building out the capabilities of CAF in the UK, US and Canada, so we can grow and deepen collaboration. We're refreshing our products and services, streamlining our operations and continuing to modernise our technology and processes so we can deliver the highest-quality customer and client experience.

CAF was founded by the sector, for the sector. So, to help us shape our future, we're consulting closely with charities, donors and other external experts as critical friends and collaborators. Only by listening to the people whose charitable ambitions we're here to help realise, can we make sure we're the organisation they need us to be.

This annual report documents our progress over the 2023/24 financial year.

MORE IMPACTFUL GIVING

The world of giving is changing, so CAF is changing too. We're investing to make sure that the expertise, products and services we provide help to realise the ambitions of the next generation of donors and funders.

2.



KEY TRENDS WE'RE OBSERVING

With the largest-ever transfer of wealth in history under way, the next generation are expected to be the most significant charitable donors in history.

Interest is growing too in donating more complex assets, such as property, and leveraging capital through match-funding, social investment, and other innovative approaches. Alongside traditional areas of interest like education and youth engagement, more and more philanthropic funding is being committed to climate-related initiatives and issues like financial inclusion.

Similarly, many businesses are reassessing their corporate giving strategies post-pandemic. With regulators, investors, customers and employees increasingly interrogating their purpose and impact, they need to show clear measurable progress against essential business criteria, including sustainability and diversity, equity and inclusion.

More businesses are also adapting their employee engagement programmes. This includes initiatives like Payroll Giving, matching and fundraising. And a growing number of companies are considering establishing foundations to align their national and international giving activities and programmes more closely to their wider business strategy.

ACHIEVING GREATER PURPOSE AND IMPACT

At CAF, we want to make sure that our products and services can help everyone to navigate these changes and secure impact.

We're doing this by:

- Increasing accessibility – we are making it easier for our clients and partners to access what they need from us through stronger digital engagement and ensuring our products and services are easy to find and use.
- Ensuring clarity – we are simplifying as well as strengthening, the range of solutions we offer to reinforce CAF as the philanthropic partner of choice for donors, and to support non-profits across the world.
- Building connections – we are boosting the opportunities we create for charities and donors to come together and develop lasting, impactful relationships.

In 2023/24, as part of our strategy, we have improved the technology powering our Charity Search, so donors can more easily find and connect with the charities they want to support.

INDIVIDUAL AND PRIVATE CLIENTS

Whether it's a one-off donation, setting up long-term giving arrangements, or starting out on a new strategic philanthropic journey, we work with donors to develop a solution that can maximise their impact and is tax efficient.

This includes our world-class private client service for high-net-worth individuals. Through access to our Donor Advised Funds coupled with expert account management, we provide our clients with the advice and support they need to realise their giving ambitions.

Over the year, we've assisted professional advisers to ultra-high-net-worth individuals in facilitating their clients' more complex philanthropic plans. Working with our in-house Impact Accelerator, our client managers have also helped donors to develop their strategic approaches to giving directly – supporting them to identify and articulate why they give and the outcomes they want to achieve.

AWARD-WINNING TEAM

In 2023, our private client team won the Spear's Private Client Service Award in recognition of 'a year of milestones'.

THE YEAR AHEAD

Looking ahead, our priorities for our individual and private clients are to:

- Invest in service, continuing to ensure our clients' needs and ambitions are known, understood and met.
- Deepen engagement with the charity sector.
- Grow impact, through our strategic partnerships and impact-aligned investments.

SUPPORTING TRANSATLANTIC PHILANTHROPISTS

It's now almost 25 years since we brought our American Donor Fund to market in 1999. This was the first dual qualified charity, with a donor advised fund designed for donors to maximise the value of their gifts to charitable organisations by claiming eligible UK and US tax relief.

CAF is focused on continuing to improve and expand the expert, bespoke client service we offer dual US/UK taxpayers. In 2023/24, donations from our American Donor Fund (CADF) increased to over £150 million, rising from £103 million in 2022/23, to make this another record year. The donations payable to charities around the world was £112 million, increasing from £86 million in 2022/23.

A growing number of our clients work with us to take advantage of our robust charity verification and due diligence services. We are scaling this support to ensure donors can provide an even faster and more strategic response to global emergencies and other crises in a timely and responsible manner.

KEY HIGHLIGHTS DURING THE YEAR

MAJOR DONORS

£176.5M

paid out to charities worldwide from our private clients

REGULAR GIVERS

£99.2M

paid out to charities worldwide from our individual donors

£112.2M

given to charities worldwide from our CADF donors



Image credit: Michael Van Valkenburgh Associate, Inc.

A NATURAL TRANSFORMATION FOR THE FUTURE

Using our American Donor Fund, a Colgate University alum is funding a landscape revitalisation project that will support the university's work to connect academic disciplines and link up the different parts of their campus.

As a CAF client, the donor – who is American, but lives in the UK – worked with us to facilitate their gift of shares, simply and in compliance with UK and US law.

Our team based in London managed the necessary administrative and verification processes required for an overseas donation of this kind, giving our client the reassurance needed.

With this support, the university is transforming a previously unused, relatively degraded piece of land into beautiful pathways and plazas, where students can meet, study and relax, surrounded by trees and natural pools.

It will also fund infrastructure work essential to the university's future development plans.

CORPORATE DONORS AND EMPLOYEE GIVING

CAF works with ambitious businesses on corporate giving, employee giving and community programmes to help them realise even greater impact. As our research shows, almost half of people say they would be more inclined to work for a business if it donates to charitable causes.

PAYROLL GIVING

We launched Give as You Earn in the UK in 1987. Our sector-leading Payroll Giving service allows employees to donate to any UK charity straight from their salary before Income Tax is deducted.

In 2023/24, as a leading service provider for corporates, we've updated our employee engagement products – offering easy-to-use online giving options for fundraising and simplifying our matching service. As the UK's largest Payroll Giving provider, we've continued to promote this valuable funding stream for charities, supporting clients with creative ways to engage their employees.

This has included publishing new research into the public's views for Payroll Giving Month in February 2024 – *Payroll Giving: Attracting the next generation of donors* – which we're using to boost awareness and share recommendations for how employers can increase uptake.

CORPORATE GIVING

CAF offers a range of options for corporates wishing to make an impact through their giving.

As advisers to businesses on their giving strategies, we've enriched the insights and assistance we can provide our clients with our Impact Accelerator. This ranges from helping clients make the business case for giving, engaging stakeholders and evaluating impact, to brokering relationships with charity partners.

In addition, businesses have worked with us to establish their own foundations. By partnering with CAF, they don't need to register their corporate foundation as a standalone charity with the Charity Commission. Instead, we oversee their governance arrangements and can help with every aspect of creating and running a successful foundation, including strategy development and designing and delivering grants to charitable organisations from Ecuador to Eswatini.

As a result of expanding and deepening our product suite, we've supported our corporate clients to innovate. In 2023/24, we facilitated the collaboration between Nike and Spotify on the Make Moves Fund, promoting major girl-first initiatives that combine music and movement.

Furthermore, through our influencing work, we've advocated for giving being an essential part of a responsible business strategy, allowing organisations to demonstrate genuine commitment to securing impact and positive change. In July 2023, we published CAF's *Corporate giving by the FTSE 100* report reiterating this message.

"Charitable giving through our respective payroll schemes is a family affair. We're all actively involved in community life, so it makes sense for my husband and I to discuss which charity we want to make a regular donation to with our children..."

"...My employer, RSA Insurance generously matches my contribution up to £50 per month... It's a great feeling knowing that we're maximising our impact tax-free, direct from our pay, with charities that matter to us, our family and friends!"

RUTH POULTEN
RSA Insurance

THE YEAR AHEAD

Looking ahead, our priorities for our corporate clients are to:

- Raise ambition – making the case to give at least 1% of pre-tax profits, and providing the strategic advice our clients need on how best to give.
- Drive engagement with Payroll Giving – helping everyone, from regular givers with a preferred charity to those who wish to donate their bonuses, to understand the value of this easy tax-efficient method of giving.
- Enable greater innovation and impact using CAF's broader expertise and networks, to strengthen our teams' connections with non-profits and the causes and communities they support.

KEY HIGHLIGHTS DURING THE YEAR

£85.0M
paid out to charities worldwide

£21.1M
paid out to charities through GAYE

STRENGTHEN CHARITY RESILIENCE

As a charity, we understand the value and the challenges of being a non-profit organisation. We're focused on giving charities the strategic insight, tools and assistance they need to be resilient and ready for the future.

3.



Image: The Deaf Academy in Exmouth

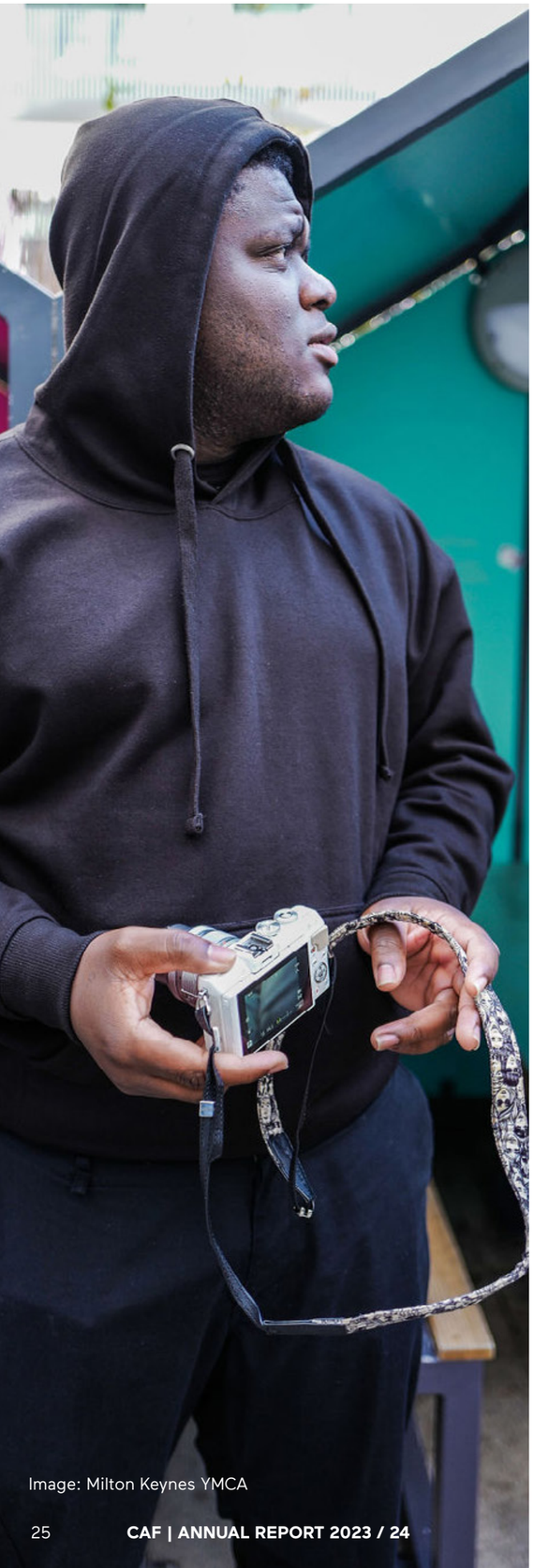


Image: Milton Keynes YMCA

ACCELERATING IMPACT

A thriving and effective charitable sector is essential to ensure a strong social fabric and economy. But too many charities must still balance rising costs and squeezed incomes with ever-increasing demand for their services.

We're committed to strengthening charity resilience by doing what we can to ease the external pressures that social purpose organisations face and to support them to succeed, however uncertain the future.

Over the year, we've continued to build our in-house Impact Accelerator. This team of experts advise social purpose organisations on best-practice approaches and can provide much-needed flexible financing, through social investment loans and grants, to help charities and social enterprises strengthen their resilience and achieve impact.

We work with donors, such as corporates, individuals, foundations and government, to deploy their funds in more strategic, effective and innovative ways.

OUR SIX CHARACTERISTICS FOR CHARITY RESILIENCE

Informed by our decades-long work across the giving world, we've identified six characteristics that reinforce a charity's resilience and potential to achieve sustainable success. These comprise understanding purpose, being financially and operationally fit, evidencing impact, prioritising people and culture, being well-networked, and having external awareness.

We use these characteristics to help charities reflect on their capabilities and prioritise areas for improvement to empower them to adapt and thrive. They're also helping us to shape and hone the support we provide through our grantmaking programmes.

The Charity Resilience Index tracked how charities are experiencing and responding to the cost-of-living crisis in the UK. The December 2023 wave surveyed 653 charities.

65%

Almost two-thirds of charities said that demand had increased compared with a year ago, with nearly a third (32%) saying it had increased substantially.

50%

Half of the charities surveyed said they were at full capacity for their services – including 35% of charities that said they could not help anyone else, and 15% that reported they had been forced to turn people away.

61%

Six in ten charities said they were generally having to do more with less compared with the same time in the previous year.

KEYSTONE FUND

£2.9M
fund awarded.

113
Keystone Fund grants awarded.

96
charitable organisations received Keystone Fund grants.

With resilience at its core, our Keystone Fund focuses on small, local or specialist charities that work to address social equity in the UK. It provides a programme of unrestricted grants, alongside access to substantive practical support and networking opportunities, such as webinars, to equip these charities for the long term.

This year, the Keystone Fund awarded £2.9 million to 96 charitable organisations. We're using the feedback we receive from participants on the value of unrestricted and flexible grants to inform donors on how to give more impactfully, as well as drawing on the challenges and successes they share to shape our influencing work.

Initial grant reporting indicates positive progress towards resilience. And over the next two years, we will monitor the grants to understand the impact of the fund for social equity charities and their communities.



Image: The Sports Trust

THE VENTURESOME IMPACT FUND

CAF has been providing social investment to social enterprises, charities and community groups since 2002. In March 2024, we launched our updated social investment offering, the Venturesome Impact Fund, to support social purpose organisations across the UK that are delivering impactful outcomes for their community and/or for the environment.

Based on our research and consultation with the charitable sector about their needs, we have sought to remove any unnecessary barriers to the fund. It is cause universal, and always open to applications to ensure organisations have access to this affordable, flexible finance throughout the year. With many of our social investments structured as unsecured loans, this fund is attractive to organisations that struggle to access finance from banks due to their lack of assets, such as property, to be used as collateral.

We are delighted to have already committed investments into three diverse organisations, across the education, sports and arts sectors. And our team is working through a further £10 million of financing requests from impactful organisations.

Thanks to our generous donors, CAF's private and corporate clients, as well as other charitable foundations, the fund size is already £10 million and our aim is to grow this to £15 million in the coming year.



"This is an important and exciting journey for us and all of those who use our services now or in the future. Without the support of CAF social investment, we would not have this fantastic resource and as such will always be incredibly thankful for your help."

BELINDA HADFIELD
Service Manager,
Alternatives Activity Centre

DRIVING GREATER GIVING

For charities to survive and thrive, the sector needs a constructive and collaborative relationship with government, as well as a greater understanding of philanthropy among policymakers.

This has been a priority for us in 2023/24. We've built positive relationships with policymakers on a range of issues relating to philanthropy and charity resilience.

Our research and policy insights have played a key role in helping to build these relationships and drive media coverage, highlighting the challenges faced by the sector.

Recognising we can achieve more by working with others than we can alone, we've focused on cross-sector collaboration. This has included working with other sector infrastructure bodies as part of the Civil Society Group, as well as with policy institutes, think tanks and other influential bodies. As part of this, on behalf of donors, we have strengthened our partnerships with organisations, such as Pro Bono Economics (PBE), the Beacon Collaborative, New Philanthropy Capital (NPC), Onward, Centre for Cities and the Centre for Social Justice (CSJ), to generate debate and ideas for how government can best support and encourage more philanthropy in the UK.

Major highlights from the year include supporting the launch of Onward's landmark report on encouraging philanthropy, *Giving Back Better*, PBE's Civil Society Summit and CSJ's 'Big Listen' events, as well as backing NPC's 2024 *State of the Sector* research, *Ready for a reset*, and Centre for Cities' *Donation nation: The geography of charitable giving in the UK*.

In addition to our research, these projects produced recommendations for policymakers and supported our call for government to work with the sector to develop a National Strategy for Philanthropy and Charitable Giving. We've reinforced this call through all our engagement with politicians, including at party conferences and events in Parliament.

Together, we achieved significant senior-level engagement with politicians and policymakers from across the political spectrum, generating increased interest in innovations to support, recognise and unlock more giving across the country.

With the new Government set to operate within a tight fiscal and economic environment, we will continue our collaborative approach to advance policy areas important to the sector and ensure the role and potential of civil society is recognised and realised in 2024/25.

MAXIMISING OUR FUTURE IMPACT

To boost CAF's ongoing impact, we're refreshing our organisation's theory of change. Across our activities, we want to make sure that we're able to deliver and show measurable progress towards a fair and sustainable future for all. Supported by our Impact Accelerator, we are defining and refining the outputs and indicators for our work. This will help us develop our updated impact framework later in 2024.

CAF DONATE

8,400
charities

£400M
in donations and Gift Aid

Since the 2014 launch of CAF Donate – our digital tool that charities can use for their own fundraising – we have helped over 10,000 charities raise £400 million in donations and Gift Aid.

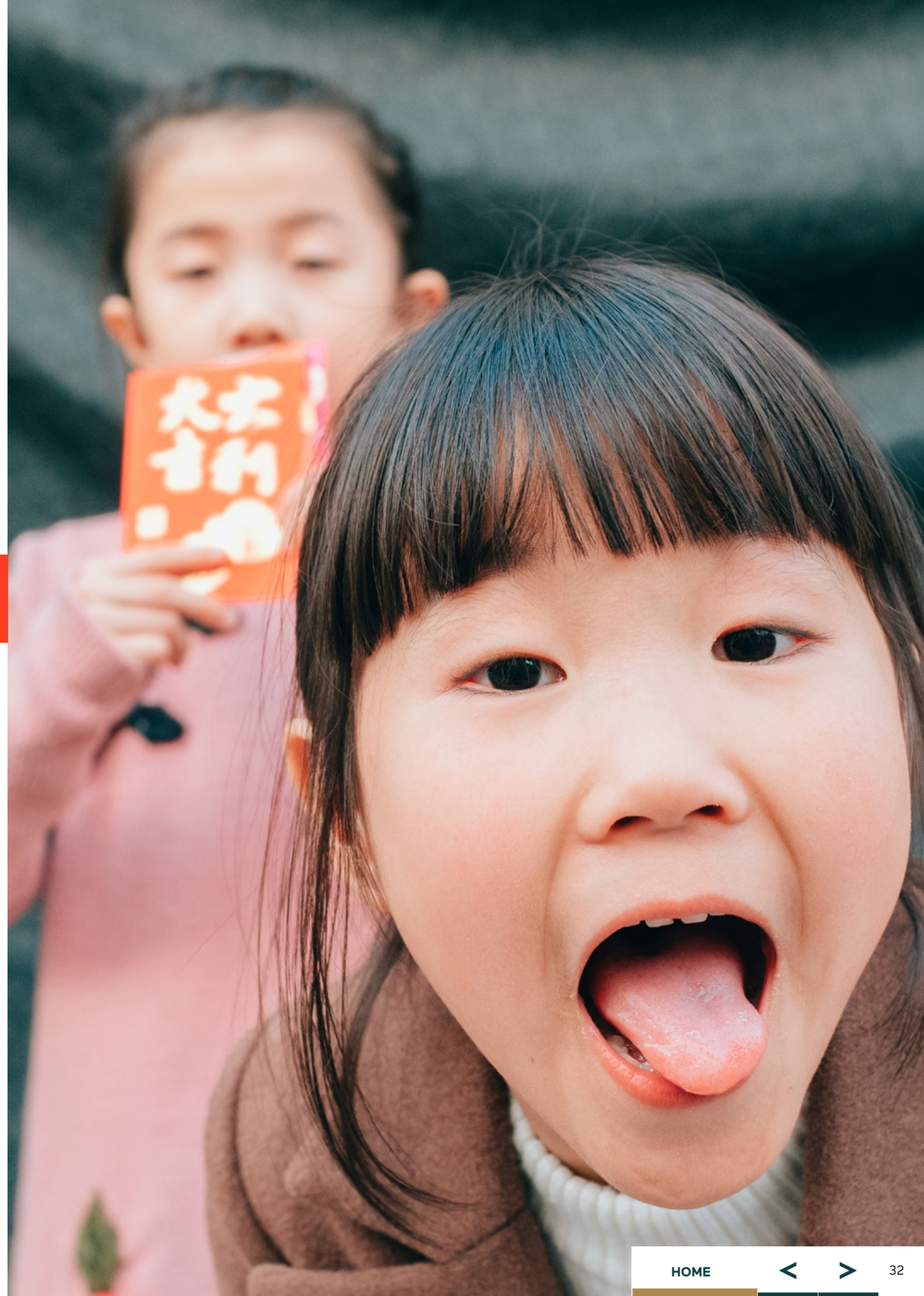


Image: The Deaf Academy in Exmouth

EXTENDING INTERNATIONAL REACH

CAF is committed to facilitating and expanding giving across borders. We're strengthening our partnerships across the world and extending our reach for donors.

4.



Extending international reach



Image: International Grantmaking Symposium

OUR INTERNATIONAL TEAM

We bring together donors and charities committed to securing a fairer, more sustainable future with global communities. We draw on local expertise and best-practice approaches, to manage risk effectively, operate to the highest regulatory standards and amplify local voices.

We are thought leaders in international giving and aim to bring together experience from around the world. Over the year, our global webinar programme has shared in-country expertise to help donors achieve the greatest impact with their giving.

INTERNATIONAL GRANTMAKING SYMPOSIUM

In November 2023, CAF America partnered with the United Nations Development Programme to host the eighth International Grantmaking Symposium (IGS).

The symposium brought together funders and donors from across the charitable sector, empowering them to support more charities around the world that would otherwise be unable to benefit from their generous donations. This includes sharing the knowledge and resources needed to give effectively, with as much impact as possible.

GLOBAL EMERGENCY RELIEF

Over the year, CAF and its donors have supported humanitarian response to disasters and crises around the world, from wildfires in Chile and earthquakes in Morocco to the ongoing efforts to help people displaced or affected by war. We have also helped sustain support for long-term recovery in the case of disasters like the earthquakes impacting Turkey and Syria.

CAF America has partnered with local, trusted organisations to facilitate donations that address urgent needs in the immediate aftermath of disasters. Our US team also tracks regulatory sanctions and changes that may impact giving, ensuring compliance with the laws that govern cross-border giving.



CASE STUDY

A COMPLEX GIFT FOR CONSERVATION MADE SIMPLE

Most donors in the United States give money to their preferred causes, but many philanthropists want to use other more complex assets they own for charitable purposes, such as privately held business interests, real estate or art.

In 2023, one such donor worked with CAF America to give 100% interest in a privately held company to Fundecodes, a non-profit based in Costa Rica that manages land for conservation and sustainable development purposes throughout the country.

The asset in question was a holding company for a collection of tracts of land, and Fundecodes accepted this donation to ensure their conservation and future integration into the National Park System in Costa Rica.

CAF America used an equivalency determination review to make the gift possible. This involves making a good-faith determination that an overseas organisation would be considered equivalent to a US public charity. It allows US foundations to grant capital assets to foreign grantees without needing to collect annual reports for the usable lifetime of the donated asset.

CAF America completed the donation furthering Fundecodes' mission of conservation and sustainable land management in Costa Rica, while also maintaining US tax benefits for the donor.

Extending international reach

WORKING TOGETHER

The CAF Network is a partnership of independent organisations spread across five continents. Together, we are committed to breaking down barriers to giving and driving global progress.

We also partner with membership bodies and other international organisations to enable safe and effective cross-border giving and advocate for philanthropy around the world. These include the Asia Venture Philanthropy Network (AVPN), Philanthropy Europe Association (Philea) and Worldwide Initiatives for Grantmaker Support (WINGS). We also work with the Transnational Giving Europe (TGE) Network, which CAF helped establish to support cross-border philanthropy across Europe.

Growing our network

Our CAF Network partners are experts in their region and, together, we work to encourage effective and compliant giving to anywhere in the world. We share knowledge on pressing causes and issues like tax regulation that impact cross-border giving. We also promote philanthropy and enable agile, targeted interventions where there is the greatest need.

In 2023/24, we were proud to welcome RACI (The Argentine Network for International Cooperation), the Ghana Philanthropy Forum (GPF), the Kenya Community Development Foundation (KCDF), and the Pakistan Centre for Philanthropy (PCP) as new partners. This almost doubled our network from six to 10 non-profit organisations, with more to come.

In June 2023, we hosted three days of discussion and debate at the CAF Network Leadership Conference, which brought together established and future network partners as well as international membership organisations. The result was enhanced collaboration and cooperation on issues such as disaster relief, blended-finance models and the localisation agenda.

Continuing to thrive

In 2023/24, our valued network partners, OneStage India (registered as CAF India) and the Southern Africa Philanthropy Foundation (formerly Charities Aid Foundation Southern Africa) launched their new brand identities, reinforcing their position as independent organisations. We look forward to continuing to champion their incredible work.

“Drawing on our 27 years of experience, we believe in the importance of working with local communities, as the architects of their own development, and that successful international giving relies on strong local partnerships built around an in-depth understanding of community dynamics.”

GRACE MAINGI
Executive Director,
Kenya Community Development Foundation (KCDF)

CAF WORLD GIVING INDEX

INDONESIA

ranks as the world’s most generous nation for the sixth year running.

UKRAINE

recorded the world’s largest year-on-year increase in index score in 2022.

Tracking global trends in generosity

The CAF World Giving Index is one of the largest studies into giving and charitable activity ever undertaken, with over two million people interviewed since it began in 2009.

The index ranks 142 countries and alongside collecting key demographics and social attitudes, asks whether people have donated to charity, volunteered their time to an organisation, and helped a stranger or someone they don’t know who needed help in the last month.

In 2023, our analysis also focused on the role of religion in giving, the links between giving and happiness and whether people who migrated have different giving habits.

“Workplace Giving Australia continues to grow its success in serving corporate and charity clients in Australia. Our refreshed strategy to grow workplace giving in Australia in 2024 has benefited from a strong relationship with CAF and the extended international network.”

DAVID MANN
Chief Executive Officer,
Workplace Giving Australia

Extending international reach

INFLUENCING GLOBAL CHANGE

The year 2023 was the halfway point of the UN's Sustainable Development Agenda, yet progress towards the Sustainable Development Goals (SDGs) is behind schedule, and the financing needed to achieve these goals is increasing as development needs grow. A timely report from CAF America set out the extent of philanthropic support for the SDGs among its clients to date, and we used our presence at the conference events of the 78th UN General Assembly in September 2023 to promote philanthropy and collaborative efforts to address the funding gap.

This year, we were also proud to lead work with colleagues around the world on the submission relating to civil society organisations to the UN Special Rapporteur on the Rights to Freedom of Peaceful Assembly and Association.

Alongside fellow contributors, such as the Council on Foundations, Philea and WINGS, we used this work to highlight how individuals, civil society, business and government can together build stronger, more sustainable societies and create progress towards the SDGs.

THE YEAR AHEAD

Our international partnerships have the power to impact lives for the better around the world. In the year ahead, we will grow and strengthen our network of partners. Our aim is to foster global collaboration and inspire action through thought leadership, working at the forefront of philanthropy.

Together, we will share regional expertise and innovative solutions to grow cross-border giving and make sure aid reaches those who need it most.

By uniting our efforts, and with a shared purpose, we're committed to building on our impact and driving meaningful change around the world.





LONG-TERM PROTECTION FOR A VALUABLE HABITAT

Image: Mark and Julie Mills

Committed environmentalists, Mark and Julie Mills helped Ned, a 15-year-old naturalist save a 69-acre plot of land – important for its old growth habitat – in New South Wales, Australia.

When Ned discovered the area was at risk of development, he alerted Local Land Services. With long-standing connections to the area, Mark and Julie – who are Australian but based in London for work – heard about the issue and wanted to help.

Working with CAF, they made a AUD$1.5 million donation to Biodoversity Legacy Ltd, an Australian not-for-profit charity dedicated to supporting those who want to protect biodiversity and ensure the equitable transfer of land to future generations.

Supporting our clients, CAF worked up an agreement that the funds be used specifically to purchase the land. In partnership with the charity, Julie and Mark were able to make sure that the title was transferred into a safe-ownership structure, securing its in-perpetuity protection with ongoing locally led stewardship. CAF also completed the relevant administrative and verification processes.

Through their collaboration with CAF, Mark and Julie were able to use Gift Aid to add 25% to the value of their gift.

The in-perpetuity protection of the land provides the platform for establishing the ‘Ned’s Forest Education Program’ – a ‘living laboratory’ for native species and base for ongoing protection, monitoring, experiential study and training.

In February 2024, the Jewish Museum of Berlin opened an exhibit titled “My verses are like dynamite,” featuring Curt Bloch’s *Het Onderwater Cabaret*, a collection of 95 magazines produced while Bloch was in hiding in the occupied Netherlands during the Second World War. Bloch, a German Jew, designed and wrote each booklet as an act of creative resistance. The booklets contain original poetry, art and satirical commentary on world news, as well as documentation of Bloch’s experience in hiding.

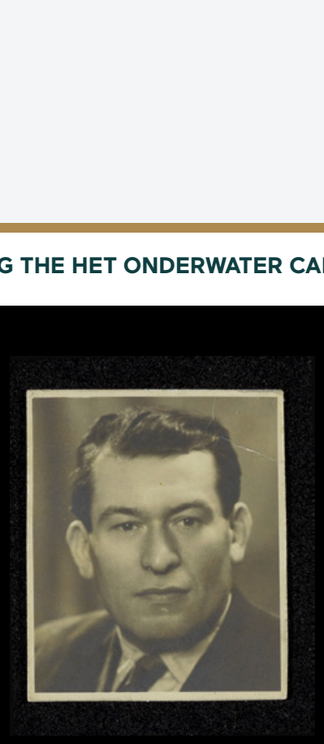
Receiving the collection from Bloch’s family in 2022, CAF America lent it to the Jewish Museum of Berlin for study, rehabilitation and exhibition. Now extended, the exhibit has been a tremendous success with huge interest in the works and story.

CAF America’s partnership with the Bloch family and the Jewish Museum of Berlin showcases how philanthropy can take many forms and create multifaceted impact – both preserving the past while looking to the future.

“Any time that an almost completely unknown work of this calibre comes to the fore, it’s very significant. The overwhelming majority of writings that were created in hiding were destroyed. If they weren’t, they’ve come to the public attention before now. So, it’s tremendously exciting.”

AUBREY POMERANCE
Exhibition curator

SHARING THE HET ONDERWATER CABARET COLLECTION



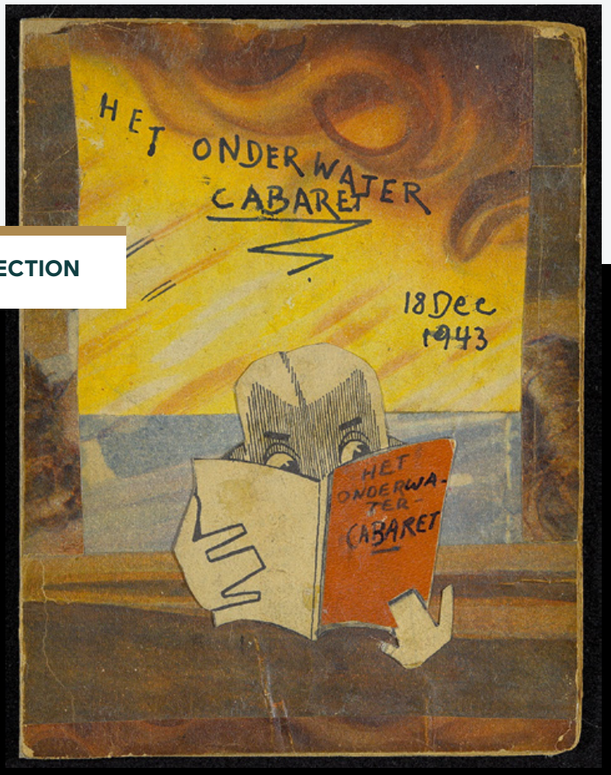


Image left: Curt Bloch
Image right: Het Onderwater Cabaret

CHARITY FINANCIAL SERVICES

In the UK, CAF owns CAF Bank Limited and CAF Financial Solutions Limited (CFSL). Both organisations help charities to manage their finances and funds so they can continue to support causes and communities that matter to them.

5.



Image: The Deaf Academy in Exmouth

Charity financial services

CAF Bank was established 40 years ago to offer sustainable financial services for small and medium-sized charities, and this remains our driving purpose today. We're supported in this by our sister organisation, CFSL, which provides investment and saving options for charities.

SUPPORTING OUR CHARITY CUSTOMERS

Around 45% of CAF Bank's charity and social enterprise customers are small organisations, so most of the people we talk to are volunteers rather than finance professionals. We understand the range of support they need, both financial and advisory.

Our objective is to deliver continual improvements to customer service and efficiency, thereby maintaining a financially robust and sustainable business model.

A TRUSTED BANKING PARTNER

Building on this, we want to help our customers bank in the way they choose. We know that, for many, cash management remains a core requirement and, this year, we expanded our range of services on offer to enable customers to manage cash and cheques through Post Offices, giving them greater flexibility.

Choosing the right bank account from the multitude of options available can also be overwhelming. For the past year, we have been working with UK Finance, other banks and the voluntary sector to advocate for more banking options for charities.

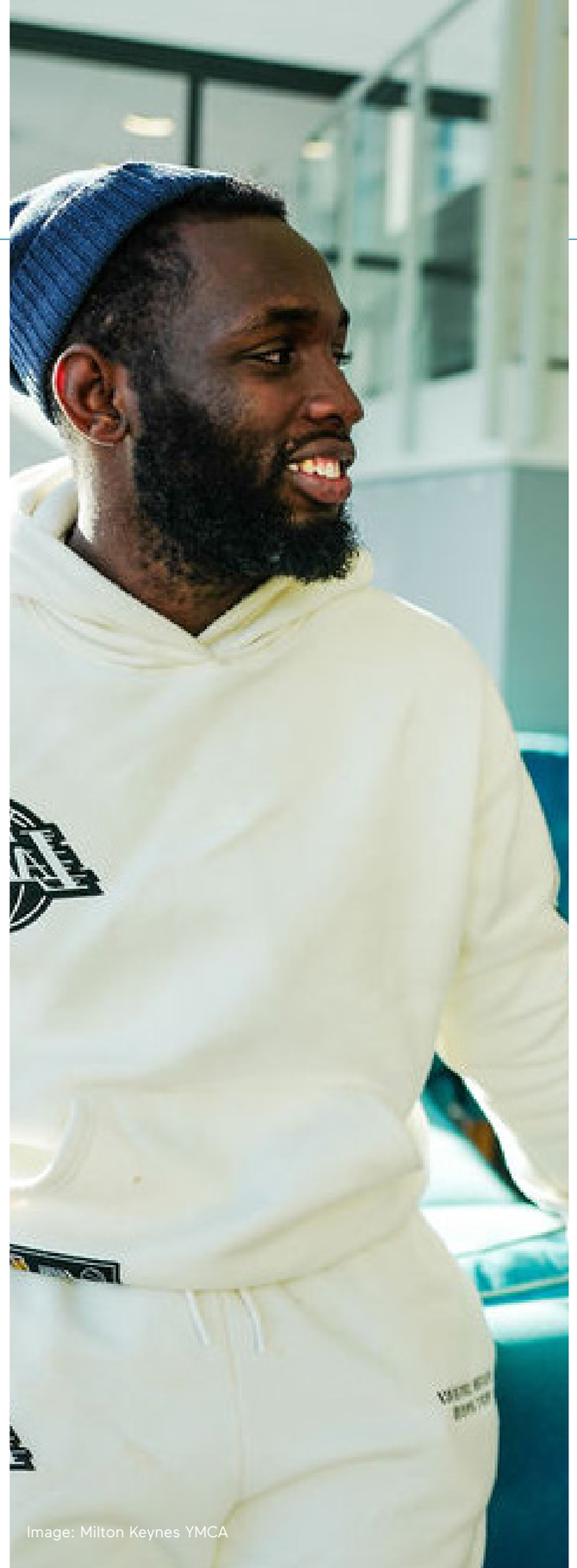


Image: Milton Keynes YMCA

HELPING TO TACKLE FRAUD

Fraud is now the most common crime in England and Wales and highlighting the pitfalls has become essential to our work. We share with customers our seven golden rules – the information we will never ask for – and our online Security Centre provides tips and guidance for avoiding email, phone-based and online scams.

We understand how hard charities work to raise funds, and the imperative of managing this money well for the benefit of the people they support. To further minimise the risk of fraud and errors, we have implemented our Confirmation of Payee service.

SUPPORTING CHARITIES TO BUILD RESILIENCE

While the economic volatility of the past couple of years has slowed, the day-to-day cost of living continues to affect charities through demand for services, reduced income and higher costs.

Assisting our customers to build resilience remains a priority. In 2023/24, we ran webinars for charity leaders and trustees that cover topics, such as effective planning and risk management, to help ease the pressures they experience. Our Charity Resource Hub has remained a vital tool that can help social enterprises look to the future when household budgets are still squeezed.

Strategy and objectives

CAF Bank's core principles are:

- Providing services for small and medium-sized charities and organisations with social purpose.
- Offering services that our customers want at a fair and transparent cost.
- Progressively realigning our lending activity around the single aim of supporting charitable and social purpose organisations and projects.
- Improving customer service and customer satisfaction.
- Continuing to drive efficiency and improvement through process simplification and investment in technology.

We are incredibly committed to our customers. We were delighted to be commended in the 'Best Charity Banking Provider' category at the Business Moneyfacts Awards 2024 and ranked joint first place for overall customer satisfaction in the 2024 Charity Banking Survey.

ACHIEVING A SUSTAINABLE FUTURE

For us, building resilience also means helping our customers to grow more sustainably now – for example, by tackling the energy performance of properties – and in the years ahead, as they work to achieve their sustainability ambitions for the future.

In October 2023, we issued our first Green Loan, a form of finance specifically designed to fund projects that contribute towards a sustainability goal, to Stockwood Community Benefit Society. This enabled the organisation to continue farming using environmentally beneficial methods. It has also refinanced the installation of a ground source heat pump and 170 solar panels, which can generate 50kW of clean electricity to power the pump system. These provide clean renewable energy for heating and cooling Stockwood's business park.

We are building our pipeline of similar opportunities and, together with the ESG funds of CFSL, they form a comprehensive suite of green finance products for our charity customers.

Turning inward to our own sustainability ambitions, we are proud CAF Bank has been named one of the UK's greenest banks by environmental organisation Bank.Green.

INVESTING IN THE FUTURE

As CAF Bank evolves, the charities we serve remain our focus. Making sure we give our customers a more efficient, modern banking experience is behind the significant investment we have made in our digital modernisation programme. On course to be delivered later in 2024, this will begin to transform our services and will give us the platform to scale and support more charities in the future.



Image: Reform Restore Respect

TRANSFORMING YOUNG PEOPLE'S LIVES

When Francis Osei-Appiah set out to change the lives of young people in Kent and Medway, he could never have imagined just how transformative his work would be. But 12 years later, his anti-crime workshops have helped 41,000-plus children in 419 schools across the county.

Francis set up the charity Reform Restore Respect to stop people taking the same path he did. As a former gang member who served nine years in prison, he saw the impact of his choices on his life and the people around him, especially his family.

His success in Kent and Medway has led Francis to take his message nationwide, for example, supporting the police and National Crime Agency. Yet, until recently, his charity was being hampered by a lack of support from its former high street bank. Time spent on the phone to call centres meant less time available for the charity's vital work.

Following a recommendation from one of the charity's Trustees, Reform Restore Respect made the switch to CAF Bank in July 2023 and has not looked back.

With its banking sorted, the future of the charity and the young people it supports is looking even brighter.

"I wish I had gone to CAF Bank straight away. Now my advice to any new charity is to go to CAF Bank."

FRANCIS OSEI-APPIAH
CEO and founder,
Reform Restore Respect

BLUEPRINT FOR THE FUTURE

We want to empower our people, along with the charities and donors that make up the giving world, with the connections, infrastructure and support they need to realise their goals.

6.





OUR PEOPLE MISSION

CAF's People Mission is to establish a leading great and safe place to work, wherever our people are located across the world. We want to attract, retain and develop the best talent at all levels, establishing CAF as an employer that is world-renowned for its high-performing, purpose-driven people from all backgrounds.

Following the successful delivery of our ambitious People Plan to support the first phase of CAF's Together Building Opportunity strategy, we're now rolling out the CAF People Plan 2023–26. This aims to align our global organisation behind our shared values, purpose and people principles, creating a consistent employee experience.

A STRONG FOUNDATION

Starting in the UK, over the last two years, we have focused on uniting our workforce. This involved refreshing our employee value proposition and creating a culture where every voice matters and our employees feel a strong, lasting sense of belonging. In that time, the average voluntary employee turnover in CAF in the UK has reduced from 13.6% in 2022/23, to 10.2% this year. At the end of 2023/24, it stood at 7.8%.

During 2023/24, we have continued to enhance our employee experience:

- Developing our internal communications framework to deliver regular, timely and consistent messaging across CAF.
- Providing opportunities for those who work at CAF to progress their careers and individual personal growth; and for the future, building our career development pathways.
- Designing a more flexible and equitable reward framework.
- Offering a portfolio of benefits that give employees greater agency and choice over how they spend their time and balance their responsibilities at work and home.
- Taking a holistic approach to employee wellbeing.

CAF Group People Plan Principles

OUR PEOPLE MISSION

To establish CAF as a leading great and safe place to work, wherever our people are located around the world.

OUR PEOPLE STRATEGY

To find great people to do our great work and keep them, optimising retention so our teams and individuals can perform consistently highly in the work they deliver for CAF.

OUR VALUES

- **Act with integrity**
- **Move forward together**
- **Shape the change**

OUR COMMON BOND

Our strength as a group will be found within the breadth and depth of diverse skills, knowledge and experience our CAF community of people possesses.

OUR EMPLOYEE EXPERIENCE

To design and develop an employee experience like no other that brings together our worldwide workforce aligned to one group mission.

ENSURING EVERY VOICE MATTERS

Our Employee Council raises our people's voices. In 2023/24, members have participated in:

- Delivering our Together Building Opportunity strategy.
- Evolving our approach to Diversity, Equity, Inclusion and Belonging (DEI&B).
- Supporting our plans to inspire and engage employees and the wider sector, during our centenary.

A TRANSFORMATIONAL DEI&B STRATEGY

We know that the more diverse and inclusive our organisation becomes, the more creative and impactful we will be.

As a group, we are developing a new multi-year generational programme to transform DEI&B within CAF. Together, we are taking action to build an environment where everyone feels valued, respected, empowered and included – regardless of their age, gender, sex, sexual orientation, disability, race, ethnicity, socio-economic background, religion or beliefs – to create a true sense of belonging.

Working with an independent expert in high-trust workplaces, culture change and DEI&B, we have brought together representatives from across CAF to discuss what DEI&B means to them. We will use these insights to design the principles of our future DEI&B improvement programme.

Our Nominations, Remuneration and Culture Committee will use the same DEI&B principles in their annual review of our Board's performance and procedures, considering our commitment to equality, diversity and inclusion at all levels.



CAF EMPLOYEE SURVEY 2024

94%
are willing to go the extra mile to help CAF succeed.

93%
understand how their work contributes to the success of CAF.

95%
feel proud to work for an organisation that has the purpose to accelerate progress towards a fair and sustainable future.

OUR APPROACH TO PAY

As part of the CAF Deal for employees, we aim for our pay approach to be:

- **Fair and equitable**
- **Competitive**
- **Transparent**

To achieve this, we pitch our base pay at the competitive market median. On an annual basis, we evaluate and benchmark the scope, grade and pay range of each role, working with an independent reward specialist to capture accurate salary-survey, market pay data and trends.

CAF has developed a discretionary Group Performance Incentive – linked to our performance management framework and end-of-year performance of the organisation – that recognises high performance and behaviours aligned to our values in a fair and transparent way.

GENDER PAY GAP

At CAF, we know our gender pay gap is predominantly the result of men being over-represented in managerial roles, and women being over-represented in administrative and support roles – compared with the organisation's overall ratio of women to men.

As of 5 April 2023, our median gender pay gap is 27.8%, in favour of men. This compares with the UK median pay gap of 14.3% (Office for National Statistics). Our mean pay gap is 25.6%, compared with a UK mean of 13.2% (Office for National Statistics). For 2023, there was a 3.0 percentage point increase in the mean average and a 0.1 percentage point decrease in the median average when compared with 2022. When comparing 2023 with 2017, there was a 2.4 percentage point decrease in the mean average and a 6.4 percentage point decrease in the median average.

We are committed to equity, fairness and transparency across our organisation. We know that to achieve greater pay parity and narrow our gender pay gap, we must recruit and promote more women into senior roles at CAF. To do this, we are reviewing how we recruit and how we retain and develop the talent we already have. While these actions will make a difference over the longer term, we are also making more-immediate term interventions to improve pay equity, for example, through our 2023/24 review of pay and Our Deal.

OUR PAY AND CAF DEAL REVIEW

Our annual pay review assesses the pay of current employees and their roles against market data, accounting for our financial performance, the funds available and other external data.

Although inflation and cost-of-living pressures are easing, we know economic conditions remain challenging. Recognising, as well as the higher proportion of women than men in our roles grade A-C, we took a tiered approach to this year's pay award for our UK workforce – with employees in the lower pay bandings receiving the largest increase. The three tiers are:

- 5% to roles in grade A-C.
- 3% for roles Grades D and above earning up to £99,999 (based on FTE salary).
- 2% Grade D and above earning above £99,999 (based on FTE salary).

These changes to salary were effective from 1 May 2024.

SAFEGUARDING

Everyone at CAF is responsible for ensuring the safety and protection of our colleagues and those who use or benefit from the services we provide. In September 2023, we updated our Safeguarding and Vulnerability Policy.

This policy applies to all CAF entities and employees, as well as those who use or benefit from the services we provide. As our policy states, at CAF:

- The welfare of individuals is paramount.
- Everyone has the right to be protected from harm.
- We take all allegations, suspicions of harm and concerns seriously and respond to them swiftly, fairly and appropriately.
- We expect everyone to work in partnership to promote the safeguarding of individuals in all areas of CAF's work.

Employees can raise a concern in whatever way they feel comfortable, in confidence and without fear of repercussion or victimisation affecting their position within CAF. For example, they can speak to their line manager, our Employee Council, a HR representative and/or member of our Risk and Compliance team in confidence, and also refer to our Raising Concerns (Whistleblowing) Policy, which explains how any employee can raise a serious concern through an independent third-party service, NAVEX.

A MORE SUSTAINABLE FUTURE

Sustainability is receiving greater focus across the charity sector. For CAF, it's embedded in our purpose to accelerate progress in society towards a fair and sustainable future for all. We're clear in our commitments to the environment and society, and we're making progress. But we also recognise that we're at the beginning of our journey and there's more for us to do.

We have made a commitment to achieve net-zero by 2050 across all our UK operations.

The first step in realising this commitment is for us to understand our own organisational emissions so we can take meaningful action to reduce them. Building on a previous emissions review, we are in the process of measuring our Scope 1 and 2 emissions. This will act as a baseline for our future work in this area.

Informed by this analysis, we will develop an action plan setting out how we make our own operations as sustainable as possible, before looking at how we can expand the scope of our measurements in future years.

Examples of our progress so far include working with our employee pension provider to ensure that our Default Fund (the default fund that employees' pension contributions go into) is 98% ESG-aligned.

Our London office runs on 100% renewable energy, and we have recently renegotiated the energy contract for our Kings Hill office. As a result, by autumn 2025, it too will run on 100% renewable power – rising from 60% currently.

In addition, we've amended our supplier and procurement procedures to ensure ESG considerations are included in both the selection of new suppliers and our management of existing partners.

Our wholly owned subsidiary, CAF Bank is subject to different regulatory expectations regarding sustainability. They are, therefore, setting a template for action on sustainability, which we will aim to follow to ensure more consistency across our group.

CAF BANK SUSTAINABILITY

CAF Bank provides transactional banking services and lending to charities and social purpose enterprises across the UK. We have strict criteria that all lending activity must have a social purpose and, therefore, we do not provide finance to companies whose primary business involves fossil fuel extraction, processing or sale; and/or traditional petrol or diesel vehicle manufacturing.

CAF Bank reviews its lending criteria on a regular basis to ensure these standards are upheld. We also recognise the risks that environmental change poses to our business and to the work of the charities and communities we support. We have integrated physical and transition risks associated with climate change into CAF Bank's enterprise risk management framework.

CAF Bank maintains a conservative portfolio of treasury investments that is governed by the Bank's internal Treasury Policy. This details what we will and will not invest in, as well as detailing the ESG considerations that apply when making investment decisions.

In addition, CAF Bank's treasury portfolio is subject to quarterly screening through the publicly available Sustainalytics ESG risk-rating tool.

HELPING CLIENTS ACHIEVE THEIR GOALS

Increasingly, the charities and donors we work with have environmental concerns at the heart of their impact objectives. Our products and services aim to assist them in achieving these goals.

OUR WORK WITH CORPORATE AND PRIVATE CLIENTS

We collaborate with corporate and individual donors to help them realise greater impact through their giving, and more are strengthening their focus on supporting environmental and global causes.

Our pioneering social impact fund is increasing the investment of philanthropic capital in social enterprises and community organisations working to deliver a fairer, sustainable world.



Image: Toynbee Hall

GREEN LOANS

CAF Bank provides Green Loans to help charities finance projects that contribute to environmentally beneficial 'green' projects. This might be funding a development that meets certain environmental criteria or building standards, retrofitting for energy efficiency, transitioning to sustainable energy sources, or delivering sustainable waste management. CAF Bank Green Loans are aligned to the Loan Market Association Green Loan principles.



ESG INVESTMENT FUND RANGE

Through our wholly owned subsidiary, CFSL, we provide a range of three ESG Funds, designed specifically to meet the needs of charities and charitable investors investing for profit and a fairer, greener future.

All funds are actively managed by LGT Wealth Management and have exposure to ESG-focused investments through a broad range of asset classes and investments across different industries and geographical regions.



Image: Stockwood Community Benefit Society

Blueprint for the future

FUTURE FOCUSED

Throughout its history, CAF has been at the forefront of innovation in the charitable sector. Our Renew programme aims to reinforce our ability to contribute and shape the future: modernising our technology and processes, streamlining our operations and enhancing our customer experience.

This year, we've worked alongside colleagues from CAF America and a team of external experts to scope the programme and optimise a model for future collaboration, growth and efficiency.

Based on this discovery phase, we are working to identify the support, resources and partnerships we need for implementation, alongside a detailed timeline for delivery.

THE POSSIBILITIES OF AN AI-ENABLED FUTURE

As part of our future-focused work, we are exploring the potential of AI to bring greater innovation to the non-profit sector, grow giving and connect funds to charity needs worldwide.

Starting with our own organisation, we are piloting the use of AI tools to help improve productivity, alongside investigating the possibilities of using AI in support of our global charity database. Our Chief Executive, Neil Heslop – who has been a long-term advocate for the rights of disabled people in the UK, and across the world – is seeking to champion accessibility with this technology across CAF and the philanthropic landscape.

We want to help the wider sector navigate the possibilities and challenges this technology brings. For charities, this means grappling with the practicalities of implementation, such as employee adoption and training, as well as dealing with their donors' opinions about AI.

At the beginning of 2024, we launched our first research into this subject, looking at what the public think of charities using AI. We asked over 6,000 people across ten countries for their views.

TOGETHER, WE GIVE MORE

Reinforcing our strategy to align all parts of CAF, including CAF America, CAF Canada and CAF American Donor Fund, we have launched our refreshed brand, creating a single global theme of 'Together, we give more'.

Our new identity is inspired by our unique position in the giving world: at the meeting point of government, donors, and charities.

Although the CAF brand narrative will continue to evolve with our organisation, this represents the completion of a programme of work to put our values and purpose – **to accelerate progress towards a fair and sustainable future for all** – at the heart of our organisation.



FINANCIAL REVIEW

The financial year ended 30 April 2024 has continued to see challenging economic and financial conditions for charitable giving in the UK and around the world. While inflation has come down, the ongoing cost-of-living crisis and geopolitical uncertainties continue to add pressure on individuals and organisations to manage their costs.

7.




Image: Stockwood Community Benefit Society

As well as retaining good control of our costs in this period, the stability of CAF's position has been helped by additional income from interest earned as rates have increased and remained higher for longer than anticipated. We have been able to achieve this, despite the adverse economic environment, while continuing to distribute record levels of funding to charities and social enterprises in the UK and around the world. Growth has been particularly notable in CAF America, the group's North American subsidiary, for income from third-party giving platforms. This has allowed us to achieve greater impact working with our donors and partners, and to invest in the future of our organisation.

CAF's accounts are consolidated and, therefore, include the income, costs and balance sheets of its subsidiaries in the US, Canada and the UK. The principal subsidiaries are CAF Bank, CAF America and the CAF American Donor Fund. The principal sources of unrestricted income arise from products provided to donors and fees earned, together with income earned from financial assets and interest on loans. Restricted income consists principally of donations to donor accounts in CAF (the Charity), CAF America and CAF American Donor Fund, and from legacies. The group balance sheet consists primarily of the unrestricted and restricted charitable funds of the Charity and of its subsidiaries together with donor client balances where the Charity is acting as agent and CAF Bank depositor balances.

RESTRICTED FUNDS AND DONOR CLIENT BALANCES

Donations received by CAF and subsequently paid to charities represent the principal movements in our restricted and donor client balances. The restricted funds principally relate to the services we provide to donors through CAF Charitable Trusts, CAF Accounts, CAF Company Accounts, CAF America and CAF American Donor Fund. Donor client balances consist of donations received by us and subsequently paid to other charities through CAF Give As You Earn and CAF Donate.

	Donations, legacies, grants & investment income		Donations payable to charities	
	2023/24 £m	2022/23 £m	2023/24 £m	2022/23 £m
Restricted funds per Group Statement of Financial Activities (SOFA)	1,089	1,071	1,065	956
Less: US fundraising programme costs	-	(21)	-	-
	1,089	1,050	1,065	956
Donor client balances (note 21 to the Financial Statements)	107	111	68	69
Less: CAF Give As You Earn receipts transferred to restricted funds and included in the Group SOFA	(41)	(42)	(1)	(1)
Net donor client balances	66	69	67	68
Total	**1,155**	**1,119**	**1,132**	**1,024**

We have illustrated earlier in this report how the value of funds we have sent to charities around the world has exceeded £1.13bn (2023: £1.02bn). The continuing generosity of donors using our services in the UK and US enabled this level of support, with donations received again exceeding £1.15bn.

At 30 April 2024, restricted funds held in respect of our services, offering donors flexibility to suggest donations at a later date and to maintain philanthropic capital, increased to £1.85bn (2023: £1.75bn). Restricted funds benefited from the high level of receipts, particularly in the US and from the addition of investment income of £23.8m (2023: £14.4m). Our financial investments benefited from significant gains of £73.5m (2023: losses of £10.8m) contributing to their aggregate market value rising to £979.6m at 30 April 2024 (2023: £836.8m), and total assets growing from £1.78bn to £1.87bn.

Our donor client balances, which reflect donations in the course of processing for CAF Give As You Earn and CAF Donate, stood at £6.2m (2023: £7.1m).



Image: Disasters Emergency Committee (DEC)

CAF BANK DEPOSITS

CAF Bank's charity customers continue to provide a strong and stable base of deposits and a robust funding position underpins CAF Bank's activity. During the year, deposits dropped to £1.42bn (£1.50bn 2022/23), reversing balance increases during Covid.

CAF BANK LENDING

Although the economic environment remains challenging, committed loans and advances to customers continued to grow in 2023/24, rising from £226.0m as at 30 April 2023 to £254.8m at 30 April 2024. Within this total, loans to charities and social housing organisations increased by £36.2m. We are also encouraged by the lending pipeline. As at 30 April 2024, CAF Bank has £32.2m of loans sanctioned pending final agreement and commitment (at 30 April 2023: £34.0m).

Given the inflationary environment and ongoing cost-of-living pressures, CAF Bank has continued to monitor and analyse both its collective and specific loan provisions. The quality of its loan book remains strong. As at 30 April 2024, the collective provision is determined as £1.8m (at 30 April 2023: £1.1m). The cost of living and the inflationary environment have impacted charities directly and through their donor base. This has resulted in specific provisions of £0.6m at 30 April 2024 (30 April 2023: £0.6m).

CAF BANK LIQUIDITY, INVESTMENT PORTFOLIO AND CAPITAL

CAF Bank's liquidity position remains strong: as at 30 April 2024, 45% of deposits were held in unencumbered cash, almost all deposited with the Bank of England. In addition, CAF Bank holds a long-term investment portfolio that consists of high-quality bonds, primarily AAA-rated, equating to a further 44% of deposits. This portfolio is held to maturity and is measured at amortised cost.

Historical rises in bond market interest rates post Covid resulted in an unrealised mark-to-market (MTM) loss on CAF Bank's investment portfolio. Given that bond positions are held to maturity, this MTM loss remains hypothetical and would only be realised if CAF Bank sold the bonds.

In August 2023, CAF Bank issued £15.0m of subordinated debt to CAF. As this was not required for capital purposes, in April 2024 CAF Bank repaid £10.0m of the subordinated debt leaving a balance of £5.0m. Since the year end, the balance of £5.0m has been converted into a subordinated debt instrument that can be converted to Additional Tier 1 regulatory capital, should additional capacity be required to support CAF Bank's lending to charities and social purpose enterprises.

UNRESTRICTED FUNDS

At 30 April 2024, group unrestricted funds stood at £98.5m (2023: £84.1m), an increase of £14.4m (2023: £7.4m).

Total income increased to £106.1m (2023: £76.4m). The impact of the rise in interest rates in the UK and US has been significant, with CAF Bank's net interest income increasing from £28.0m to £44.8m for 2023/24. Investment income, including interest receivable, grew to £29.3m (2023: £17.2m).

For many years, CAF and the group were impacted by low interest rates, but the higher interest rates during the year have afforded us additional income enabling us to mitigate the effects of inflationary increases on our costs and to pursue our plans for growth through change and investment with greater confidence. Total expenditure of £91.4m (2023: £69.3m) includes additional expenditure resulting from the initial steps of our growth and transformation plans, but also from the rapid scaling up of activity for CAF America and the impact of inflation on our staff costs.

Transfers from restricted funds during the year were £3.2m (2023: £6.1m). They include transfers from funds for which the original donor or legator had provided no wishes for the distribution of funds upon their death. In accordance with terms and conditions, £0.6m (2023: £1.5m) was also transferred from CAF Charity Accounts that were closed. These and other funds transferred from restricted funds are applied for the general charitable purposes of CAF.

RESERVES AND CAPITAL POLICY

CAF's policy is to maintain across the group, but not exceed, an appropriate level of capital and reserves to support the activities of its regulated subsidiaries.

CAF's reserves comprise unrestricted funds. The policy and determination of the required level of reserves are set in accordance with Charity Commission guidelines and are reviewed at least annually by Trustees.

In considering its Reserves and Capital Policy, CAF also includes debt capital, which is amortised over a 10-year period prior to redemption or refinancing. Debt so regarded as capital is capped at 15% of CAF's unrestricted funds.

In determining the appropriate level of capital and reserves, Trustees consider the nature of the group's activities and the risks inherent in our financially based activities, including credit risk, liquidity risk and interest rate risk, along with other risks to which CAF and the group are exposed.

They also consider future capital requirements and changes in our operating environment, including regulatory changes, which may also impact the level of retained reserves or the levels of reserves we are required to maintain in the future.

Our objective is to remain strong, keep our fees competitive and take mitigating action where it is possible, so we can offer the maximum support to the charities and donors we serve. We, therefore, continue to take a prudent approach to the levels of capital and reserves maintained.

Although, as a result of the significant level of liquid assets held, the increase in interest rates has been beneficial for the group, the Trustees are mindful of factors that may affect the group negatively in the future. Interest rates are forecast to fall but not to the same extent that they were pre-pandemic. A fall in interest rates would have a negative impact in the medium- to longer-term once deposit rates that have already been locked in for shorter periods have matured.

Past experience of the economic crises that have arisen since 2008, however, provide evidence that donors who chose to give via CAF and the group are resilient and giving by individuals remains broadly protected from economic changes. Therefore, the Trustees and respective boards and committees of CAF and its subsidiaries continue to closely monitor these matters and to work with their respective Executive Committees to respond as required to these pressures.

Group and charity unrestricted funds, which represent our reserves, stood at £98.5m (2023: £84.1m) and £66.1m (2023: £67.8m) respectively. This level of reserves at 30 April 2024 is considered to be sufficient to support the ongoing activities and development of the group and the charity.

CAF INVESTMENT POLICIES AND PERFORMANCE

Overview and governance

CAF adopts investment policies appropriate to the nature of the funds for which the investments are held. The policies set out CAF's risk appetite for investments including liquidity, credit, large exposures, concentration and interest rate risks. Investment policies are approved by CAF's Trustees and the boards of its subsidiaries. They are monitored by the Investment Finance and Impact Committee (IFIC).

Policies

CAF UNRESTRICTED FUNDS

Other than investments in CAF's subsidiaries, the Charity's unrestricted funds and borrowings are primarily invested in cash deposits. CAF assesses its liquidity reserves requirements and places deposits with a range of counterparties within credit, liquidity, interest rate and large exposure risk appetites. CAF may also invest unrestricted funds in gilts, supranational and investment grade bonds. CAF's policy is to hold investments to maturity.

CAF TRUSTS RESTRICTED FUNDS

The Investment Policy allows CAF Trust funds to be invested to meet the longer-term philanthropic objectives of donors. The investment risk appetite is appropriate for the charitable purposes of the funds. This portfolio consists of investments often held over the longer term, comprising UK and global investment funds, equities, bonds and cash deposits. CAF Trust investments are held and managed directly by CAF or managed by third-party investment managers taking into account donor suggestions.

OTHER CAF RESTRICTED FUNDS

Other restricted funds principally comprise balances held by CAF pending onward donation to other charities. CAF assesses liquidity requirements to ensure funds are available to meet donations and grants requested by clients, and invests funds with a range of counterparties within approved credit, liquidity, interest rate and large exposure risk appetites. CAF invests restricted funds in Gilts, supranational and investment grade bonds, and cash deposits/ certificates of deposit. CAF's policy is to hold investments of other restricted funds to maturity.

SUBSIDIARIES

Investment policies of subsidiaries are determined and managed by their respective boards, taking into consideration regulatory and other requirements.

Measurement and performance

Performance of investments held for unrestricted and restricted funds is reported monthly to the CAF Executive and quarterly to the IFIC. Performance is compared to benchmarks for individual funds where these have been agreed. Key Risk Indicators monitor the position of portfolios against agreed risk appetites.

SUBSIDIARIES

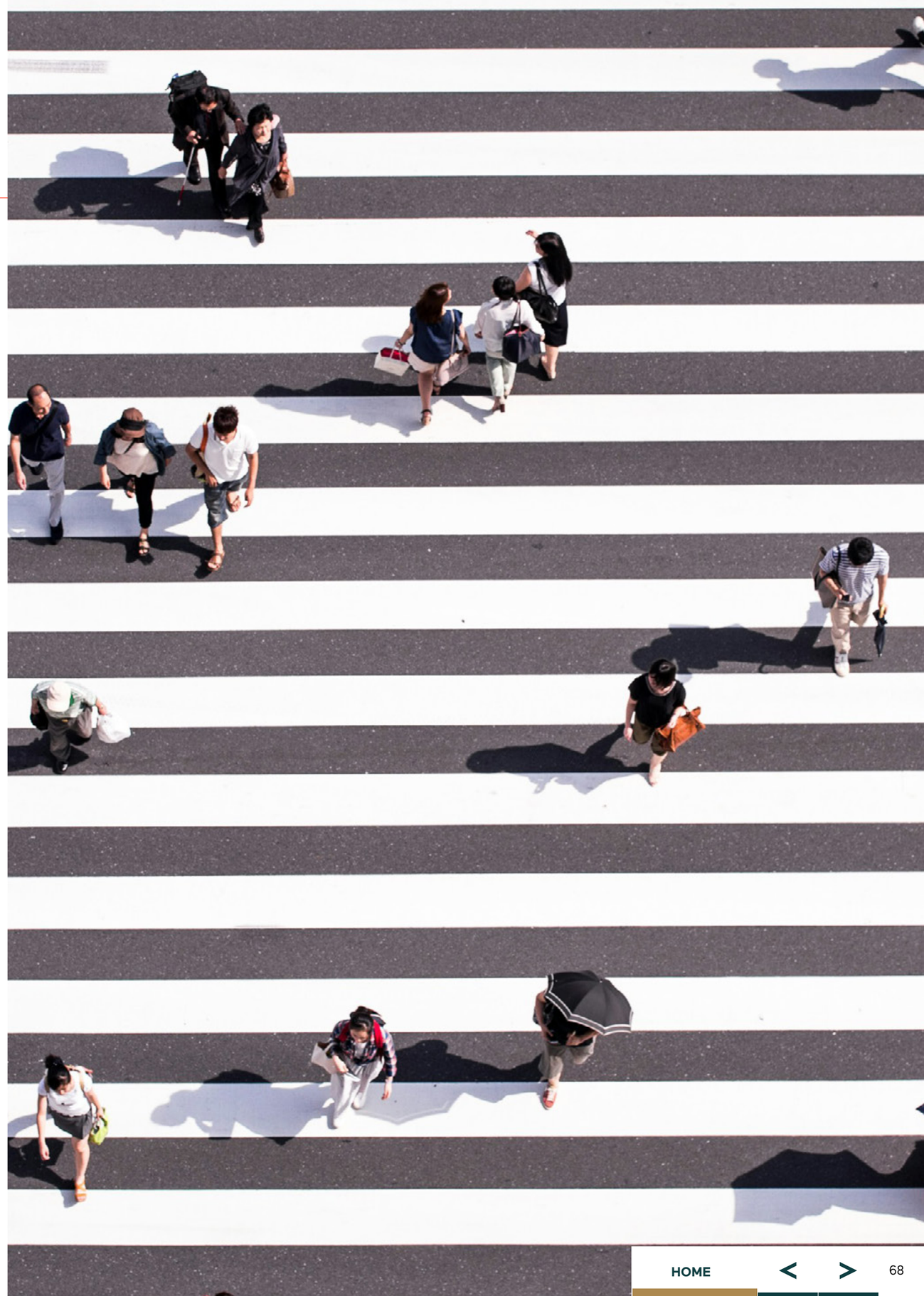
Investment policies for CAF Bank, CAF America, CAF American Donor Fund and CAF Canada, and the measurement and performance of investments by these subsidiaries, are described in their respective Annual Report and Accounts.

GOING CONCERN

In order to assess the appropriateness of the going concern assumption basis, the Trustees have considered the group's and the charity's financial position, liquidity, unrestricted reserves and forecasts for the foreseeable future, taking into account the principal risks to which the group and the charity is exposed and the ongoing cost-of-living crisis and geo-political uncertainties.

The Trustees and boards of CAF's subsidiaries have considered the impact of a severe economic outcome on each entity and the effectiveness of management actions that might be taken to mitigate the impact of this stress. Trustees and boards of subsidiaries have also considered the circumstances under which operations of the entity would be unable to continue.

Accordingly, and after making appropriate enquiries, the Trustees have a reasonable expectation that the group and the charity will be able to continue in operation and meet their liabilities as they fall due for at least 12 months from the date of signing this report. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

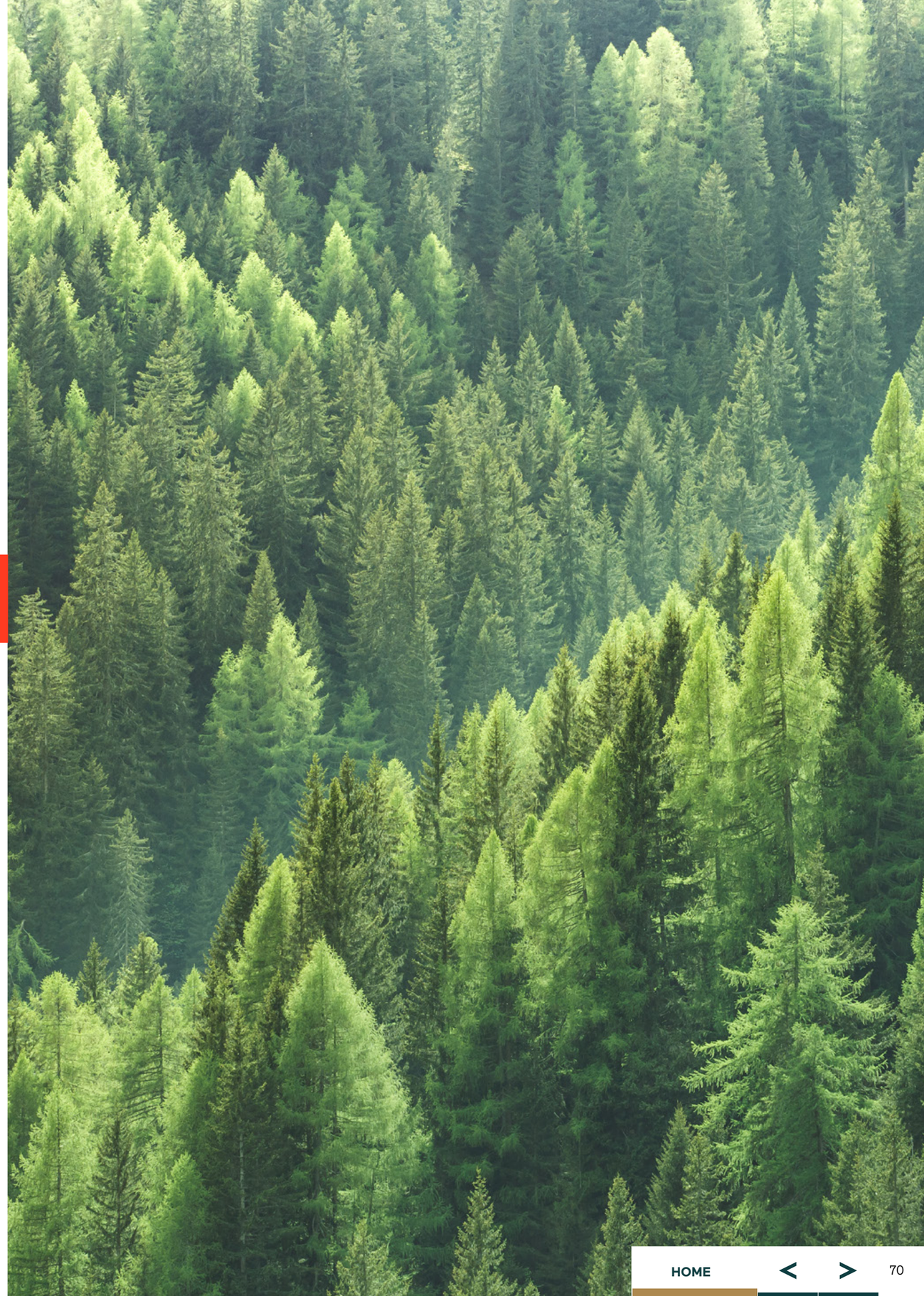


STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charities Aid Foundation is a registered charity (number 268369) and is governed by a Declaration of Trust dated 2 October 1974 (as amended from time to time).

The Board of Trustees, together with the Executive, are set out at the end of this document.

8.



CAF TRUSTEES

The Board of Trustees is the body responsible for the management of CAF and is required to consist of:

- No fewer than eight Trustees appointed by resolution of the Trustees; and
- The Chair of NCVO (National Council for Voluntary Organisations).

The Board meets at least four times a year. All Trustees are non-executive and none of them receive remuneration from CAF. Trustees are appointed to hold office for a term of three years. Except for the Chair of NCVO, no Trustee may hold office for more than three consecutive terms. All newly appointed Trustees are required to undertake an induction programme delivered by General Counsel and Secretary to the Trustees and the Chief People Officer.

The induction is in two parts and across two dedicated sessions. The first of these focuses on governance, the role of the Trustee and their responsibilities. The second focuses on the organisation, how it is designed, the business plan, key themes and performance measures.

A Board effectiveness framework is designed around a three-year programme broken down into the themes of key knowledge on the duties related to governance in year one, the assessment of Board skills, knowledge and experience in year two and a formal external review and validation in year three.

The Trustees delegate management responsibilities to the Chief Executive and also delegate certain functions to the sub-committees described in this section. Each sub-committee has specific terms of reference and a chair appointed by the Trustees. The Trustees strengthen the sub-committees by co-opting experts in the relevant field where appropriate. This delegation is overseen and monitored by the Trustees by requiring regular reporting from the Chief Executive and the sub-committees to the Board of Trustees.

BOARD OF TRUSTEES

Meeting attendance **1 May 2023 to 30 April 2024**

	Meetings attended	Maximum
Sir James Leigh-Pemberton (Chair)	6	6
Sir Ernest Ryder (Vice Chair, and Chair, Nominations, Remuneration and Culture Committee)	5	6
Michael Ashley (Chair, Audit Risk and Compliance Committee)	6	6
Cyrus Ardalan (Chair, Investment, Finance and Impact Committee, and Chair CFSL)	6	6
Janet Pope (Chair, CAF Bank)	6	6
Dr Priya Singh (Chair, NCVO)	2	6
Meredith Niles	6	6
Sabine Everaet	5	6
Owen Pringle	5	6
Robert Vogtle (Non-Executive Director, CAF Bank) (Non-Executive Director, CFSL – resigned 21 February 2024)	6	6
David Shalders	6	6
Roger Perkin (resigned 1 August 2023)	1	1
Robert Dench (Non-Executive Director CFSL, appointed 18 April 2024)	1	1

Sir James Leigh-Pemberton CVO, Chair

Sir James is Non-Executive Chair of RIT Capital Partners and Chair of the Council of the Duchy of Lancaster. Previously, Sir James was Chief Executive Officer of Credit Suisse in the UK and held several senior roles within the organisation. Prior to joining Credit Suisse, he was a Director of S.G. Warburg. He is currently Trustee of The Royal Collection Trust and The Alnwick Garden.

Rt Hon Sir Ernest Ryder, TD, PC, DL, Vice Chair, and Chair, Nomination, Remuneration and Culture Committee

Sir Ernest became Master of Pembroke College, Oxford, in 2020. He was previously Senior President of Tribunals and Lord Justice of Appeal for the UK. Sir Ernest is a Deputy Lieutenant and a Trustee of the Nuffield Foundation. Previously Chair, he is a member of the Administrative Justice Council.

Michael Ashley, Chair, Audit Risk and Compliance Committee

Mike has held non-executive roles spanning the private, public and third sectors. Until 2023, he chaired the Audit Committee of Barclays PLC. His current roles include chairing the Audit and Risk Committee at the Cabinet Office, Trustee and Treasurer at The Scout Association and Trustee at StepChange. He is a member of the UK Endorsement Board and is a former member of the Charity Commission Board and International Ethics Standards Board for Accountants and Chair of the Government Internal Audit Agency.

Cyrus Ardalan, Chair, Investment, Finance and Impact Committee, and Chair, CFSL

Cyrus is a Board member of Coalition for Epidemic Preparedness Innovations (CEPI), chairing the Audit and Risk Committee, as well as of MedAccess, chairing the Audit and Finance Committee, and Chair of Blend Network, a lending platform. He is the co-founder of the Humanitarian Finance Forum (HFF). Prior to retiring, he was Vice Chair at Barclays Bank, held senior management roles at Paribas and was Division Chief in the Treasury at the World Bank.

Janet Pope, Chair, CAF Bank

Janet is a career banker. She has recently retired from her role as Chief of Staff and Chief Sustainability Officer at Lloyds Banking Group plc, where she was responsible for Lloyds' environmental and social justice programmes, including the Lloyds Bank Foundations and social sustainability. She is a Trustee on the Board of StepChange, and a Trustee at The Camden School for Girls.

Dr Priya Singh

Priya is Chair of the National Council for Voluntary Organisations (NCVO). Priya has a background in general practice, specialising in medical law, ethics and patient safety. Following an executive career with a leading international mutual indemnity organisation for healthcare professionals and organisations, she is Chair of NHS Frimley Integrated Care Board and Executive Director of the Society for Assistance of Medical Families.

Meredith Niles

Meredith worked for Goldman Sachs in New York, Frankfurt and London before becoming Investment Director at the Impetus Trust. Meredith later moved to Marie Curie, where she established a fundraising innovation department and was Executive Director of Fundraising and Engagement until 2021. She is currently Chair of the Showcase of Fundraising Innovation and Inspiration (SOFII), and a Trustee of Trust for London and Plan International UK. She is a member of the Journal of Philanthropy and Marketing's Shadow Board of Practitioners, a member of the Chartered Institute of Fundraising's Standards Advisory Board and a Fellow of fundraising think tank, Rogare's International Advisory Panel.

Sabine Everaet

Sabine is an Independent Non-Executive Director for ING Belgium. Prior to this she spent 26 years at The Coca-Cola Company where she held various IT and digital roles, most recently as Chief Information Officer for Europe, Middle East and Africa. Sabine is a strategic partner at Oraxys, a private equity firm specialising in financing growth capital and buy-out activities for companies that develop and market environmentally friendly products or services.

Owen Pringle

Owen is a partner of Leaders' Quest, a leadership consultancy that helps organisations to bring strategy, culture and purpose into alignment. Previously, Owen has undertaken senior digital roles at ITN, Sky and Amnesty International, where he was the Global Director of Digital. More recently, he was Chief of Staff to the Secretary General of ActionAid International. A passionate advocate of diversity, equity and inclusion, Owen is a strategic adviser to Precious, the digital network for women of colour, and was recognised by the Financial Times in their inaugural list of the 100 most influential BAME leaders in technology.

Robert Vogtle

Rob worked for international banks: Citibank, Bankers Trust, and Deutsche Bank (DB), most recently responsible for the DB CFO Division across the UK, EMEA, and Asia Pacific countries. Rob is a member of the Institute of Chartered Accountants of Ontario, Canada. Rob was a founding Director of AkarakA Foundation, an international education charity registered in Singapore. Rob is currently Trustee of Community Wholecare Centres, focused on supporting individuals and communities to live a longer healthy life.

David Shalders

David is the Chief Operating Officer at the London Stock Exchange Group. He was Group Operations and Technology Director at Willis Towers Watson, having led the integration of Willis and Towers Watson. David spent 19 years at The Royal Bank of Scotland in senior operations and technology roles, including COO, Global Banking & Markets, and Group Head of Integration for the ABN Amro acquisition. He previously held roles at UBS, JP Morgan and Accenture.

Robert Dench

Bob is Chair of the Board of The Co-operative Bank plc. He was Chair of Paragon Banking Group plc from 2007 until 2018. Previously, Bob served on the Boards of AXA UK and Ireland and was Chair of AXA PPP Healthcare Limited. Prior to that, he spent 28 years at Barclays in a number of senior executive roles across the Group in the UK, US and Australia.

NOMINATIONS, REMUNERATION AND CULTURE COMMITTEE

The Nominations, Remuneration and Culture Committee advises the Trustees on the appointment of CAF's Trustees and of the co-opted members and advisers to the Boards and committees of the CAF group. The committee also makes recommendations regarding the remuneration of members of the Executive Committee of CAF (who form the key management personnel of the group) and other senior members of staff, and reviews and agrees the basis for the general pay award to employees. Remuneration and salaries are assessed and reviewed against market rates using third-party data. The committee also reviews the general terms and conditions of employment of our people, including the provision of pension arrangements and the arrangements by which employees may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. The committee meets at least three times a year.

AUDIT, RISK AND COMPLIANCE COMMITTEE

The Audit, Risk and Compliance Committee consists of Trustees and co-opted members with relevant expertise. The committee meets with Senior Management and external and internal auditors at least four times a year. The committee's purpose is to review and make recommendations on the following on behalf of the Trustees:

- Internal control and risk management systems.
- Effectiveness of internal audit.
- CAF's relationship with its external auditors.
- Procedures for compliance with anti-money laundering legislation and CAF's other regulatory obligations.
- Annual report and accounts.

INVESTMENT, FINANCE AND IMPACT COMMITTEE

The Investment, Finance and Impact Committee is chaired by a Trustee. The purpose of the committee is to provide oversight on strategic investments, financial performance and the sustainable impact of CAF. The committee meets with Senior Management at least four times a year and takes into account our strategic plans, operational activities and Charity Commission guidelines.

CAF'S GROUP AND NETWORK

The Charities Aid Foundation group consists of CAF and its subsidiaries in the UK, CAF America, Southampton Row Trust Limited (the CAF American Donor Fund) and CAF Canada.

The wider CAF Network is a global collaboration of trusted partners made up of fully independent, robust organisations that share CAF's mission to accelerate progress towards a fair and sustainable future for all. Each network partner is an expert in their region, giving CAF a unique philanthropic global reach. Our partners provide local knowledge and thought leadership when it comes to donating into their countries and work with us to seek new ways to grow cross-border giving.

This Network currently includes partners in Argentina, Australia, Brazil, Bulgaria, Ghana, India, Kenya, Pakistan, South Africa and Turkey, in addition to our CAF group operations in the UK, US and Canada.

Furthermore, to deliver its mission and to comply with the regulatory requirements for the provision of banking and investment solutions to charities, in the UK, CAF has created and holds social investments in a number of wholly owned subsidiaries, the largest of which is CAF Bank.

These investments further CAF's charitable mission, as well as providing a financial return. CAF's Board of Trustees receives updates from the boards of each entity that is a member of the CAF group. Full details of the CAF group are set out in note 2 to the financial statements.

PUBLIC BENEFIT AND SOCIETY

CAF's purpose (as set out in the 1974 Declaration of Trust) is to hold and distribute funds 'for the benefit of such charitable institutions or such charitable purposes as the Trustees shall think fit'. The work we do to accelerate progress in society towards a fair and sustainable future for all is illustrated throughout this report.

CAF contributes to public benefit by partnering with donors to realise giving with greater impact, thus enabling charities to do more of their life-changing work across borders to inspire innovation so civil society thrives.

In the UK, CAF Bank and CFSL help charities to manage their finances and funds so they can continue to support causes and communities that matter to them.

STAKEHOLDER ENGAGEMENT

We recognise and promote the importance of strong relationships with our stakeholders across all of our activities, and we are committed to productive, long-term relationships. Throughout this report, we have described how we engage with our donors, charity customers, government and colleagues in the sector and our employees. Below we give examples of engagement with other stakeholders.

SUPPLIERS

We recognise that our suppliers are crucial to our success and we understand the importance of maintaining strong lines of communication. Many perform critical outsourced functions and are subject to regular formal review. We engage with suppliers regularly throughout the year and feedback is continually communicated and monitored.

REGULATORS

It is within our culture of fairness and transparency to promote high standards of conduct within CAF and with all external parties. In particular, in our role, holding donor funds and customer deposits, their safekeeping and adherence to all relevant aspects of regulation is key to us.

We maintain close awareness of this through engagement with regulators. This engagement is supported by interactions with industry bodies, specialist advisers, regulatory seminars, online forums and round-table events. This has allowed us to remain informed on increasing regulatory requirements and to ensure we operate to the standard required.

CONFLICTS OF INTEREST AND INDEPENDENCE

CAF takes conflicts of interest seriously and has robust policies in place to address them. The purpose is to identify, record, prevent and manage conflicts of interest. It ensures that CAF Trustees and employees avoid situations where their interests conflict

with those of CAF or its customers, whether financial or non-financial.

Any conflicts of interest are declared at the beginning of each Trustee, committee, or subsidiary board meeting. There is an annual renewal of policies, and a review is undertaken by Trustees and the Executive to ensure the registers are kept up to date. The Compliance team and the Secretary to the Trustees review and monitor all declarations. There were no reported conflicts of concern in the 2023/2024 period.

In addition to conflicts of interest, CAF also maintains a Gifts and Hospitality Standard and Register. This ensures that any gifts received or offered are transparently recorded, and employees are vigilant about avoiding any influence on business decisions. CAF maintains independence while complying with relevant regulations.

FUNDRAISING

There have been no UK fundraising activities undertaken in the current or preceding year. Charities can use our platform, CAF Donate, to raise funds online and process their donations. Our resource hub also offers guidance to the charity sector on fundraising strategies.

During the year ended 30 April 2023 and prior, CAF America worked in partnership with US professional fundraising organisations. CAF America received 100% of the donations collected, which it then granted, minus costs and fees paid to the fundraising organisations, to third-party beneficiary charities. This arrangement ceased in 2022 and there have been no fundraising activities in the current year.

CHARITY GOVERNANCE CODE

In alignment with the Charity Governance Code for large charities, CAF conducted an internal gap analysis in 2020, implementing key recommendations. These included appointing a Vice Chair and introducing a formalised periodic review of the Board's performance. Both measures have been successfully implemented. In 2023, and in line with the agreed Board effectiveness assessment cycle, the Nominations, Remuneration and Culture Committee led CAF's internal Board skills and experience assessment, complemented by an external Board effectiveness evaluation completed between December 2023 and March this year. This practice aligns with the Code's recommendation that large charities assess their Boards performance annually and undergo external evaluations every three years. The internal review, conducted against the Code's principles of integrity, equality, diversity and inclusion, was finalised in 2023.

The Board believes that CAF's governance aligns well with the Code. Particular attention remains on areas highlighted by the review. Notably, the Board has strengthened the induction process for new Trustees, enhancing onboarding documents and initial meetings. Additionally, efforts continue to improve Trustee annual reviews and skills audits, ensuring optimal use of Trustee skill sets and informed decisions on diverse Trustee appointments. Looking ahead, the Nominations, Remuneration and Culture Committee will revise Board processes in 2024, emphasising Board diversity.

In accordance with the Code, the Board will maintain annual internal effectiveness reviews, including evaluating the Chief Executive's performance. The next external review is scheduled for 2027, reinforcing CAF's commitment to high standards of governance.

RISK MANAGEMENT

Risk is overseen by CAF Trustees, CAF Bank Non-Executive Directors, Executive Boards and Senior Management, supported by a dynamic and developing culture of awareness, understanding and practical application of risk management by all employees, wherever they are located in the world.

Risk Management Framework

The group operates a Risk Management Framework that provides oversight and accountability for managing risk across all risk types and at all levels of the group. The framework supports prudent risk management and decision making, aligned to our objectives, and is designed to ensure risk is managed within clearly defined parameters.

The control environment aligns to the Risk Management Framework and includes a related set of policies, procedures and controls that supports responsible decision making, within the appetite of the group, as approved by the Trustees and supported through Executive Boards. These include the CAF Group Executive Committee, CAF Bank Board, CAF America Board, CAF American Donor Fund (CADF) Board and CAF Financial Solutions Limited (CFSL) Board.

Our Trustee and subsidiary Boards have dedicated supporting risk committees, including the CAF Audit, Risk & Compliance Committee, CAF Bank Executive Risk Committee, the CAF America Finance, Audit & Risk Committee and CFSL Executive Risk Committee. CAF has recently established an additional CAF Risk Committee to support risk governance and oversight for the charity activities in the UK. The new committee operates using four core pillars for Financial, Operational, Reputational and Governance risk, with Executive sponsorship for each pillar and aligned with the principal risks set out in the Risk Management Framework.

The Risk Management Framework operates using a three lines of defence model, separating risk ownership from risk oversight and assurance, with governance provided by formal committees.

Further information on the CAF Bank Risk Management Framework can be found in the CAF Bank annual report and is aligned with Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA) requirements.

Developments in the charity sector have seen increased media, public and regulator interest in the operation of charities. The Trustees and Senior Management remain focused on those risks that could adversely affect our reputation and on ensuring that all activities are carried out in a respectful, open and appropriate manner.

Principal risks and their mitigation
The principal risks evaluated include:

NON-FINANCIAL RISKS

- Strategy and mission
- Regulatory
- Operational
- Cyber
- Financial crime
- Reputational
- Governance

FINANCIAL RISKS

- Capital
- Credit
- Liquidity and funding
- Market and interest rate

Risk	Mitigation
Strategy and mission	
CAF's objective is to deliver on its Together Building Opportunity plan for the future while ensuring CAF fulfils its obligation and great potential to grow the group's impact sustainably, manage costs and provide a positive customer experience. Below are the main risks to this objective. Strategic risks are those that arise from the decisions taken concerning the group's objectives and ability to meet those objectives. This can include decisions taken in relation to developing products and services, changes in the technological environment and longer-term sources of finance to support planned strategic growth. Changes in the financial markets in light of high inflation, related higher interest rates and related economic downturn have the potential to significantly impact our strategic plans and are subject to modelling. Modelling for other economic scenarios in the medium and longer term are also subject to consideration. Changes in our operating environment, including regulatory changes, may also impact the level of our retained reserves or the levels of reserves we are required to maintain in the future. External challenges that may impact CAF's strategic objectives, such as shifting demographics and a reduction in UK charitable giving more generally, including with consideration to inflation, energy prices and the related cost-of-living crisis.	A detailed approach is taken to budget-setting and the development of financial plans and these are reviewed and approved by the Trustees and the relevant Boards. Regular detailed financial monitoring is carried out and actions are taken to mitigate against any budget pressures, including effective cost-management measures. Our strategic planning includes the modelling of a range of potential future scenarios in respect of changes in the group's operating environment. Through this, we identify opportunities to further our strategic goals or for the mitigation of any negative impact arising from changes in the operating environment and the external environment more generally. Our planning processes include the comparison of projected reserves against the level of reserves required to support our ongoing operations and planned strategic growth. CAF has embarked on a four-yearly cycle of strategic planning with the first four-year period ending 2024. The next cycle will cover 2025 to 2028 and will bring together, in one place, the strategies and plans for different parts of the group to support successful implementation. We continue to assess and monitor risks associated with evolving legislation as it impacts charitable work.

NON-FINANCIAL RISKS

Risk	Mitigation
Regulatory CAF's objective is to work with all our regulators in an open and cooperative way and to deliver on our commitments. Regulatory risk is defined as the risks associated with a failure to comply with relevant legal and regulatory requirements and can lead to loss of trust, reputational damage, regulatory censure, increased costs and financial penalties. The group aims to comply appropriately with all relevant legal and regulatory requirements and expectations, and monitors for regulatory change, to minimise these risks. CAF and the CAF American Donor Fund (CADF) are regulated by the Charity Commission for England and Wales and are required to comply with relevant HM Revenue & Customs tax legislation. CAF and CADF are responsible for ensuring that the charitable funds they receive, administer and distribute are managed in compliance with charity law and the tax legislation relevant to charitable giving and expenditure. CAF is registered with, and supervised by, the FCA for anti-money laundering purposes. CAF Bank is authorised by the PRA and regulated by the FCA and PRA. CAF Financial Solutions Ltd (CFSL) is regulated by the FCA. CAF America is regulated by the US Internal Revenue Service and must also comply with state regulations for registered charities and data privacy protections. CAF Canada (a subsidiary of CAF America) is regulated by the Canada Revenue Agency and must comply with provincial regulations in the provinces where it is registered. Where the CAF group makes cross-border donations to charities, the local regulations of the receiving country are considered.	Compliance with regulatory requirements commences at Board level for each group entity. The general tone and expectations are cascaded down through the Executive and Senior Management teams to all areas of operation and are subject to second line oversight by Risk, Compliance and Financial Crime teams. Regular reporting to our group Audit, Risk & Compliance Committee (ARCC), CAF Bank Audit Committee, CAF Bank Board Risk & Compliance Committee (BRCC) and CAF America Finance, Audit & Risk Committee (FARC) includes risks arising out of our charitable activity, operations, such as risk, compliance and financial-crime-related matters, and internal mitigating controls. The committees review and monitor the adequacy of internal controls and report to the Board of Trustees and their respective Boards on significant risks, any identified weaknesses in controls and progress of actions for addressing any such identified weaknesses. Data protection and information governance policies are in place and are reviewed to ensure our internal processes are robust and comply with relevant legislative, regulatory or contractual requirements, including the UK General Data Protection Regulation and Data Protection Act. Data-protection training is compulsory for all employees and has been designed to ensure awareness of our duty to protect data and support implementation of our internal policies and procedures on data protection and information governance. The group is committed to ensuring that the appropriate resource is made available to adhere to regulatory requirements.

NON-FINANCIAL RISKS

Risk	Mitigation
CAF group members adhere to UK, US, EU and UN financial sanctions obligations, including those defined by the UK Government Office of Financial Sanctions Implementation (OFSI) and the Office of Foreign Assets Control (OFAC) of the US Department of the Treasury.	CAF America, CAF Canada and CADF maintain protocols for making donations to charities that are reviewed regularly by legal counsel to ensure compliance with regulatory requirements. The CAF America Finance and Compliance Team is responsible for ensuring appropriate filings are completed with the US Internal Revenue Service, Canada Revenue Agency, and each state (US) or province (Canada) as necessary. Quarterly compliance reports ensure that these regulatory filings are documented and submitted on time.

NON-FINANCIAL RISKS

Risk	Mitigation
Operational Operational risk is the risk of loss to CAF that results from inadequate or failed internal processes, people and systems, or from external events.	The group continues to evolve its systems and controls on a proactive basis, considering risk, appetite and tolerance, so that we effectively manage and mitigate the likelihood of failure associated with operational risks. Policies, procedures and controls are in place and are continually developed to govern our operational risks. Controls are reviewed for effectiveness on a regular basis. CAF Bank's operational resilience is in continual development to protect it against internal and external events that can disrupt service to its customers. In accordance with PRA, FCA and Bank of England rules, CAF Bank has established important business services, defined set impact tolerances for the maximum tolerable level of disruption and performed testing of its ability to remain within impact tolerances during a severe but plausible disruption. Our people are the key to our success and we invest significantly in learning and development. We carry out surveys of our employees and we develop and implement action plans to address any learning. We provide a number of tools to support our employees focused on psychological, physical and financial wellbeing. We carry out comprehensive reviews of our resilience and business continuity arrangements and perform regular testing and exercising of key business-critical activities and response plans. Our standard operating model includes hybrid working arrangements where appropriate, supporting our operational resilience and commitment in making CAF a great place to work. Operational risk presented by third-party suppliers is addressed by our procurement and supplier management processes that ensure a robust framework for engaging third parties, including a thorough risk assessment and regular service reviews.

NON-FINANCIAL RISKS

Risk	Mitigation
Cyber CAF defines cyber risk as any risk of financial loss, disruption or damage to the reputation of CAF from a technology systems breach. Cyber threats from an increasingly sophisticated criminal community continue to evolve and we recognise the need to continually invest in maintaining and strengthening defences for both the group and its customers, and in developing emergency response plans.	We continue to monitor the effectiveness of our arrangements to deliver cyber-related resilience, to layer up security measures and to build capacity informed by our operating model and related activity. We regularly test and monitor controls to ensure they are operating effectively and undertake industry benchmarking to ensure our arrangements are fit for purpose. A key part of these controls is awareness throughout the organisation of how cyberattacks occur and the defences we have in place to counteract these. Employees are required to complete IT security training that supports awareness of our duty to protect our systems and the data they hold. CAF America and CAF Canada IT systems are supported by an external managed service provider to ensure adequate protections are in place to address potential cyberattacks. CAF's cyber resilience and data protection arrangements are overseen by the CAF Information Security Committee (ISC) that has CAF Executive membership.

NON-FINANCIAL RISKS

Risk	Mitigation
Financial crime There is a risk of both CAF and its customers being a target of financial crime that may lead to reputational damage, financial loss and/or regulatory censure. Financial crime events include money laundering, terrorist financing, proliferation financing, fraud, bribery, corruption, counter tax evasion facilitation and sanctions breaches.	The CAF group Risk Management Framework and related policies define requirements relating to the management and mitigation of all relevant financial-crime-related risks. These policies and related procedures are designed to support CAF's adherence with the obligations and requirements, as applicable, determined by UK, US and Canadian legislation, regulations and industry best-practice guidelines for both the charity and financial services sectors. They also reflect our commitment and intent to deter, detect and disrupt financial crime. The group's systems and controls are designed to combat financial crime and the group-wide transformation plans include an agenda for enhancing ongoing targeting of financial-crime-related risks, aligned with our legal, regulatory and social responsibilities.
Reputation CAF's brand and reputation are critical in our endeavours to attract and retain our stakeholders, in support of our mission. CAF's objective is to enhance our standing with stakeholders, underpinned by a consistent application of the rules that govern the use of our products, services and brand. We understand the importance of having clear and consistent positions on the issues facing the charitable sector, individual and corporate donors and the government. The risks to the group of reputational damage include a reduction in donations to serve the sector, as well as increased operating costs and loss of market position. Reputational risk arises from (and is considered within) the other risks categories in this report.	We take active steps to manage our brand. This work includes the monitoring of social media sentiment, the tracking and reporting of media mentions and the analysis of customer feedback. We use our written policies and procedures to ensure that customer feedback and complaints are managed in line with best practice and applicable regulation. CAF conducts risk-based due diligence on donors and beneficiaries as part of our systems and controls to ensure effective management of financial crime risks, including giving consideration to actual or potential reputational risks that may arise. We maintain a Crisis Communications plan to address any negative reputational concerns. Our People team supports managers to understand and act upon risk outcomes in support of good employee relations.

NON-FINANCIAL RISKS

Risk	Mitigation
Reputation	Through regular training and ongoing risk and compliance oversight, we ensure that our people are equipped to support outcomes to protect our reputation. CAF undertakes risk-based due diligence on our network of independent partners, including ensuring relevant agreements are in place in support of expected standards. We strive for each member of the network to maintain the highest standards of regulatory compliance.
Governance Governance risk is the risk that CAF has inappropriate governance arrangements in place (including lack of direction, strategy and forward planning) and/or that Trustees and other Senior Management lack the relevant skills or commitment. It includes ensuring committees receive accurate, timely and relevant information.	CAF Trustees, CAF Bank Non-Executive Directors, Executive Boards and other Senior Management are made up of accomplished leaders drawn from financial services, the third sector, the civil service, higher education, and multi-national corporations. Their expert scrutiny and strategic direction inform everything we do, including ensuring our compliance and reporting protocols are fully fit for purpose and that our people feel empowered to raise any concerns about internal practice. They set an impressive level of robust, transparent governance that is upheld throughout the organisation. All of our governance structures, including the make-up of committees, have been subject to a robust Trustee-led review. Our elected internal Employee Council constructively represents the views of our workforce, offering valuable support to fellow employees and insights to senior leadership. Workforce training is constantly reviewed to ensure everyone at CAF is fully aware of their own responsibilities to the organisation and to our donors and charity partners. CAF provides training and development opportunities to ensure everyone who chooses to work with us can grow their careers. We have a detailed Whistleblowing Policy to ensure employees at all levels of our organisation have both the information and the means necessary to raise any concerns.

FINANCIAL RISKS

Through such services as the CAF Charity Account, CAF Company Account, CAF's social investment programme of grants and loans and CAF Charitable Trust in the UK and through Donor Advised Funds in the US and Canada, the group's activities include the receipt, investment and onward distribution of charitable funds. Activities also include banking services, such as deposit taking and lending provided by CAF Bank. Consequently, the group has a corresponding exposure to the associated financial risks, which can be impacted by external factors, such as inflation and geopolitical uncertainties.

Details of the financial instruments held by CAF Bank are set out in note 35 to the financial statements, together with descriptions of the management of each category of financial risk.

Risk	Mitigation
Capital risk CAF defines capital risk as the risk that the group (or its entities) does not have the amount and/or quality of reserves or capital needed to meet the requirement of the relevant Capital and Reserves Policy or the minimum regulatory requirements, or to support planned strategic growth.	Relevant policies are reviewed and approved by the appropriate CAF Committee. Required levels are supported by reserves and capital in line with policy. Our planning processes include a comparison of projected capital and reserves against the minimum level required to support our operations and planned growth, and include assessing the impact of a range of stresses on our capital and reserves position. For CAF Bank, capital risk is measured, monitored and reported daily against limits approved by the CAF Bank Board within CAF Bank's Capital Policy and monitored at CAF Bank's Asset and Liability Committee (ALCo) and Executive Risk Committee. CAF Bank undertakes regular stress testing of its capital adequacy.

FINANCIAL RISKS

Risk	Mitigation
Credit risk Credit risk is the risk of financial loss arising from a borrower or counterparty failing to meet their financial obligations to repay the group in accordance with agreed terms. Credit risk arises primarily from investing funds with treasury counterparties and lending to charities.	**Treasury assets** Treasury policies are reviewed and approved by the CAF IFIC and ARCC, which approve criteria including credit rating, counterparty lending limits and country limits. Subject to minimum credit ratings, maximum terms, and maximum counterparty limits, funds may be invested in the following: • UK Gilts and Multilateral Development Banks. • Other single sovereign-backed Sterling denominated bonds. • Financial and non-financial fixed and floating rate corporate bonds and covered bonds. • Bank deposits, certificates of deposit and other marketable securities. For CAF Bank, Treasury counterparties are reviewed and approved by ALCo in accordance with policies and criteria approved by the CAF Bank Board. The Bank sets criteria that include credit rating, counterparty lending limits and country exposure limits. The Bank uses the Standardised Approach to assess capital required for credit risk, with risk weightings based on the lower of the two highest of Fitch, S&P and Moody's ratings in accordance with the credit quality assessment scale. CAF continues to carefully monitor and consider risks associated with the macro-economic environment. There have been no material adverse impacts from changes in the economic environment. **Financial investments held for Trust funds** CAF Charitable Trusts, CAF America Donor Advised Funds, CADF Trusts and CAF Canada Donor Advised Funds (collectively 'Trust funds') are invested in accordance with policies approved by the CAF IFIC, on behalf of CAF's and CADF's Trustees, and by the Boards of CAF America and CAF Canada. Donors typically suggest that a proportion of funds

FINANCIAL RISKS

Risk	Mitigation
Credit risk	donated are held in cash to meet short-term giving expectations and invest funds to meet medium- to long-term philanthropic objectives. **Lending and programme-related investments** CAF Bank and CAF Social Investment (part of the Impact Accelerator) are the two principal streams of social investment and loans to charities and social purpose organisations. CAF Bank has a system of limits and controls in place to manage credit risk on its loan portfolio. Loan applications are reviewed by a credit assessment team and presented for approval to the Sanctions Committee, a sub-committee of the CAF Bank Credit Committee, in accordance with policies and criteria approved by the CAF Bank Board. CAF Bank lending is secured on property and subject to limits on loan to value ratios. CAF Bank's lending policies include maximum exposure values and limits to manage concentration risk by sector. Exposure to geographical risk is monitored. CAF Bank's loans, overdrafts and BACS facilities are subject to regular monitoring of loan performance and individual annual review. Administration of the loan book is outsourced to a third party, which provides regular management information on a loan-by-loan and aggregated basis. CAF's Social Investment programme includes blended finance packages (a mix of grants and loans) and investees are able to access support and expertise to help them strengthen their organisation. CAF's Impact Committee meets regularly to review and approve all investments that are subject to comprehensive due diligence. Impact Committee members include members of the CAF Executive and external specialists. All social investment activities are subject to regular monitoring of performance. Provisions are assessed for evidence of impairment at both specific and collective level.

FINANCIAL RISKS

Risk	Mitigation
Liquidity and funding risk Liquidity risk is the risk that a group entity does not have sufficient financial resources to meet its obligations as they fall due or can secure them only at excessive cost. Liquidity risk arises from mismatches in the timing of cash flows. Funding risk arises when the liquidity needed to fund illiquid asset positions cannot be obtained at the expected terms and when required.	**Treasury assets** The liquidity position of CAF is monitored by the CAF Executive and IFIC, with the equivalent for CADF, CAF America and CAF Canada being overseen by their respective Boards and Committees. On a day-to-day basis, the liquidity profile of CAF's assets is compared with the historic behaviour of CAF's payments to beneficiary charities. CAF's Liquidity Policy requires a minimum percentage of total balances to be available within 24 hours and a further minimum percentage of total balances to be available over one month. No more than 50% of balances may be invested for a term in excess of 12 months. Approximately 80% of CAF Bank's assets are highly liquid, with liquidity buffer eligible assets of £1.18bn at 30 April 2024 (£1.30bn at 30 April 2023). CAF Bank liquidity risk is measured, monitored and reported daily against intra-day triggers and limits approved by the CAF Bank Board within the Bank's Liquidity Policy. The liquidity position is monitored by relevant committees. The Bank undertakes regular stress testing of its liquidity position and behavioural analysis of its liabilities and assets. CAF Bank's liquidity buffer assets comprise amounts held in the Bank of England Reserve Account, and investments in Multilateral Development Banks, UK Gilts and Treasury Bills. **Financial investments held for Trust funds** Trust funds are invested at the request of donors, subject to CAF discretion, in accordance with investment policies that require investments to be highly liquid. Should additional liquidity be required to fund donations, investments are disposed of.

FINANCIAL RISKS

Risk	Mitigation
Market and interest rate risk Market and interest rate risk is the risk from adverse movements in external markets, e.g. interest rate movements, changes in investment values or currency movements that will reduce income or the value of assets. This includes interest rate risk in CAF Bank's banking book (IRRBB) that is the risk arising from a mismatch between the duration of assets and liabilities.	**Treasury assets [excluding financial investments held for Trust Funds** (see below)] No entities in the CAF group undertake proprietary trading activities. It is the group's policy to hold debt investments to maturity and to value at cost, with any premium or discount amortised over the remaining term (the effective interest method). The group manages interest rate risk through the purchase of fixed rate investments that provide a degree of hedging against changes in market interest rates. The group's policy is to hold these investments to redemption at par and the group's ability to do so is evaluated on a regular basis through the use of stress testing. The impact of any movements on the value of these fixed rate instruments is, therefore, not anticipated to affect the group's financial results. Interest-rate-related market risk in CAF Bank is controlled by measuring mismatches between the repricing behaviour of assets and liabilities. It is managed within Board approved limits. IRRBB is measured weekly and monitoring is carried out by ALCo and BRCC. **Financial investments held for Trust funds** Trust funds are invested to fund our donors' long-term philanthropic goals. The value of investments, alongside any other regular contributions a donor may make, determines the value of overall funds available to make donations. Accordingly, a movement in equity markets or interest rates may affect the value of Trust funds held by the group but does not impact the level of unrestricted funds.



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



The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the group and the charity, and of the incoming resources and application of resources of the group and the charity for that period.

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

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the group and the charity 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 the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees' report on pages 3 to 94 was approved by the Board of Trustees on 2 August 2024 and signed on their behalf.

James Leigh-Pemberton

SIR JAMES LEIGH-PEMBERTON, CVO
Chair

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF CHARITIES AID FOUNDATION

Report on the audit of the financial statements

OPINION

In our opinion, Charities Aid Foundation's group financial statements and charity financial statements (the "financial statements"):

- Give a true and fair view of the state of the group's and of the charity's affairs as at 30 April 2024 and of the group's and charity's incoming resources and application of resources, and of the group's and charity's cash flows for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- Have been prepared in accordance with the requirements of the Charities Act 2011 and the trust deed.

We have audited the financial statements, included within the Trustees' Report and Financial Statements, which comprise: the group and charity Balance Sheets as at 30 April 2024; the group and charity Statement of Financial Activities and Cash Flow Statements for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

OUR AUDIT APPROACH

Overview

Audit scope

- As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. Our group audit scope included the full scope audit of the group's entities which were individually of financial significance to the group being the Charity, CAF Bank Limited, CAF America, and Southampton Row Trust Limited. The group audit team performed the audit work at these components, with the exception of CAF America where the audit work was performed by a non-PwC network firm, and supplemented through the group team's performance of additional testing procedures. The scope of our audit and the nature, timing and extent of audit procedures performed were determined by our risk assessment and other qualitative factors (including history of misstatement through fraud and error).

Key audit matters

- Recognition of income from donations and legacies (group and charity).

Materiality

- Overall group materiality: £11.5m (2023: £11.5m) based on 1% of total income.
- Overall charity materiality: £4.0m (2023: £4.7m) based on 1% of total income.
- Performance materiality: £8.6m (2023: £8.6m) (group) and £3.0m (2023: £3.5m) (charity).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Independent auditors' report to the Trustees of Charities Aid Foundation

Key audit matter	How our audit addressed the key audit matter
Recognition of income from donations and legacies (group and charity) For the year ended 30 April 2024, the group's reported donation income was £1,037m (2023: £1,022m) and legacy income of £34m (2023: £15m), including £24m accrued at the period end. In accordance with the accounting policies set out in "Note 1.4 (a) Donations and legacies" of the financial statements, donations received, including Gift Aid on eligible donations, are recognised once the group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Donation income represents the primary source of income for the group and charity, and the volume of transactions is significant. Therefore, this was an area of focus in the context of our work. There is a high degree of management judgement involved in the recognition of income from legacies which have been accrued at the year end. These judgements include assessing the entitlement, probability and measurement of the income. Accordingly, we consider there to be an increased risk of misstatement due to fraud in respect of accrued legacy income.	We understood and evaluated the design of key controls surrounding donation and legacy income recognition. We evaluated the implementation of controls by performing walkthroughs of control procedures over the recognition of legacy income. We noted no significant exceptions in our evaluation of the design and implementation of key manual controls in this regard. We obtained an understanding of relevant general IT controls related to the group's key financial systems, but in view of their maturity, did not seek to place reliance on them. We performed substantive tests to validate the integrity of any reports generated from systems that were used in our audit work. In addition we performed the substantive testing described below. • Tested on a sample basis donations received during the year to supporting evidence; • Tested on a sample basis whether donations were recognised in the correct period; • Tested a sample of legacies (with specific focus on the accrued legacy income) and considered management's judgement as to the timing of legacy recognition and the amount recognised in light of documented evidence and the charity's legacy accounting policy; • Performed specific completeness testing, for example around the receipt of third party legacy notifications; • Performed cut-off testing with respect to legacies recognised after the year end to test whether income had been recorded in the correct financial year; and • Considered the results of the journal testing performed where this affected reported donation and legacy income. Through our testing we identified immaterial differences in respect of accrued legacy income which have not been adjusted for. Based on the procedures performed and evidence obtained, we considered management's recognition of donation and legacy income to be appropriate.

How we tailored the audit scope
We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the charity, the accounting processes and controls, and the industry in which they operate.

We determined the scope of the work required based on the nature of activities in each of the components and issued instructions to a non-PwC network firm in respect of audit work required for CAF America. We instructed them to perform full scope audit procedures on our behalf. We interacted regularly with them and also visited CAF America to meet with management and local Trustees. Our procedures included reviewing key working papers and discussing and challenging the results of work in higher risk areas of the audit. In addition, the group team performed independent testing over donation income and grant expenditure on a sample basis. We concluded that the audit procedures performed were sufficient for the purposes of issuing our opinion.

The impact of climate risk on our audit
As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the group's and charity's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the group's and charity's financial statements.

Materiality
The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - group	Financial statements - charity
Overall materiality	£11.5m (2023: £11.5m).	£4.0m (2023: £4.7m).
How we determined it	1% of total income	1% of total income
Rationale for bench-mark applied	We consider total income to be an appropriate benchmark as it is a key measure of the performance of the group, being a not-for-profit organisation.	We consider total income to be an appropriate benchmark as it is a key measure of the performance of the charity, being a not-for-profit organisation.

Independent auditors' report to the Trustees of Charities Aid Foundation

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was from £0.7m to £10.4m. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2023: 75%) of overall materiality, amounting to £8.6m (2023: £8.6m) for the group financial statements and £3.0m (2023: £3.5m) for the charity financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit, Risk and Compliance Committee that we would report to them misstatements identified during our audit above £0.6m (group audit) (2023: £0.6m) and £0.2m (charity audit) (2023:£0.2m) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

CONCLUSIONS RELATING TO GOING CONCERN

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 group's and the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the charity's ability to continue as a going concern.

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

REPORTING ON OTHER INFORMATION

The other information comprises all of the information in the Trustees' Report and Financial Statements other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Charities Act 2011 requires us also to report certain opinions and matters as described below.

Trustees' Report

Under the Charities Act 2011 we are required to report to you if, in our opinion, the information given in the Trustees' Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities in respect of the Trustees' Report and the Financial Statements, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

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

Based on our understanding of the group and sector, we identified that the principal risks of non- compliance with laws and regulations related to provisions of the charity's trust deed, the Prudential Regulatory Authority and the Financial Conduct Authority, and we considered the extent to which non- compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011 and relevant regulations made or having effect thereunder, including the Charities (Accounts and Reports) Regulations 2008. We evaluated the incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) by the trustees and those responsible for, or involved with, the preparation of the financial statements, and determined that the principal risks were related to posting of inappropriate journal entries and bias in key accounting estimates. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Enquiring of management and the Audit, Risk and Compliance committee in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Assessing matters reported on the charity's whistleblowing helpline and the results of management's investigation of such matters;
- Reviewing key correspondence with regulatory authorities;
- Gaining an understanding of period end controls around the preparation of the financial statements, including controls around posting of journals;
- Testing the appropriateness of journal entries using risk based sampling procedures, also making use of data analytics to identify journals with high risk characteristics;
- Assessing for bias in key accounting estimates. For example, the measurement of accrued legacies and fair value of pension assets and of the present value of defined benefit obligations); and

Independent auditors' report to the Trustees of Charities Aid Foundation

- Incorporating unpredictability into the nature, timing and/or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report. In our engagement letter, we also agreed to describe our audit approach, including communicating key audit matters.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's trustees as a body in accordance with section 151 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 of the Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

Charities Act 2011 exception reporting

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the charity; or
- the charity financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
London

2 August 2024



Image: Toynbee Hall

GROUP STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 30 April 2024

	Notes	Unrestricted funds 2024 £000	Unrestricted funds 2023 £000	Restricted funds 2024 £000	Restricted funds 2023 £000	Total 2024 £000	Total 2023 £000
Income							
Donations		6,185	5,129	1,030,956	1,016,717	1,037,141	1,021,846
US fundraising programme income		-	-	-	25,678	-	25,678
Legacies		630	692	33,715	13,946	34,345	14,638
Government grants	4	-	-	233	75	233	75
		6,815	**5,821**	**1,064,904**	**1,056,416**	**1,071,719**	**1,062,237**
Charitable activities:							
Fee income		25,250	25,240	-	22	25,250	25,262
CAF Bank net interest income		44,773	28,046	-	-	44,773	28,046
Investment income	5	29,299	17,246	23,782	14,405	53,081	31,651
Total income	**6**	**106,137**	**76,353**	**1,088,686**	**1,070,843**	**1,194,823**	**1,147,196**
Expenditure							
Charitable activities:							
Donations payable to charities		5,086	226	1,064,420	956,158	1,069,506	956,384
Other expenditure on charitable activities		86,277	69,059	290	(136)	86,567	68,923
		91,363	**69,285**	**1,064,710**	**956,022**	**1,156,073**	**1,025,307**
US fundraising programme costs		-	-	-	21,328	-	21,328
Total expenditure	**6**	**91,363**	**69,285**	**1,064,710**	**977,350**	**1,156,073**	**1,046,635**
Net income before net gains/(losses) on investments		**14,774**	**7,068**	**23,976**	**93,493**	**38,750**	**100,561**
Net losses on debt securities		(79)	(110)	-	-	(79)	(110)
Net gains/(losses) on financial investments		-	-	73,469	(10,842)	73,469	(10,842)
Net gains/(losses) on other investments		732	536	(30)	-	702	536
Net income before tax	**6**	**15,427**	**7,494**	**97,415**	**82,651**	**112,842**	**90,145**
Corporation tax	9	(4,542)	(2,073)	-	-	(4,542)	(2,073)
Net income after tax		**10,885**	**5,421**	**97,415**	**82,651**	**108,300**	**88,072**
Transfers between funds	26	3,213	6,112	(3,213)	(6,112)	-	-
Net movement in funds before other recognised gains/(losses)		**14,098**	**11,533**	**94,202**	**76,539**	**108,300**	**88,072**
Other recognised gains/(losses)							
Losses on revaluation of tangible fixed assets	16	-	(1,959)	-	-	-	(1,959)
Gain/(losses) on foreign exchange		100	(264)	983	(3,007)	1,083	(3,271)
Defined benefit pension scheme:							
Actuarial losses	31	(162)	(628)	-	-	(162)	(628)
Remeasurement of asset limit	31	409	(1,323)	-	-	409	(1,323)
Net movement in funds		**14,445**	**7,359**	**95,185**	**73,532**	**109,630**	**80,891**
Reconciliation of funds							
Total funds brought forward		84,051	76,692	1,753,282	1,679,750	1,837,333	1,756,442
Total funds carried forward	**26**	**98,496**	**84,051**	**1,848,467**	**1,753,282**	**1,946,963**	**1,837,333**

The notes on pages 109 to 158 form an integral part of these financial statements.

CHARITY STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 30 April 2024

	Notes	Unrestricted funds 2024 £000	Unrestricted funds 2023 £000	Restricted funds 2024 £000	Restricted funds 2023 £000	Total 2024 £000	Total 2023 £000
Income							
Donations		6,901	5,025	312,302	374,744	319,203	379,769
Legacies		630	692	30,293	13,333	30,923	14,025
Government grants	4	-	-	233	75	233	75
		7,531	**5,717**	**342,828**	**388,152**	**350,359**	**393,869**
Charitable activities:							
Fee income		15,117	13,299	-	22	15,117	13,321
Investment income	5	20,623	13,800	19,345	12,022	39,968	25,822
Total income	**6**	**43,271**	**32,816**	**362,173**	**400,196**	**405,444**	**433,012**
Expenditure							
Charitable activities:							
Donations payable to charities		5,086	226	362,316	366,176	367,402	366,402
Other expenditure on charitable activities		44,090	36,381	290	(136)	44,380	36,245
Total expenditure	**6**	**49,176**	**36,607**	**362,606**	**366,040**	**411,782**	**402,647**
Net income/(expenditure) before net gains/(losses) on investments		**(5,905)**	**(3,791)**	**(433)**	**34,156**	**(6,338)**	**30,365**
Net losses on debt securities		(79)	(138)	-	-	(79)	(138)
Net gains/(losses) on financial investments		-	-	67,024	(7,532)	67,024	(7,532)
Net gains on other investments		732	536	-	-	732	536
Net income/(expenditure)	**6**	**(5,252)**	**(3,393)**	**66,591**	**26,624**	**61,339**	**23,231**
Transfers between funds	26	3,213	6,112	(3,213)	(6,112)	-	-
Net movement in funds before other recognised gains/(losses)		**(2,039)**	**2,719**	**63,378**	**20,512**	**61,339**	**23,231**
Other recognised gains/(losses)							
Losses on revaluation of tangible fixed assets	16	-	(1,959)	-	-	-	(1,959)
Gains/(losses) on foreign exchange		46	(189)	(344)	37	(298)	(152)
Defined benefit pension scheme:							
Actuarial losses	31	(162)	(628)	-	-	(162)	(628)
Remeasurement of asset limit	31	409	(1,323)	-	-	409	(1,323)
Net movement in funds		**(1,746)**	**(1,380)**	**63,034**	**20,549**	**61,288**	**19,169**
Reconciliation of funds							
Total funds brought forward		67,814	69,194	1,431,755	1,411,206	1,499,569	1,480,400
Total funds carried forward	**26**	**66,068**	**67,814**	**1,494,789**	**1,431,755**	**1,560,857**	**1,499,569**

The notes on pages 109 to 158 form an integral part of these financial statements.

GROUP BALANCE SHEET

As at 30 April 2024

	Notes	Unrestricted funds 2024 £000	Unrestricted funds 2023 £000	Restricted funds 2024 £000	Restricted funds 2023 £000	CAF Bank balances and donor client balances 2024 £000	CAF Bank balances and donor client balances 2023 £000	Total 2024 £000	Total 2023 £000
Assets									
Balances at Bank of England		62,787	47,279	-	561	567,739	572,636	630,526	620,476
Loans and advances to banks									
On demand and short-term deposits	10	46,506	51,075	301,671	366,957	30,604	13,719	378,781	431,751
Other	10	-	-	216,245	287,176	-	-	216,245	287,176
Loans and advances to customers	11	121	5	8,738	9,053	197,702	177,736	206,561	186,794
Debt securities	12	-	-	325,067	241,867	637,376	752,100	962,443	993,967
Financial investments	13	-	-	979,616	836,766	-	-	979,616	836,766
Other investments	14	4,829	3,990	5,393	9,201	-	-	10,222	13,191
Tangible fixed assets	16	3,701	3,276	-	-	-	-	3,701	3,276
Intangible fixed assets	17	10,758	6,333	-	-	-	-	10,758	6,333
Other debtors	18	1,928	5,162	12,214	11,303	-	-	14,142	16,465
Prepayments and accrued income	19	17,136	13,133	25,122	16,353	8,486	6,292	50,744	35,778
Total assets		**147,766**	**130,253**	**1,874,066**	**1,779,237**	**1,441,907**	**1,522,483**	**3,463,739**	**3,431,973**
Liabilities									
CAF Bank depositor balances	20	-	-	-	-	1,419,427	1,504,866	1,419,427	1,504,866
CAF Give As You Earn and CAF Donate balances	21	-	-	-	-	6,207	7,129	6,207	7,129
Due to beneficiary charities	22	-	-	17,802	19,279	-	-	17,802	19,279
Other creditors	23	7,318	4,491	6,316	5,397	406	474	14,040	10,362
Accruals and deferred income		4,437	2,758	1,481	1,279	2,015	1,162	7,933	5,199
Provision for corporation tax		346	1,852	-	-	-	-	346	1,852
Repurchase agreement	24	-	-	-	-	13,852	8,852	13,852	8,852
Long-term loans	25	37,169	37,101	-	-	-	-	37,169	37,101
Total liabilities		**49,270**	**46,202**	**25,599**	**25,955**	**1,441,907**	**1,522,483**	**1,516,776**	**1,594,640**
Funds	**26**	**98,496**	**84,051**	**1,848,467**	**1,753,282**	**-**	**-**	**1,946,963**	**1,837,333**
Total liabilities and charitable funds		**147,766**	**130,253**	**1,874,066**	**1,779,237**	**1,441,907**	**1,522,483**	**3,463,739**	**3,431,973**

The notes on pages 109 to 158 form an integral part of these financial statements.

Approved by the Trustees and authorised for issue on 2 August 2024 and signed on their behalf by

MIKE ASHLEY FCA
Trustee

LIZ RYLATT FCA
Group Chief Financial Officer

CHARITY BALANCE SHEET

As at 30 April 2024

Registered charity number 268369

	Notes	Unrestricted funds 2024 £000	Unrestricted funds 2023 £000	Restricted funds 2024 £000	Restricted funds 2023 £000	Donor client balances 2024 £000	Donor client balances 2023 £000	Total 2024 £000	Total 2023 £000
Assets									
Loans and advances to banks									
On demand and short-term deposits	10	37,300	44,389	137,569	182,607	6,613	7,603	181,482	234,599
Other	10	-	-	167,739	264,219	-	-	167,739	264,219
Loans and advances to customers	11	121	5	3,000	2,960	-	-	3,121	2,965
Debt securities	12	-	-	296,246	213,221	-	-	296,246	213,221
Financial investments	13	-	-	874,535	758,802	-	-	874,535	758,802
Other investments	14	4,829	3,990	5,325	5,412	-	-	10,154	9,402
Subsidiary undertakings	15	46,700	42,200	-	-	-	-	46,700	42,200
Tangible fixed assets	16	3,660	3,217	-	-	-	-	3,660	3,217
Other debtors	18	2,676	2,455	4,591	9,340	-	-	7,267	11,795
Prepayments and accrued income	19	13,064	12,217	23,909	15,770	-	-	36,973	27,987
Total assets		**108,350**	**108,473**	**1,512,914**	**1,452,331**	**6,613**	**7,603**	**1,627,877**	**1,568,407**
Liabilities									
CAF Give As You Earn and CAF Donate balances	21	-	-	-	-	6,207	7,129	6,207	7,129
Due to beneficiary charities	22	-	-	11,809	15,179	-	-	11,809	15,179
Other creditors	23	2,459	1,932	6,316	5,397	406	474	9,181	7,803
Accruals and deferred income		2,654	1,626	-	-	-	-	2,654	1,626
Long-term loans	25	37,169	37,101	-	-	-	-	37,169	37,101
Total liabilities		**42,282**	**40,659**	**18,125**	**20,576**	**6,613**	**7,603**	**67,020**	**68,838**
Funds	**26**	**66,068**	**67,814**	**1,494,789**	**1,431,755**	**-**	**-**	**1,560,857**	**1,499,569**
Total liabilities and charitable funds		**108,350**	**108,473**	**1,512,914**	**1,452,331**	**6,613**	**7,603**	**1,627,877**	**1,568,407**

The notes on pages 109 to 158 form an integral part of these financial statements.

Approved by the Trustees and authorised for issue on 2 August 2024 and signed on their behalf by

MIKE ASHLEY FCA
Trustee

LIZ RYLATT FCA
Group Chief Financial Officer

GROUP CASH FLOW STATEMENT

For the year ended 30 April 2024

	Notes	2024 £000	2024 £000	2023 £000	2023 £000
Cash flows from operating activities:					
Net cash (used in)/provided by operating activities	**27**		**(150,243)**		**22,593**
Cash flows from investing activities:					
Net decrease in loans and advances to banks		70,931		37,899	
Payments to acquire debt securities		(501,616)		(323,414)	
Proceeds on redemption and disposal of debt securities		535,597		185,008	
Payments to acquire financial investments		(266,873)		(243,932)	
Proceeds on disposal of financial investments		239,391		296,152	
Payments to acquire other investments		(29)		-	
Proceeds on disposal of other investments		3,720		671	
Payments to acquire tangible fixed assets		(853)		-	
Payments to acquire intangible fixed assets		(4,425)		(1,657)	
Decrease in investment portfolio cash and settlements pending		7,036		4,576	
Proceeds from repurchase agreements		5,000		8,852	
Receipts of Trust Funds investment income		23,392		14,447	
Net cash provided by/(used in) investing activities			**111,271**		**(21,398)**
Payments of interest on long-term loans		(1,449)		(1,448)	
Net cash used in financing activities			**(1,449)**		**(1,448)**
Change in cash and cash equivalents in the year			**(40,421)**		**(253)**
Cash and cash equivalents as at 1 May			**1,048,645**		**1,052,169**
Change in cash and cash equivalents due to exchange rate movements			**1,083**		**(3,271)**
Cash and cash equivalents as at 30 April			**1,009,307**		**1,048,645**
Represented by:					
Balances at Bank of England repayable on demand			630,526		616,894
Loans and advances to banks repayable on demand			378,781		431,751
			1,009,307		**1,048,645**

The notes on pages 109 to 158 form an integral part of these financial statements.

CHARITY CASH FLOW STATEMENT

For the year ended 30 April 2024

	Notes	2024 £000	2024 £000	2023 £000	2023 £000
Cash flows from operating activities:					
Net cash (used in)/provided by operating activities	**27**		**(50,670)**		**996**
Cash flows from investing activities:					
Net decrease in loans and advances to banks		96,480		60,856	
Payments to acquire debt securities		(218,683)		(204,681)	
Proceeds on redemption and disposal of debt securities		135,490		67,205	
Payments to acquire financial investments		(179,329)		(226,406)	
Proceeds on disposal of financial investments		147,706		252,044	
Proceeds on disposal of other investments		-		671	
Payments to acquire subsidiary undertakings		-		(275)	
Advances of sub-ordinated debt to subsidiary undertakings		(15,000)		-	
Repayment of sub-ordinated debt from subsidiary undertakings		10,500		-	
Payments to acquire tangible fixed assets		(848)		-	
Decrease in investment portfolio cash and settlements pending		4,028		4,531	
Receipts of Trust Funds investment income		18,956		12,067	
Net cash used in investing activities			**(700)**		**(33,988)**
Cash flows from financing activities:					
Payments of interest on long-term loans		(1,449)		(1,448)	
Net cash used in financing activities			**(1,449)**		**(1,448)**
Change in cash and cash equivalents in the year			**(52,819)**		**(34,440)**
Cash and cash equivalents as at 1 May			**234,599**		**269,191**
Change in cash and cash equivalents due to exchange rate movements			**(298)**		**(152)**
Cash and cash equivalents as at 30 April			**181,482**		**234,599**

The notes on pages 109 to 158 form an integral part of these financial statements.

1. ACCOUNTING POLICIES

The principal accounting policies and judgements used in the preparation of the financial statements are:

1.1 Basis of preparation

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102') and the Statement of Recommended Practice: Accounting and Reporting by Charities (Charity SORP (FRS 102)), except for the adoption of a balance sheet format which the Trustees believe more clearly represents the group's financial assets and liabilities.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following 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) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Monetary amounts in these financial statements are stated in Pounds Sterling, which is the functional and presentational currency, and are rounded to the nearest whole £1,000, except where otherwise indicated.

1.2 Going concern

In order to assess the appropriateness of the going concern assumption basis, the Trustees have considered the group's and the charity's financial position, liquidity, unrestricted reserves and forecasts for the foreseeable future, taking into account the principal risks to which the group and the charity is exposed, and the ongoing cost-of-living crisis and geopolitical uncertainties.

The Trustees and boards of CAF subsidiaries have considered the impact of a severe economic outcome on each entity and the effectiveness of management actions that might be taken to mitigate the impact of this stress. Trustees and boards of subsidiaries have also considered the circumstances under which operations of the entity would be unable to continue.

Accordingly, and after making appropriate enquiries, the Trustees have a reasonable expectation that the group and the charity will be able to continue in operation and meet their liabilities as they fall due for at least 12 months from the date of signing this report. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

1.3 Fund accounting

The group holds restricted and unrestricted funds.

Fund classification is an area of significant judgement and is dealt with in Note 1.18a.

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects of the group.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors. Restricted funds comprise donations to the group which are held pending suggestions for investment or onward donation to charitable organisations.

Further details of each fund are disclosed in note 26.

1.4 Income recognition

Income is recognised once the group has entitlement to the income, it is probable that the income will be received and the amount can be measured reliably.

(a) Donations and legacies

Donations received, including Gift Aid on eligible donations, are recognised once the group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

In the event that a donation or grant is subject to conditions, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the group and it is probable that those conditions will be fulfilled.

Legacy donations are recognised on a case-by-case basis where there has been a grant of probate or notification has been made by executors that a distribution will be made. In the event that the gift is in the form of an asset other than cash, or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the group. Where legacies have been notified with an estimated value but the criteria for income recognition have not been met, then the legacies are treated as contingent assets and disclosed if material (see note 30).

Donations processed by the group acting in an agency role are not recognised in the Statement of Financial Activities (SOFA). Any cash held is recognised in the balance sheet as liabilities. Such donations consist of amounts in respect of CAF Give As You Earn and CAF Donate services.

(b) Government grants

Income in respect of government grants is recognised, in accordance with any applicable agreement, over the period to which the grant relates. Any underspends of the grants which are due to be returned are included within creditors.

(c) Fee income

Income in respect of grant administration services provided to grantmakers, which forms part of wider arrangements including the receipt and onward payment of funds to beneficiary charities, is recognised upon delivery of the administration services. Recognition of this income is dependent upon being able to measure reliably: the stage of completion, the costs incurred in delivering the service and the costs to complete the requirements of the service.

Loan arrangement fees are recognised using the effective interest method over the term of the loan. Non-utilisation fees on undrawn loans are recognised as income in the period they are earned.

(d) CAF Bank net interest income

CAF Bank recognise interest income and expense on a net basis using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash flows to the gross carrying amount of a financial asset or amortised cost of a financial liability.

(e) Investment income

Investment income consists of interest receivable and dividend income.

Interest receivable on financial assets is recognised using the effective interest method.

Dividends are recognised once the dividend has been declared and notification has been received of the value of the dividend due. Where investments are managed by external investment managers, this is normally upon notification by the investment manager of the dividend income.

1.5 Expenditure recognition

Expenditure is recognised as soon as there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Donations payable to charities principally represent donations suggested by donors and are charged to the SOFA when both the group and beneficiary charities are notified in the normal course of business of an unconditional obligation to transfer funds. Amounts to be paid at a future date are included in creditors.

On occasion the beneficiary charity is formally notified in writing of a donation by the group. This notification gives the recipient a reasonable expectation that they will receive a one-off or multi-year donation. In the case of an unconditional offer this is accrued once the recipient has been notified of the donation.

Donations that are subject to the recipient fulfilling performance conditions are recognised as payable when any remaining unfulfilled conditions attached to that award are outside of the control of the group.

The provision for a multi-year donation is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the group that would permit the group to avoid making the future payment(s), settlement is probable and the effect of discounting is material. The discount rate used is the average rate of investment yield in the year in which the donation is made.

Until December 2022, CAF America worked in partnership with US professional fundraising organisations. CAF America received 100% of the donations collected, which it then granted, minus costs and fees paid to the fundraising organisations, to third party beneficiary charities. The grants payable and associated fundraising fees and costs were recognised in accordance with the above recognition criteria for expenditure. No UK fundraising activities are undertaken.

1.6 Allocation of support costs

All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. Where support costs cannot be directly attributed to one or more categories, they are apportioned on the basis of employee headcount. No support costs are allocated to restricted funds.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

Irrecoverable VAT is charged as a cost.

1.7 Operating leases

Operating lease rentals are charged to the SOFA on a straight line basis over the term of the lease.

1.8 Pension costs

Details of the group's pension arrangements are set out in note 31. The following policies are applied to the recognition and measurement of costs and liabilities in respect of the pension plans.

Defined contribution pension plans
Pension contributions payable for the year in respect of defined contribution pension plans are recognised as an expense and as a liability, after deducting any amounts already paid.

Defined benefit pension scheme
The CAF-specific defined benefit pension scheme (Charities Aid Foundation Pension Scheme) is closed to both new members and benefit accrual. In accordance with the requirements of FRS 102, if CAF's obligations under the plan exceed the value of the plan's assets, CAF recognises a 'net defined benefit liability'. In the event of a winding up of the plan, the trust deed allows CAF to recover any surplus which may exist. Consequently, where the value of the plan's assets exceed CAF's obligation under the plan, CAF recognises a 'net defined benefit asset', but only to the extent it is expected that the asset might be recovered by CAF.

The net defined benefit asset or liability is measured in accordance with the requirements of FRS 102 and is determined by an independent actuary. The net change in the defined benefit asset or liability during the period is recognised in the SOFA.

1.9 Foreign currency

Transactions in foreign currencies are translated to Sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to Sterling at the exchange rate ruling at that date.

The results of overseas operations are translated at the average annual rate of exchange and their balance sheets at the rates ruling at the balance sheet date.

Exchange differences arising, including those on the translation of opening net assets of overseas subsidiary undertakings, are taken to the SOFA and presented as part of other recognised gains/(losses).

1.10 Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

1.11 Tangible fixed assets

Tangible fixed assets, other than long-leasehold property, are stated at cost less accumulated depreciation and accumulated impairment losses.

Long-leasehold property is stated at fair value less any subsequent accumulated depreciation and impairment losses. Gains and losses on revaluation are recognised in the SOFA and accumulated in the revaluation reserve where, for the latter, they exceed cost less depreciation.

Impairment losses are recognised in accordance with note 1.17.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Group entities assess at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the SOFA on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

• Long-leasehold property	50 years
• Long-leasehold and other leasehold improvements	Shorter of the remaining term of the lease or the useful economic life of the asset
• Furniture and fittings	up to 4 years
• Computer equipment	up to 3 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change in the pattern by which the group expects to consume an asset's future economic benefits.

1.12 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation and impairment losses. Amortisation will commence when the assets are brought into use.

Intangible fixed assets are assessed for impairment at each balance sheet date.

External spend to suppliers on software and system development is capitalised where the recognition criteria are satisfied. Internal spend on employees and contractors is expensed, except where effort directly relates to system development and the recognition criteria are satisfied.

1.13 Basic financial instruments

(a) Treasury assets and Financial investments
Certain basic financial instruments are held for two principal purposes:

- To support the group's operations and generate income to support the group's charitable objectives – `Treasury assets', or
- To achieve capital appreciation and to generate income for CAF Charitable Trusts, CAF America Donor Advised Funds and CAF American Donor Fund Trusts (collectively ' Trust funds') – 'Financial investments'.

Loans and advances to banks
Loans and advances to banks comprise the group's cleared and uncleared balances held at clearing banks and deposits with an original maturity of five years or less. These are shown at the lower of cost or estimated realisable value.

Where a pool of 'Financial investments' is managed on a discretionary basis by an investment manager and the portfolio includes cash and cash deposits, those balances are included with the investment balance to reflect that the funds do not form part of day-to-day operational cash flows and balances.

Debt securities held as Treasury assets
Debt securities held as Treasury assets are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Financial investments
Pools of investments are held for Trust funds to achieve an investment return to fund future charitable donations. The value of the investments determines the funds available for donation at any point in time.

Basic financial instruments held as 'Financial investments' are, therefore, measured initially at fair value, which is normally the transaction price. Transaction costs are expensed in the SOFA (where material) if the investments are subsequently measured at fair value through profit or loss. Subsequent to initial recognition all types of investments, including debt securities, that can be measured reliably are measured at fair value with changes recognised in the SOFA. Where the fair value of such investments cannot be reliably measured because, for example they are not publicly traded, the investments are measured at cost less impairment.

(b) Other investments
Investments in equity instruments, such as ordinary and preference shares, are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded (where material) if the investments are subsequently measured at fair value through profit or loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognised in the SOFA. Where the fair value of such investments cannot be reliably measured, the investments are measured at cost less impairment.

(c) CAF Bank depositor balances
CAF Bank depositor balances represent the value of deposits by account holders and are recorded as liabilities.

(d) Repurchase agreements
When securities are sold subject to a commitment to repurchase them at a predetermined price ('repos'), they remain on the balance sheet and a liability is recorded in respect of the consideration received. Repos are measured at amortised cost. The difference between the sale and repurchase price is treated as interest and recognised in net interest income over the life of the agreement.

(e) Debtors and creditors
Debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid.

Creditors are recognised where there is a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

(f) Interest-bearing loans receivable and payable
Interest-bearing loans are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing loans are stated at amortised cost using the effective interest method, less any impairment losses.

(g) Concessionary loans receivable and payable
Concessionary loans may be receivable from other charities as a result of social lending activity undertaken by CAF Venturesome and loans advanced by CAF Charitable Trusts. Such loans are advanced at concessionary (non-market) rates of interest, which may include interest-free loans. These are initially recognised at the amount advanced to the borrower and are subsequently measured at the amount advanced less amounts received less any impairment.

Concessionary loans may be payable in respect of funds advanced to support social lending undertaken by CAF Venturesome. Such loans are advanced at concessionary (non-market) rates and are usually interest-free loans. These are initially recognised at the amount advanced by the lender and are subsequently measured at the amount advanced less any amounts repaid to the lender.

1.14 Other financial instruments – financial instruments not considered to be 'Basic financial instruments'
Other financial instruments not meeting the definition of 'Basic financial instruments' are recognised initially at fair value. Subsequent measurement is at fair value with changes recognised in the SOFA, except for equity instruments which are not publicly traded and whose value cannot otherwise be measured reliably, which are measured at cost less impairment.

1.15 Investment properties
Investment properties which are only acquired upon donation, usually by legacies, to the group are measured initially at probate valuation. Subsequent to initial recognition, investment properties are held at open market value.

1.16 Investments in subsidiaries
Investments in subsidiaries which represent ordinary share capital and subordinated debt are carried at cost less impairment.

1.17 Impairment of assets
(a) Financial assets (including trade and other debtors)
Financial assets including loans are assessed at each reporting date to determine whether there is objective evidence of impairment. Objective evidence can include default or delinquency by a borrower, restructuring of a loan or advance on terms the group would otherwise not consider, indications that a borrower or issuer may become insolvent, or a reduction in marketability of the security.

The group considers evidence for impairment for loans and advances (including on-demand commitments) at both specific and collective level. If there is evidence of impairment leading to an impairment loss for an individual counterparty relationship, then the amount of the loss is determined as the difference between the carrying amount of the loan, including accrued interest, and the estimated recoverable amount. The estimated recoverable amount is measured as the present value of expected future cash flows discounted at the loan's original effective interest rate, including cash flows that may result from foreclosure less costs for obtaining and selling collateral. The carrying amount of the loan is reduced by the use of an allowance account and the amount of the loss is recognised in the SOFA.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and loss experience for assets with credit risk characteristics similar to those in the group. In addition, the group uses its judgement to estimate the amount of an impairment loss, supported by historical loss experience data for similar assets. The use of such judgements and reasonable estimates is considered by management to be an essential part of the process.

(b) Non-financial assets
The carrying amounts of the group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the SOFA. An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.18 Critical accounting judgements and significant estimates
(a) Critical accounting judgements

Classification of funds
The activities of CAF and the other charitable

entities in the group (see note 2) include donations received on the understanding they will be held pending the donors' suggestions for onward donation to third-party charities. These are referred to below as DAFs (Donor Advised Funds) and for CAF itself include CAF Charity Accounts, CAF Company Accounts, and certain CAF Charitable Trusts.

The conditions of donation under which funds are gifted into DAFs include that the donations are irrevocably gifted outright to the group charitable entity. This is indicative of the DAFs having the form of unrestricted funds, that is funds which may be spent or applied at the discretion of the relevant charity's Trustees to further any of its purposes. However, the principal purpose of this condition of donation, is to provide protection, for instance, in a case where it is not possible for legal or regulatory constraints, to fulfil a donor's suggestion to make an onward donation to another charity.

In the ordinary course of activities, there is no expectation that funds held in DAFs will be applied for any purpose other than onward gifting. This expectation is further affirmed by long-term practice by CAF and the other charities in the group. Should DAFs be used for general purposes at the discretion of the relevant charity's Trustees (as unrestricted funds), the charity's operating model and reputation would be significantly damaged. Consequently, the application of the funds, other than for onward donations, would only ever be contemplated in response to an exceptional circumstance.

Given the expectation that the funds will be applied for onward donation, the classification as unrestricted funds does not appear appropriate for donations to DAFs. The SORP recognises the inherent complexity of accounting for income from donations and consequently includes the provision that donations should be accounted for and presented in accordance with their substance and not simply their legal form.

Consequently, the Trustees of CAF consider that donations received into, and funds held in DAFs by CAF and by other charities in the group are better classified as restricted funds in CAF's and the group's financial statements.

The values of such funds for which this judgement has been exercised in CAF's and the group financial statements are as follows:

	2024 £m	2023 £m
Charities Aid Foundation	672.6	612.1
CAF America	164.8	173.0
CAF American Donor Fund	172.8	132.5
CAF Canada	16.0	16.0
	1,026.2	**933.6**

Legacies
Judgement has been applied in recognising income from legacies gifted to CAF. Legacies are recognised as income where receipt is probable, which is determined from a review of a number of criteria including grant of probate, sufficiency of assets and the existence of any conditions to be met.

Donations payable to charities
Judgement has been applied in the disclosure in the SOFA of payments to beneficiaries as 'Donations payable to charities'. These amounts principally represent payments to beneficiary organisations for charitable purposes based on the suggestion of our donors (donor-advised payments). It is the group's objective to be cause neutral and, within the requirements of relevant regulations, to support any charitable cause wherever in the world it may be. Consequently, the Trustees do not consider these donor-advised payments to be made in pursuit of a grantmaking programme to support organisations that operate in specific charitable sectors or geographical locations, or that are of a certain size.

Exceptionally, the group may from time-to-time make donor-advised payments to individuals rather than to organisations. However, such payments are made only in compliance with relevant regulations and following a successful assessment of the payment being for charitable purposes.

Intangible fixed assets
Intangible assets represent CAF Bank's investment in a new core banking system under its transformation programme. In assessing for impairment at the balance sheet date, management assesses the current status of the programme, the continued viability of the programme, any obsolescence within the programme and whether there will be an economic benefit to CAF Bank on completion of the programme. Management have concluded that the transformation programme will be taken to completion and will deliver economic benefits to CAF Bank when brought into use and has therefore, not been impaired.

(b) Significant estimates

There are no sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1.19 Entity status

CAF meets the definition of a Public Benefit Entity under FRS 102.

2. CONSOLIDATION

The group financial statements include the accounts of CAF (the charity) and its subsidiary undertakings for the year.

Consolidated entities
The following entities are controlled by CAF and are consolidated in the group financial statements:

Trading subsidiaries
By way of mixed-motive investments, CAF owns 100% of the equity share capital of the following:

- CAF Bank Limited (registered in England & Wales – company number 01837656), a bank for charities authorised by the PRA and regulated by the FCA and the PRA.
- CAF Financial Solutions Limited (registered in England & Wales – company number 02771873), a company authorised and regulated by the FCA, responsible for the marketing and promotion of regulated savings and investment products to charities and the sponsor of an Open Ended Investment Company (OEIC), namely, IFSL CAF Investment Fund.

UK registered charities
Southampton Row Trust Limited, which operates as the CAF American Donor Fund, is a UK charitable company registered with the Charity Commission (number 1079020) and is wholly-owned by CAF America (see below). CAF American Donor Fund supports cross-border tax-efficient giving by enabling individuals liable for tax in both the UK and USA to obtain tax relief on charitable gifts in each country.

Overseas charitable entities
CAF controls the following overseas charitable entities:

- CAF America, a US public charity recognised by the US Internal Revenue Service. CAF America provides US citizens with the opportunity to make tax-effective gifts for the support of overseas charities. CAF has the power to appoint and remove the members of CAF America at any time.
- CAF Canada, a Canadian charity registered with the Canadian Revenue Agency (Canadian charity number 801966334RR0001) of which CAF and CAF America are the only members.

3. RESULTS AND NET ASSETS OF SUBSIDIARIES

Due to the number of subsidiary undertakings, the disclosure required by the Charities SORP would result in information of excessive length being given. Detailed information is only given for those subsidiary undertakings that materially affect the group accounts being CAF Bank, CAF America and CAF American Donor Fund. The two other entities, CAF Canada and CFSL do not materially affect the group results.

3. RESULTS AND NET ASSETS OF SUBSIDIARIES (CONTINUED)

	2024	2023
CAF Bank Limited	£000	£000
Profit and Loss Account		
Interest receivable	65,024	35,396
Interest payable	(20,251)	(7,350)
Net interest income	**44,773**	**28,046**
Other operating income	1,768	1,647
Administrative expenses	(27,659)	(18,472)
Loan loss provision	(715)	(573)
Profit on ordinary activities before taxation	**18,167**	**10,648**
Tax on profit on ordinary activities	(4,542)	(2,073)
Profit on ordinary activities after taxation	**13,625**	**8,575**
Profit and loss account balance brought forward	11,154	1,579
Transferred from distributable reserve	-	1,000
Profit and loss account balance carried forward	**24,779**	**11,154**

	2024	2023
	£000	£000
Balance Sheet		
Assets		
Loans and advances to banks & Bank of England	654,523	626,592
Loans and advances to customers	197,702	177,734
Debt securities	637,376	752,100
Other assets	21,324	15,108
Total assets	**1,510,925**	**1,571,534**
Liabilities		
Depositors' balances	1,419,433	1,505,425
Other liabilities	26,394	14,636
Total liabilities	**1,445,827**	**1,520,061**
Shareholders' funds	65,098	51,473
Total liabilities and shareholders' funds	**1,510,925**	**1,571,534**

	2024	2023
CAF America	£000	£000
Statement of Financial Activities		
Donations and legacies receivable	568,860	533,280
US fundraising programme income	-	25,678
Income from group entities	171	278
Fee income	13,667	13,323
Investment income	6,744	3,103
Total income	**589,442**	**575,662**
Donations payable to charities	573,034	490,027
Donations payable to group entities	8,172	7,147
US fundraising programme costs	-	21,328
Direct costs of charitable activities	18,074	14,695
Governance costs	117	127
Total expenditure	**599,397**	**533,324**
Net income/(expenditure) before net gains/(losses) on investments	**(9,955)**	**42,338**
Net gains on debt securities	-	28
Net gains/(losses) on financial investments	2,228	(1,349)
Net income/(expenditure) before other recognised gains/(losses)	**(7,727)**	**41,017**
Gains/(losses) on foreign exchange	1,199	(2,958)
Net movement in funds	**(6,528)**	**38,059**
Funds brought forward	177,405	139,346
Funds carried forward	**170,877**	**177,405**

	2024	2023
	£000	£000
Balance Sheet		
Assets		
Unrestricted funds	8,715	6,061
Donor advised funds [1]	170,620	177,133
Total assets	**179,335**	**183,194**
Liabilities		
Unrestricted funds	2,633	1,699
Donor advised funds [1]	5,825	4,090
Total liabilities	**8,458**	**5,789**
Funds		
Unrestricted funds	6,082	4,362
Donor advised funds [1]	164,795	173,043
Total funds	**170,877**	**177,405**
Total liabilities and funds	**179,335**	**183,194**

Notes:

1. These funds represent donations received by CAF America on the understanding they will be held pending the donors' suggestions for onward distribution to third-party charities (donor advised funds). Therefore, they are treated as restricted funds within the group accounts. See note 1.18 (a).

	2024	2023
CAF American Donor Fund	£000	£000
Statement of Financial Activities		
Donations and legacies receivable	155,119	104,117
Donations receivable from group entities	299	-
Investment income	6,980	2,474
Total income	**162,398**	**106,591**
Donations payable to charities	112,175	85,571
Donations payable to group entities	11,308	1,524
Direct costs of charitable activities	225	10
Direct costs paid to group entities	1,682	1,621
Governance costs	61	65
Total expenditure	**125,451**	**88,791**
Net income before net gains/(losses) on investments	**36,947**	**17,800**
Net gains/(losses) on financial investments	4,020	(1,618)
Net losses on other investments	(30)	-
Net income before other recognised gains/(losses)	**40,937**	**16,182**
Gains on foreign exchange	296	374
Net movement in funds	**41,233**	**16,556**
Funds brought forward	133,694	117,138
Funds carried forward	**174,927**	**133,694**

	2024	2023
	£000	£000
Balance Sheet		
Assets		
Unrestricted funds	2,251	1,411
Donor advised funds [1]	174,333	133,737
Total assets	**176,584**	**135,148**
Liabilities		
Unrestricted funds	176	175
Donor advised funds [1]	1,481	1,279
Total liabilities	**1,657**	**1,454**
Funds		
Unrestricted funds	2,075	1,236
Donor advised funds [1]	172,852	132,458
Total funds	**174,927**	**133,694**
Total liabilities and funds	**176,584**	**135,148**

Notes:

1. These funds represent donations received by the CAF American Donor Fund on the understanding they will be held pending the donors' suggestions for onward distribution to third-party charities (donor advised funds). Therefore, they are treated as restricted funds within the group accounts. See note 1.18 (a).

4. GOVERNMENT GRANTS

During the year, CAF received £233k (2023: £75k) from the Foreign & Commonwealth Development Office (FCDO). No amounts were due to CAF from FCDO at 30 April 2024 (2023: £nil).

5. INVESTMENT INCOME

	Unrestricted		Restricted		Total	
	2024	2023	2024	2023	2024	2023
Group	£000	£000	£000	£000	£000	£000
Interest on fixed interest securities and cash deposits	29,006	16,980	10,726	2,561	39,732	19,541
Dividends	-	17	13,056	11,744	13,056	11,761
Interest on concessionary loans to charities	293	249	-	100	293	349
	29,299	**17,246**	**23,782**	**14,405**	**53,081**	**31,651**
Charity						
Interest on fixed interest securities and cash deposits	20,382	13,550	8,574	2,042	28,956	15,592
Dividends	-	1	10,771	9,934	10,771	9,935
Interest on concessionary loans to charities	241	249	-	46	241	295
	20,623	**13,800**	**19,345**	**12,022**	**39,968**	**25,822**

6. INCOME AND DONATIONS RECEIVED AND CHARITABLE ACTIVITIES EXPENDITURE

6.1 Group unrestricted funds

	Growing Philanthropy	Serving Charities					Total	Total
	Charity [1]	CAF America and subsidiaries [2]	Financial & donation services [3]	CAF Network [1]	Grant making & sector support	Other funds [4]	2024	2023
	£000	£000	£000	£000	£000	£000	£000	£000
Income								
Donations	4,361	1,784	12	-	-	28	6,185	5,129
Legacies	-	-	-	-	-	630	630	692
	4,361	**1,784**	**12**	**-**	**-**	**658**	**6,815**	**5,821**
Charitable activities:								
Fee income	6,189	14,259	3,909	-	893	-	25,250	25,240
CAF Bank net interest income	-	-	44,773	-	-	-	44,773	28,046
Investment income	17,168	9,642	19	-	285	2,185	29,299	17,246
Total income	**27,718**	**25,685**	**48,713**	**-**	**1,178**	**2,843**	**106,137**	**76,353**
Expenditure on charitable activities								
Donations payable to charities	-	-	-	45	-	5,041	5,086	226
Direct costs	12,723	19,402	24,664	746	2,655	1,766	61,956	51,301
Support costs								
Human resources	1,390	-	215	46	233	-	1,884	1,446
Property	1,896	-	294	63	317	203	2,773	1,993
Finance	2,738	-	425	91	458	-	3,712	2,673
Information systems	9,578	-	1,331	202	1,018	-	12,129	8,900
Governance costs	2,347	197	799	79	401	-	3,823	2,746
Total support costs	**17,949**	**197**	**3,064**	**481**	**2,427**	**203**	**24,321**	**17,758**
Total expenditure	**30,672**	**19,599**	**27,728**	**1,272**	**5,082**	**7,010**	**91,363**	**69,285**
Net income/(expenditure) before gains and losses	**(2,954)**	**6,086**	**20,985**	**(1,272)**	**(3,904)**	**(4,167)**	**14,774**	**7,068**
Net losses on debt securities	-	-	-	-	-	(79)	(79)	(110)
Net gains on other investments	-	-	-	-	-	732	732	536
Net income/(expenditure)	**(2,954)**	**6,086**	**20,985**	**(1,272)**	**(3,904)**	**(3,514)**	**15,427**	**7,494**

For the above table, and subsequent tables in this note, summary comparative information only has been provided as it is considered that the provision of full comparatives would add a disproportionate volume of additional information, compared with the benefit obtained by the reader of the accounts.

Notes:

1. Activities undertaken by CAF (the Charity).
2. Activities undertaken by CAF America, CAF American Donor Fund and CAF Canada.
3. Activities undertaken by CAF, CAF Bank Limited, CAF Financial Solutions Limited and CAF Investments Limited.
4. Other funds includes £5.0m paid to NCVO for the period 1 May 2021 to 30 April 2024 as part of our ongoing commitment, which is payable in support of their representation of the interests of charities. This follows a review of the terms of CAF's products and services. £1.4m was paid in respect of the year ended 30 April 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2024

6.2 CHARITY UNRESTRICTED FUNDS

	Growing Philanthropy			Serving Charities				Total	Total
	Major donors	Regular givers	Companies	Financial & donation services [1]	CAF Network	Grant making & sector support	Other funds [2]	2024	2023
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Income									
Donations	798	2,293	1,270	12	-	-	2,528	6,901	5,025
Legacies	-	-	-	-	-	-	630	630	692
	798	**2,293**	**1,270**	**12**	**-**	**-**	**3,158**	**7,531**	**5,717**
Charitable activities:									
Fee income	3,832	339	2,018	6,987	1,048	893	-	15,117	13,299
Investment income	9,662	4,328	3,178	985	-	285	2,185	20,623	13,800
Total income	**14,292**	**6,960**	**6,466**	**7,984**	**1,048**	**1,178**	**5,343**	**43,271**	**32,816**
Expenditure on charitable activities									
Donations payable to charities	-	-	-	-	45	-	5,041	5,086	226
Direct costs	4,901	2,912	4,910	2,519	746	2,655	1,766	20,409	19,068
Support costs									
Human resources	507	276	607	215	46	233	-	1,884	1,446
Property	691	377	828	294	63	317	203	2,773	1,993
Finance	998	544	1,196	425	91	458	-	3,712	2,673
Information systems	3,383	2,373	3,822	1,331	202	1,018	-	12,129	8,900
Governance costs	857	461	1,029	356	79	401	-	3,183	2,301
Total support costs	**6,436**	**4,031**	**7,482**	**2,621**	**481**	**2,427**	**203**	**23,681**	**17,313**
Total expenditure	**11,337**	**6,943**	**12,392**	**5,140**	**1,272**	**5,082**	**7,010**	**49,176**	**36,607**
Net expenditure before net gains/ (losses) on investments	**2,955**	**17**	**(5,926)**	**2,844**	**(224)**	**(3,904)**	**(1,667)**	**(5,905)**	**(3,791)**
Net losses on debt securities	-	-	-	-	-	-	(79)	(79)	(138)
Net gains on other investments	-	-	-	-	-	-	732	732	536
Net income/(expenditure)	**2,955**	**17**	**(5,926)**	**2,844**	**(224)**	**(3,904)**	**(1,014)**	**(5,252)**	**(3,393)**

Notes:

1. CAF's income and expenditure arising from activities delivered by CAF (CAF Venturesome and CAF Donate), management fees received from its subsidiaries (CAF Bank Limited and CAF Financial Solutions Limited) and CAF's associated costs.

2. Other funds includes £5.0m paid to NCVO for the period 1 May 2021 to 30 April 2024 as part of our ongoing commitment, which is payable in support of their representation of the interests of charities. This follows a review of the terms of CAF's products and services. £1.4m was paid in respect of the year ended 30 April 2024.

6.3 UNRESTRICTED FUNDS - ALLOCATION OF SUPPORT COSTS

Support costs of charitable activities comprise costs of certain central functions, which underpin the delivery of our services to support donors, charities and the sector and are shared across more than one of our activities. These shared functions provide support in areas, such as information systems, premises, human resources, finance, executive management and governance. Where the costs of these shared functions cannot be attributed directly to an area of our activities, they are allocated on the basis of staff headcount.

No support costs are allocated to restricted funds.

6.4 GROUP RESTRICTED FUNDS

	Growing Philanthropy	Serving Charities			Total	Total
	Charity [1]	CAF America and subsidiaries [2]	Financial & donation services [3]	Grant making & sector support [1]	2024	2023
	£000	£000	£000	£000	£000	£000
Income						
Donations	294,714	735,197	400	645	1,030,956	1,016,717
US fundraising programme income	-	-	-	-	-	25,678
Legacies	30,293	3,422	-	-	33,715	13,946
Government grants	-	-	-	233	233	75
	325,007	**738,619**	**400**	**878**	**1,064,904**	**1,056,416**
Fee income	-	-	-	-	-	22
Investment income	19,345	4,437	-	-	23,782	14,405
Total income	**344,352**	**743,056**	**400**	**878**	**1,088,686**	**1,070,843**
Expenditure on charitable activities						
Donations payable to charities	360,640	702,123	79	1,578	1,064,420	956,158
Direct costs	-	-	290	-	290	(136)
	360,640	**702,123**	**369**	**1,578**	**1,064,710**	**956,022**
US fundraising programme costs	-	-	-	-	-	21,328
Total expenditure	**360,640**	**702,123**	**369**	**1,578**	**1,064,710**	**977,350**
Net income/(expenditure) before net gains/(losses) on investments	**(16,288)**	**40,933**	**31**	**(700)**	**23,976**	**93,493**
Net gains/(losses) on financial investments	67,024	6,445	-	-	73,469	(10,842)
Net losses on other investments	-	(30)	-	-	(30)	-
Net income/(expenditure)	**50,736**	**47,348**	**31**	**(700)**	**97,415**	**82,651**

Terms and conditions vary between products. As a result, a portion of investment income on restricted funds awaiting charitable distribution is allocated to unrestricted funds (see note 6.1).

Notes:

1. Activities undertaken by CAF (the Charity).

2. Activities undertaken by CAF America, CAF American Donor Fund and CAF Canada.

3. Activities undertaken by CAF, CAF Bank Limited, CAF Financial Solutions Limited and CAF Investments Limited.

6.5 CHARITY RESTRICTED FUNDS

	Growing Philanthropy			Serving Charities		Total	
	Major donors	Regular givers	Companies	CAF Venture-some	Grant making	2024	2023
	£000	£000	£000	£000	£000	£000	£000
Income							
Donations	136,787	94,072	80,398	400	645	312,302	374,744
Legacies	30,293	-	-	-	-	30,293	13,333
Government grants	-	-	-	-	233	233	75
	167,080	**94,072**	**80,398**	**400**	**878**	**342,828**	**388,152**
Fee income	-	-	-	-	-	-	22
Investment income	19,345	-	-	-	-	19,345	12,022
Total income	**186,425**	**94,072**	**80,398**	**400**	**878**	**362,173**	**400,196**
Expenditure on charitable activities							
Donations payable to charities	176,458	99,182	85,019	79	1,578	362,316	366,176
Direct costs	-	-	-	290	-	290	(136)
Total expenditure	**176,458**	**99,182**	**85,019**	**369**	**1,578**	**362,606**	**366,040**
Net income/(expenditure) before net gains/(losses) on investments	**9,967**	**(5,110)**	**(4,621)**	**31**	**(700)**	**(433)**	**34,156**
Net gains/(losses) on financial investments	67,024	-	-	-	-	67,024	(7,532)
Net income/(expenditure)	**76,991**	**(5,110)**	**(4,621)**	**31**	**(700)**	**66,591**	**26,624**

Terms and conditions vary between products. As a result, a portion of investment income on restricted funds awaiting charitable distribution is allocated to unrestricted funds (see note 6.2).

7. GOVERNANCE COSTS

Governance costs include the following amounts:

	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Internal audit	309	335	167	116
Fees payable to the group external auditor, net of VAT:				
Audit of financial statements	897	676	610	435
Other services	65	29	-	-
Fees payable to component external auditor, net of VAT:				
Audit of financial statements	135	127	-	-
Trustees' indemnity insurance	114	50	64	36

8. STAFF COSTS

	Charity		CAF America and subsidiaries		CAF Bank and other trading subsidiaries		Group	
	2024	2023	2024	2023	2024	2023	2024	2023
	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	20,045	16,457	7,782	7,122	8,085	7,392	35,912	30,971
Social security costs	2,017	1,759	438	436	837	733	3,292	2,928
Defined contribution scheme pension costs	1,791	1,574	556	525	587	500	2,934	2,599
Training and welfare	763	593	327	763	1	1	1,091	1,357
	24,616	**20,383**	**9,103**	**8,846**	**9,510**	**8,626**	**43,229**	**37,855**
Other pension costs (see note 31)	247	232	-	-	-	-	247	232
	24,863	**20,615**	**9,103**	**8,846**	**9,510**	**8,626**	**43,476**	**38,087**

Throughout this note, where employees of the charity are assigned to duties exclusively for one of CAF's subsidiaries, the associated staff costs and employee numbers are included within the figures for either 'CAF America and subsidiaries' or for 'CAF Bank and other trading subsidiaries'.

Included within salaries and wages are redundancy and termination costs totalling £188k for the group and £43k for the Charity (2023: £45k for the group and £10k for the Charity).

Employee numbers

The average number of employees during the year was:	Charity		CAF America and subsidiaries		CAF Bank and other trading subsidiaries		Group	
	2024	2023	2024	2023	2024	2023	2024	2023
	Number	Number	Number	Number	Number	Number	Number	Number
Full-time and part-time employees	**422**	**391**	**139**	**90**	**173**	**169**	**734**	**650**
Full-time equivalent	**406**	**374**	**139**	**90**	**164**	**161**	**709**	**625**

Average number of full time equivalent employees analysed by function:	2024	2023
Major donors	109	98
Regular givers	59	58
Companies	131	123
Financial and donation services	45	46
CAF International team	10	9
Grantmaking and sector support	51	40
Governance	1	-
Charity	**406**	**374**
CAF America and subsidiaries	139	90
CAF Bank and other trading subsidiaries	164	161
Group	**709**	**625**

8. STAFF COSTS (CONTINUED)

Employee numbers

Emoluments include gross salary, taxable benefits and one-off end-of-contract payments such as redundancy, but exclude employer pension contributions.

The number of employees whose total emoluments exceeded £60,000 during the year is as follows:

	Charity		CAF America and subsidiaries		CAF Bank and other trading subsidiaries		Group	
	2024	2023	2024	2023	2024	2023	2024	2023
	Number	Number	Number	Number	Number	Number	Number	Number
£60,001 - £70,000	29	21	10	12	4	6	43	39
£70,001 - £80,000	16	13	5	6	10	6	31	25
£80,001 - £90,000	7	4	6	-	3	3	16	7
£90,001 - £100,000	8	3	1	3	2	1	11	7
£100,001 - £110,000	3	4	5	6	2	-	10	10
£110,001 - £120,000	1	1	1	-	-	-	2	1
£120,001 - £130,000	1	-	-	-	1	-	2	-
£130,001 - £140,000	2	4	-	-	-	-	2	4
£140,001 - £150,000	-	-	1	-	1	1	2	1
£150,001 - £160,000	2	1	-	1	-	-	2	2
£160,001 - £170,000	1	-	-	-	-	4	1	4
£170,001 - £180,000	1	-	-	-	2	-	3	-
£180,001 - £190,000	-	1	-	-	1	-	1	1
£190,001 - £200,000	1	-	1	1	-	-	2	1
£200,001 - £210,000	-	1	-	1	-	1	-	3
£210,001 - £220,000	-	-	-	-	1	-	1	-
£240,001 - £250,000	1	-	1	-	-	-	2	-
£280,001 - £290,000	-	1	-	-	-	1	-	2
£290,001 - £300,000	1	-	-	-	-	-	1	-
£300,001 - £310,000	-	-	-	-	1	-	1	-
£350,001 - £360,000	-	-	1	-	-	-	1	-
£420,001 - £430,000	-	-	-	1	-	-	-	1
	74	**54**	**32**	**31**	**28**	**23**	**134**	**108**

* The highest paid role in the years ended 30 April 2024 and 2023 for the group is the former President and CEO of CAF America whose emoluments are paid in US dollars. The average exchange rate for the year was $1.257:£1 (2023: $1.202:£1).

The Group Chief Executive received salary and benefits of £291k (2023: £262k) and employer pension contributions of £33k (2023: £26k).

Pension contributions

Pension contributions paid in respect of the employees included in the preceding table are as follows:

	Charity		CAF America and subsidiaries		CAF Bank and other trading subsidiaries		Group	
	2024	2023	2024	2023	2024	2023	2024	2023
	Number	Number	Number	Number	Number	Number	Number	Number
Number of employees	**73**	**53**	**32**	**25**	**27**	**22**	**132**	**100**
	£000	£000	£000	£000	£000	£000	£000	£000
Aggregate value of contributions	**602**	**434**	**268**	**311**	**231**	**215**	**1,101**	**960**

Key management personnel

The key management personnel of the group are the members of the Group Executive Committee. Total salary and employee benefits for key management personnel during the year amounted to £1,936,020 (2023: £1,745,312) plus pension contributions of £115,616 (2023: £109,742). Employers' National Insurance contributions amounted to £188,986 (2023: £195,422).

Trustees remuneration

The Trustees receive no remuneration for their services, but may be reimbursed for out-of-pocket expenses in respect of attending meetings and carrying out duties on behalf of CAF. Expenses of £526 were reimbursed during the year (2023: £1,031).

9. TAXATION

CAF is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is exempt from taxation in respect of income or capital gains received within categories covered by Part 10 of the Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Consequently, no tax charge has arisen in the current or preceding year for the charity.

A corporation tax charge for the year of £4.5m (2023: £2.1m) arose for the group, which is attributable to CAF Bank Limited.

	2024 £000	2023 £000
Tax expense:		
Profit on ordinary activity before tax	**18,167**	**10,648**
Reconciliation to tax expense		
Profit on ordinary activities before tax at 25.0% (2023: 19.5%)	4,542	2,076
Adjustment in respect of prior years	-	(1)
Deferred tax - origination and reversal of timing differences	-	(47)
Deferred tax - impact of change in tax rate	-	45
Tax charge	**4,542**	**2,073**

10. LOANS AND ADVANCES TO BANKS

	Unrestricted funds		Restricted funds		CAF Bank balances and donor client balances		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Group	£000	£000	£000	£000	£000	£000	£000	£000
On demand and short-term deposits	46,506	51,075	301,671	366,957	30,604	13,719	378,781	431,751
Remaining maturity of other loans and advances:								
Less than 6 months	-	-	141,722	136,795	-	-	141,722	136,795
Between 6 months and 1 year	-	-	74,523	85,381	-	-	74,523	85,381
Between 1 year and 5 years	-	-	-	65,000	-	-	-	65,000
	46,506	**51,075**	**517,916**	**654,133**	**30,604**	**13,719**	**595,026**	**718,927**

	Unrestricted funds		Restricted funds		Donor client balances		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Charity	£000	£000	£000	£000	£000	£000	£000	£000
On demand and short-term deposits	37,300	44,389	137,569	182,607	6,613	7,603	181,482	234,599
Remaining maturity of other loans and advances:								
Less than 6 months	-	-	113,216	113,838	-	-	113,216	113,838
Between 6 months and 1 year	-	-	54,523	85,381	-	-	54,523	85,381
Between 1 year and 5 years	-	-	-	65,000	-	-	-	65,000
	37,300	**44,389**	**305,308**	**446,826**	**6,613**	**7,603**	**349,221**	**498,818**

11. LOANS AND ADVANCES TO CUSTOMERS

	Unrestricted funds		Restricted funds		CAF Bank balances and donor client balances		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	£000	£000	£000	£000	£000	£000	£000	£000
Concessionary loans:								
CAF Venturesome loans to charities	121	5	1,729	2,375	-	-	1,850	2,380
CAF Charitable Trust loans to charities	-	-	1,271	585	-	-	1,271	585
Charity	**121**	**5**	**3,000**	**2,960**	**-**	**-**	**3,121**	**2,965**
CAF Bank loans to charities and social purpose enterprises	-	-	-	-	197,702	177,736	197,702	177,736
CADF loans to charities	-	-	801	796	-	-	801	796
CAF Canada loans to charities	-	-	4,937	5,297	-	-	4,937	5,297
Group	**121**	**5**	**8,738**	**9,053**	**197,702**	**177,736**	**206,561**	**186,794**

11. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

	Group		Charity	
	2024	2023	2024	2023
Maturity	£000	£000	£000	£000
Amounts receivable in less than one year				
CAF Venturesome loans to charities	332	2,136	332	2,136
CAF Charitable Trust loans to charities	715	880	715	880
CAF Bank loans	8,769	1,410	-	-
CAF Canada loan to charities	748	311	-	-
	10,564	**4,737**	**1,047**	**3,016**
Amounts receivable in one to five years				
CAF Venturesome loans to charities	3,943	2,515	3,943	2,515
CAF Charitable Trust loans to charities	1,256	405	1,256	405
CAF Bank loans	24,786	30,449	-	-
CADF loans to charities	801	796	-	-
CAF Canada loan to charities	1,712	2,156	-	-
	32,498	**36,321**	**5,199**	**2,920**
Amounts receivable in more than five years				
CAF Venturesome loans to charities	119	269	119	269
CAF Bank loans	168,425	149,250	-	-
CAF Canada loan to charities	2,477	2,830	-	-
	171,021	**152,349**	**119**	**269**
Less: Deferred income and provisions				
CAF Venturesome loans to charities	(2,544)	(2,540)	(2,544)	(2,540)
CAF Charitable Trust loans to charities	(700)	(700)	(700)	(700)
CAF Bank loans	(4,278)	(3,373)	-	-
	(7,522)	**(6,613)**	**(3,244)**	**(3,240)**
Total loans	**206,561**	**186,794**	**3,121**	**2,965**

12. DEBT SECURITIES

	Group				Charity			
	Book value		Market value		Book value		Market value	
	2024	2023	2024	2023	2024	2023	2024	2023
Restricted funds	£000	£000	£000	£000	£000	£000	£000	£000
Listed:								
UK Government	19,755	-	20,000	-	19,755	-	20,000	-
Multilateral financial institutions	130,928	19,111	130,519	18,912	130,928	19,111	130,519	18,912
Fixed coupon corporate bonds	50,563	70,326	47,815	65,753	50,563	70,326	47,815	65,753
	201,246	**89,437**	**198,334**	**84,665**	**201,246**	**89,437**	**198,334**	**84,665**
Unlisted:								
Certificates of deposit	123,821	152,430	125,859	154,273	95,000	123,784	97,038	125,627
	123,821	**152,430**	**125,859**	**154,273**	**95,000**	**123,784**	**97,038**	**125,627**
	325,067	**241,867**	**324,193**	**238,938**	**296,246**	**213,221**	**295,372**	**210,292**
CAF Bank balances								
Listed:								
Multilateral financial institutions	511,053	670,370	489,173	638,973	-	-	-	-
Fixed coupon corporate bonds	49,368	23,498	47,900	21,129	-	-	-	-
Floating rate corporate bonds	76,955	48,232	76,853	48,477	-	-	-	-
	637,376	**742,100**	**613,926**	**708,579**	**-**	**-**	**-**	**-**
Unlisted:								
Certificates of deposit	-	10,000	-	10,082	-	-	-	-
	-	**10,000**	**-**	**10,082**	**-**	**-**	**-**	**-**
	637,376	**752,100**	**613,926**	**718,661**	**-**	**-**	**-**	**-**
Total debt securities	**962,443**	**993,967**	**938,119**	**957,599**	**296,246**	**213,221**	**295,372**	**210,292**

	Group Book value		Charity Book value	
	2024	2023	2024	2023
Maturity	£000	£000	£000	£000
Up to 6 months	89,672	128,240	70,081	31,108
Between 6 months and 1 year	242,075	353,010	116,993	98,531
	331,747	**481,250**	**187,074**	**129,639**
Between 1 year and 5 years	617,562	477,972	104,619	77,744
	949,309	**959,222**	**291,693**	**207,383**
Over 5 years	13,134	34,745	4,553	5,838
Total debt securities	**962,443**	**993,967**	**296,246**	**213,221**
Unamortised discounts/(premiums)	**14,613**	**5,365**	**764**	**(1,365)**

In accordance with FRS 102, debt securities are measured at amortised cost using the effective interest method.

12. DEBT SECURITIES (CONTINUED)

	Cost	Amortisation	Book value
Group	£000	£000	£000
Restricted funds			
At 1 May 2023	243,577	(1,710)	241,867
Acquisitions	247,504	(341)	247,163
Disposals	(2,496)	193	(2,303)
Redemptions	(162,262)	254	(162,008)
Amortisation	-	173	173
Foreign exchange gains	175	-	175
At 30 April 2024	**326,498**	**(1,431)**	**325,067**
CAF Bank balances			
At 1 May 2023	754,933	(2,833)	752,100
Acquisitions	254,112	1,974	256,086
Redemptions	(373,497)	2,211	(371,286)
Amortisation	-	476	476
At 30 April 2024	**635,548**	**1,828**	**637,376**
Total	**962,046**	**397**	**962,443**

	Cost	Amortisation	Book value
Charity	£000	£000	£000
Restricted funds			
At 1 May 2023	214,932	(1,711)	213,221
Acquisitions	218,683	(341)	218,342
Disposals	(2,497)	194	(2,303)
Redemptions	(133,441)	254	(133,187)
Amortisation	-	173	173
At 30 April 2024	**297,677**	**(1,431)**	**296,246**

13. FINANCIAL INVESTMENTS

Restricted funds

The following tables show the carrying amounts of investments held by the group at fair value and represent restricted funds held for CAF Charitable Trusts, CAF America and CAF Canada Donor Advised Funds and CAF American Donor Fund Trusts (collectively 'Trust funds'). They do not include fair value information for other financial assets and liabilities held by the group, which are not measured at fair value.

Nature of Trust funds

Trust funds are held pending onward donation suggestions from clients. Until such suggestions are received there is no constructive obligation or liability to pay a defined amount within a set time period. Donors typically hold a portion of these funds in cash in order to meet their short-term giving expectations and invest funds to meet their medium to long-term philanthropic objectives. Donors plan donation suggestions by reference to the market values and liquidity profile of the assets held for their trust fund.

	Group		Charity	
	2024	2023	2024	2023
Restricted funds	£000	£000	£000	£000
At 1 May	817,717	822,138	750,244	742,880
Additions	326,439	407,188	211,074	371,555
Disposal proceeds	(250,022)	(400,767)	(158,337)	(356,659)
Net investment gains/(losses)	73,469	(10,842)	67,024	(7,532)
	967,603	**817,717**	**870,005**	**750,244**
Investment portfolio cash and settlements pending	12,013	19,049	4,530	8,558
At 30 April	**979,616**	**836,766**	**874,535**	**758,802**
Historical cost of investments	**828,014**	**791,802**	**735,450**	**727,223**

13. FINANCIAL INVESTMENTS (CONTINUED)

Restricted funds

The group uses the following hierarchy to estimate the fair value of investments held for Trust funds:

Level 1: The quoted price for an identical asset in an active market.

Level 2: When quoted prices are unavailable, the fair value is taken as the price of a recent transaction for an identical asset. No investments were held in this category as at 30 April 2024 or 30 April 2023.

Level 3: If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, a valuation technique is used to estimate the fair value. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations. If the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed, the assets are valued at cost less impairment until a reliable measure of fair value becomes available.

	Level 1		Level 3		Total	
	2024	2023	2024	2023	2024	2023
Group	£000	£000	£000	£000	£000	£000
Represented by:						
Listed securities:						
UK Government fixed interest	25,462	12,802	-	-	25,462	12,802
Overseas Government fixed interest	5,337	5,234	-	-	5,337	5,234
Other fixed interest	7,701	14,049	-	-	7,701	14,049
UK equities	32,334	39,485	-	-	32,334	39,485
Overseas equities	79,414	58,779	-	-	79,414	58,779
CAF investment funds:						
IFSL CAF Funds	128,679	116,797	-	-	128,679	116,797
Unit trusts and other pooled investments	653,625	539,836	-	-	653,625	539,836
Investment trusts	32,742	27,575	-	-	32,742	27,575
Unlisted investments:						
UK	-	-	2,309	3,160	2,309	3,160
	965,294	**814,557**	**2,309**	**3,160**	**967,603**	**817,717**
Investment portfolio cash and settlements pending	12,013	19,049	-	-	12,013	19,049
	977,307	**833,606**	**2,309**	**3,160**	**979,616**	**836,766**

	Level 1		Level 3		Total	
	2024	2023	2024	2023	2024	2023
Charity	£000	£000	£000	£000	£000	£000
Represented by:						
Listed securities:						
UK Government fixed interest	24,659	12,802	-	-	24,659	12,802
Overseas Government fixed interest	4,480	4,686	-	-	4,480	4,686
Other fixed interest	7,701	14,049	-	-	7,701	14,049
UK equities	31,804	39,012	-	-	31,804	39,012
Overseas equities	62,479	45,087	-	-	62,479	45,087
CAF investment funds:						
IFSL CAF Funds	128,495	116,797	-	-	128,495	116,797
Unit trusts and other pooled investments	575,930	487,517	-	-	575,930	487,517
Investment trusts	32,148	27,134	-	-	32,148	27,134
Unlisted investments:						
UK	-	-	2,309	3,160	2,309	3,160
	867,696	**747,084**	**2,309**	**3,160**	**870,005**	**750,244**
Investment portfolio cash and settlements pending	4,530	8,558	-	-	4,530	8,558
	872,226	**755,642**	**2,309**	**3,160**	**874,535**	**758,802**

14. OTHER INVESTMENTS

	Unrestricted funds		Restricted funds		Total	
	2024	2023	2024	2023	2024	2023
Group	£000	£000	£000	£000	£000	£000
Investment properties	-	-	4,600	8,350	4,600	8,350
Unlisted investments	4,829	3,990	725	812	5,554	4,802
Other	-	-	68	39	68	39
	4,829	**3,990**	**5,393**	**9,201**	**10,222**	**13,191**

	Unrestricted funds		Restricted funds		Total	
	2024	2023	2024	2023	2024	2023
Charity	£000	£000	£000	£000	£000	£000
Investment properties	-	-	4,600	4,600	4,600	4,600
Unlisted investments	4,829	3,990	725	812	5,554	4,802
	4,829	**3,990**	**5,325**	**5,412**	**10,154**	**9,402**

	Unrestricted funds	Restricted funds	Total
Group	£000	£000	£000
As at 1 May 2023	3,990	9,201	13,191
Additions	-	5,728	5,728
Disposal proceeds	-	(9,419)	(9,419)
Loss on disposal	-	(30)	(30)
Gain on transfer	20	-	20
Revaluation	732	-	732
Transfers between funds	87	(87)	-
At 30 April 2024	**4,829**	**5,393**	**10,222**

	Unrestricted funds	Restricted funds	Total
Charity	£000	£000	£000
As at 1 May 2023	3,990	5,412	9,402
Gain on transfer	20	-	20
Revaluation	732	-	732
Transfers between funds	87	(87)	-
At 30 April 2024	**4,829**	**5,325**	**10,154**

For the two investment properties held in restricted funds in CAF, the valuations were carried out by an independent, qualified chartered surveyor, Berrys as at 30 April 2024.

15. SUBSIDIARY UNDERTAKINGS

	Ordinary share capital	Sub-ordinated debt	Total
Charity	£000	£000	£000
At 1 May 2023	42,200	-	42,200
Advances	-	15,000	15,000
Repayments	-	(10,000)	(10,000)
Disposal proceeds	(500)	-	(500)
At 30 April 2024	**41,700**	**5,000**	**46,700**

Details of the entities held as subsidiary undertakings are disclosed in note 2 of these financial statements. During the year, £15m was advanced to CAF Bank Limited by way of Floating Rate Subordinated Notes due 31 October 2029 with £10m being repaid by 30 April 2024. After the year end, the remaining £5m has been converted to a sub debt instrument that can be converted to Additional Tier 1 (AT1) regulatory capital.

16. TANGIBLE FIXED ASSETS

	Long leasehold property & improvements	Other leasehold improvements	Furniture, fittings & computer equipment	Total
Group - unrestricted funds	£000	£000	£000	£000
Cost or valuation				
At 1 May 2023	3,200	576	2,670	6,446
Additions	-	848	-	848
Disposals	-	(455)	(10)	(465)
Foreign exchange movements	-	-	5	5
At 30 April 2024	**3,200**	**969**	**2,665**	**6,834**
Depreciation				
At 1 May 2023	-	509	2,661	3,170
Charged in year	97	107	14	218
Impairment losses in the SOFA	203	-	-	203
On disposal	-	(446)	(10)	(456)
Foreign exchange movements	-	-	(2)	(2)
At 30 April 2024	**300**	**170**	**2,663**	**3,133**
Net book value				
At 30 April 2024	**2,900**	**799**	**2**	**3,701**
At 30 April 2023	**3,200**	**67**	**9**	**3,276**

	Long leasehold property & improvements	Other leasehold improvements	Furniture, fittings & computer equipment	Total
Charity - unrestricted funds	£000	£000	£000	£000
Cost or valuation				
At 1 May 2023	3,200	456	2,527	6,183
Additions	-	848	-	848
Disposals	-	(455)	-	(455)
At 30 April 2024	**3,200**	**849**	**2,527**	**6,576**
Depreciation				
At 1 May 2023	-	439	2,527	2,966
Charged in year	97	96	-	193
Impairment losses in the SOFA	203	-	-	203
On disposal	-	(446)	-	(446)
At 30 April 2024	**300**	**89**	**2,527**	**2,916**
Net book value				
At 30 April 2024	**2,900**	**760**	**-**	**3,660**
At 30 April 2023	**3,200**	**17**	**-**	**3,217**

16. TANGIBLE FIXED ASSETS(CONTINUED)

Long-leasehold property

The long-leasehold property consists of the lease to the year 2190 on the land and buildings occupied by CAF as its principal place of business. The property is held at valuation and was valued at 30 April 2024 by CBRE, Chartered Surveyors. The valuation was carried out in accordance with the guidelines of the Royal Institution of Chartered Surveyors. The open market value, on a vacant possession basis, at that date was estimated at £2.9m (2023: £3.2m) and gave rise to an impairment loss of £203k at the balance sheet date.

A revaluation in accordance with appropriate professional guidelines will be carried out when needed to ensure valuation is kept up-to-date.

The historical cost carrying value of the property and improvements at the balance sheet date was £3.2m (2023: £3.2m).

17. INTANGIBLE FIXED ASSETS

	Development cost
Group - unrestricted funds	£000
Cost or valuation	
At 1 May 2023	6,333
Additions	4,425
At 30 April 2024	**10,758**

Intangible fixed assets represent software development costs associated with the development of a banking system for CAF Bank Limited, which is currently expected to be available for use in late 2024.

18. OTHER DEBTORS

Balances falling due within one year.

	Unrestricted funds		Restricted funds		Total	
	2024	2023	2024	2023	2024	2023
Group	£000	£000	£000	£000	£000	£000
Income tax recoverable	-	-	10,309	10,362	10,309	10,362
Other debtors	1,928	5,162	1,905	941	3,833	6,103
	1,928	**5,162**	**12,214**	**11,303**	**14,142**	**16,465**

	Unrestricted funds		Restricted funds		Total	
	2024	2023	2024	2023	2024	2023
Charity	£000	£000	£000	£000	£000	£000
Amounts due from subsidiary undertakings	2,005	509	-	-	2,005	509
Income tax recoverable	-	-	3,239	8,400	3,239	8,400
Other debtors	671	1,946	1,352	940	2,023	2,886
	2,676	**2,455**	**4,591**	**9,340**	**7,267**	**11,795**

19. PREPAYMENTS AND ACCRUED INCOME

Balances falling due within one year.

	Unrestricted funds		Restricted funds		CAF Bank balances and donor client balances		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Group	£000	£000	£000	£000	£000	£000	£000	£000
Prepayments	4,349	1,538	-	-	-	-	4,349	1,538
Accrued income	-	-						
Legacy income	1,622	1,356	23,361	15,476	-	-	24,783	16,832
Interest receivable	10,615	8,813	1,858	224	8,486	6,292	20,959	15,329
Other income	550	1,426	103	653	-	-	653	2,079
	17,136	**13,133**	**25,122**	**16,353**	**8,486**	**6,292**	**50,744**	**35,778**

	Unrestricted funds		Restricted funds		Total	
	2024	2023	2024	2023	2024	2023
Charity	£000	£000	£000	£000	£000	£000
Prepayments	2,011	1,321	-	-	2,011	1,321
Accrued income						
Legacy income	1,622	1,356	22,040	14,903	23,662	16,259
Interest receivable	9,059	8,220	1,766	214	10,825	8,434
Other income	372	1,320	103	653	475	1,973
	13,064	**12,217**	**23,909**	**15,770**	**36,973**	**27,987**

20. CAF BANK DEPOSITOR BALANCES

	CAF Bank balances	
	2024	2023
Group	£000	£000
Repayable on demand	1,408,503	1,492,177
Repayable within 30 days	10,924	12,689
	1,419,427	**1,504,866**

21. DONOR CLIENT BALANCES

The following represent donations to other charities which are being processed by CAF.

	At 1 May 2023	Amounts received from donors	Amounts received from CAF	Amounts paid to charities	Donations paid to CAF	At 30 April 2024
Group and charity	£000	£000	£000	£000	£000	£000
CAF Give As You Earn	6,238	60,299	1,389	(21,129)	(41,124)	5,673
CAF Donate	891	46,754	-	(47,111)	-	534
	7,129	**107,053**	**1,389**	**(68,240)**	**(41,124)**	**6,207**

	At 1 May 2022	Amounts re-ceived	Amounts received from CAF	Amounts paid to charities	Donations paid to CAF	At 30 April 2023
Group and charity	£000	£000	£000	£000	£000	£000
CAF Give As You Earn	5,104	63,877	1,348	(22,367)	(41,724)	6,238
CAF Donate	600	47,257	-	(46,966)	-	891
	5,704	**111,134**	**1,348**	**(69,333)**	**(41,724)**	**7,129**

22. DUE TO BENEFICIARY CHARITIES

	Restricted funds	
	2024	2023
Group	£000	£000
Payable within 1 year	14,880	14,983
Payable between 1 and 5 years	2,922	4,296
	17,802	**19,279**

	Restricted funds	
	2024	2023
Charity	£000	£000
Payable within 1 year	8,887	10,883
Payable between 1 and 5 years	2,922	4,296
	11,809	**15,179**

Amounts due to beneficiary charities represent constructive obligations, principally in respect of longer-term donor suggestions.

23. OTHER CREDITORS

Balances fall due within one year except where stated below.

	Unrestricted funds		Restricted funds		CAF Bank balances and donor client balances		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Group	£000	£000	£000	£000	£000	£000	£000	£000
Payable on acquisition of investments	-	-	400	413	-	-	400	413
Trade creditors	3,449	1,719	-	-	-	-	3,449	1,719
Tax and social security	1,138	959	-	-	-	-	1,138	959
Other creditors	2,731	1,813	5,916	4,984	406	474	9,053	7,271
	7,318	**4,491**	**6,316**	**5,397**	**406**	**474**	**14,040**	**10,362**

	Unrestricted funds		Restricted funds		Donor client balances		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Charity	£000	£000	£000	£000	£000	£000	£000	£000
Amounts owed to subsidiary undertakings	130	-	-	-	-	-	130	-
Payable on acquisition of investments	-	-	400	413	-	-	400	413
Trade creditors	1,078	869	-	-	-	-	1,078	869
Tax and social security	1,138	959	-	-	-	-	1,138	959
Other creditors	113	104	5,916	4,984	406	474	6,435	5,562
	2,459	**1,932**	**6,316**	**5,397**	**406**	**474**	**9,181**	**7,803**

Included within other creditors are amounts totalling £1.1m (2023: £1.0m) repayable to seven (2023: seven) third party investors of CAF Venturesome. Amounts are repayable within three or six months from receipt of written instruction. These concessionary loans do not bear interest and amounts are repaid net of any losses which may be incurred as a result of onward lending by CAF Venturesome, on a concessionary basis to charities and social enterprises.

24. REPURCHASE AGREEMENTS

In CAF Bank, repurchase agreements total £13.9m (2023: £8.9m). The corresponding carrying value of assets of £14.7m (2023: £9.5m) sold under sale and repurchase agreements is included within debt securities (note 12).

25. LONG-TERM LOANS

	2026 Loan		2031 Loan		Total carrying value	
	2024	2023	2024	2023	2024	2023
Group and charity	£000	£000	£000	£000	£000	£000
Unrestricted funds						
At 1 May	7,142	7,122	29,959	29,916	37,101	37,038
Amortisation of capitalised costs	21	20	46	46	67	66
Interest payable for the year	368	368	1,082	1,077	1,450	1,445
Interest paid	(368)	(368)	(1,081)	(1,080)	(1,449)	(1,448)
At 30 April	**7,163**	**7,142**	**30,006**	**29,959**	**37,169**	**37,101**

	2026 Loan		2031 Loan		Total carrying value	
	2024	2023	2024	2023	2024	2023
Payable	£000	£000	£000	£000	£000	£000
Less than 3 months	-	-	422	421	422	421
Between 3 months and 6 months	18	18	-	-	18	18
	18	**18**	**422**	**421**	**440**	**439**
Between 1 year and 5 years	7,145	7,124	-	-	7,145	7,124
	7,163	**7,142**	**422**	**421**	**7,585**	**7,563**
Over 5 years	-	-	29,584	29,538	29,584	29,538
	7,163	**7,142**	**30,006**	**29,959**	**37,169**	**37,101**

To support CAF's work to grow the impact of charitable donations from the donors we work with, in December 2021, RCB Bonds PLC (RCB) issued the CAF 3.5% bond due in 2031. RCB raised £30.0m from institutional and retail investors and the full amount has been loaned to CAF under the terms of a loan agreement between CAF and RCB. CAF retains the option to request the issue of further bonds. This may be bonds up to a maximum of a further £20.0m, with proceeds to be loaned by RCB to CAF.

In addition to supporting CAF's future growth and transformation plans, the proceeds arising in December 2021 were used in part to settle a tender offer under which CAF bought back £12.8m of the previously issued CAF 5% bonds due in 2026. These were issued by RCB in 2016 and raised £20.0m and the full amount raised was loaned to CAF under the terms of a loan agreement between CAF and RCB.

Loan payable 2031

The loan is repayable to RCB in full in December 2031. Interest is payable at a rate of 3.5% per annum.

Loan payable 2026

The loan is repayable to RCB in full in April 2026. Interest is payable at a rate of 5% per annum.

Associated costs

In respect of each of the above loans, bond-issue costs and other costs associated with the advance of the loans, including legal and accountancy fees, have been capitalised and are being amortised over the term of the relevant loan.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2024

26. STATEMENT OF FUNDS

	Notes	At 1 May 2023	Income and donations received	Expenditure on charitable activities	Transfers	Taxation and recognised gains & losses	At 30 April 2024
		£000	£000	£000	£000	£000	£000
Group							
Unrestricted funds	26.1	84,051	106,137	(91,363)	3,213	(3,542)	98,496
Restricted funds	26.2	1,753,282	1,088,686	(1,064,710)	(3,213)	74,422	1,848,467
		1,837,333	**1,194,823**	**(1,156,073)**	**-**	**70,880**	**1,946,963**
Charity							
Unrestricted funds	26.1	67,814	43,271	(49,176)	3,213	946	66,068
Restricted funds	26.2	1,431,755	362,173	(362,606)	(3,213)	66,680	1,494,789
		1,499,569	**405,444**	**(411,782)**	**-**	**67,626**	**1,560,857**

	Notes	At 1 May 2022	Income and donations received	Expenditure on charitable activities	Transfers	Taxation and recognised gains & losses	At 30 April 2023
		£000	£000	£000	£000	£000	£000
Group							
Unrestricted funds	26.1	76,692	76,353	(69,285)	6,112	(5,821)	84,051
Restricted funds	26.2	1,679,750	1,070,843	(977,350)	(6,112)	(13,849)	1,753,282
		1,756,442	**1,147,196**	**(1,046,635)**	**-**	**(19,670)**	**1,837,333**
Charity							
Unrestricted funds	26.1	69,194	32,816	(36,607)	6,112	(3,701)	67,814
Restricted funds	26.2	1,411,206	400,196	(366,040)	(6,112)	(7,495)	1,431,755
		1,480,400	**433,012**	**(402,647)**	**-**	**(11,196)**	**1,499,569**

26.1 Unrestricted funds

	At 1 May 2023	Income and donations received	Expenditure on charitable activities	Transfers	Taxation and recognised gains & losses	At 30 April 2024
	£000	£000	£000	£000	£000	£000
Group						
General funds	84,051	106,137	(91,363)	3,213	(3,542)	98,496
	84,051	**106,137**	**(91,363)**	**3,213**	**(3,542)**	**98,496**
Charity						
General funds	67,814	43,271	(49,176)	3,213	946	66,068
	67,814	**43,271**	**(49,176)**	**3,213**	**946**	**66,068**

	At 1 May 2022	Income and donations received	Expenditure on charitable activities	Transfers	Taxation and recognised gains & losses	At 30 April 2023
	£000	£000	£000	£000	£000	£000
Group						
General funds	74,711	76,353	(69,285)	6,182	(3,910)	84,051
Property revaluation reserve	1,981	-	-	(70)	(1,911)	-
	76,692	**76,353**	**(69,285)**	**6,112**	**(5,821)**	**84,051**
Charity						
General funds	67,213	32,816	(36,607)	6,182	(1,790)	67,814
Property revaluation reserve	1,981	-	-	(70)	(1,911)	-
	69,194	**32,816**	**(36,607)**	**6,112**	**(3,701)**	**67,814**

General funds – comprise accumulated operating surpluses, income from investments, legacies and other gifts received.

Property revaluation reserve – represented the net book value in excess of the historical cost of the long-leasehold property occupied by CAF as its head office.

Transfers from restricted funds to unrestricted funds – transfers from restricted funds include amounts from dormant donor and from funds for which the original donor or legator has provided no wishes for the distribution of funds upon their death. All transfers from restricted funds are applied for the general charitable purposes of CAF, in support of CAF's transformations plans.

26. STATEMENT OF FUNDS (CONTINUED)

26.2 Restricted funds

Group	At 1 May 2023	Income and donations received	Expenditure on charitable activities	Transfers	Recognised gains & losses	At 30 April 2024
	£000	£000	£000	£000	£000	£000
Growing philanthropy						
Major donors						
CAF Charitable Trusts	1,225,532	177,774	(176,452)	5,360	66,666	1,298,880
Regular givers						
CAF Charity Accounts	104,063	55,152	(62,679)	1,650	-	98,186
CAF Give As You Earn Charity Accounts	41,711	38,920	(36,490)	(6)	-	44,135
	145,774	94,072	(99,169)	1,644	-	142,321
Companies						
CAF Company accounts	45,417	72,506	(85,019)	6,664	14	39,582
Charity	**1,416,723**	**344,352**	**(360,640)**	**13,668**	**66,680**	**1,480,783**
CAF America	173,044	569,405	(573,034)	(8,015)	3,396	164,796
CAF American Donor Fund	132,453	157,001	(112,355)	(8,509)	4,257	172,847
CAF Canada	16,030	16,650	(16,734)	-	89	16,035
CAF America and subsidiaries	**321,527**	**743,056**	**(702,123)**	**(16,524)**	**7,742**	**353,678**
Serving charities						
CAF Venturesome accounts	8,763	400	(369)	(1,171)	-	7,623
Financial & donation services	**8,763**	**400**	**(369)**	**(1,171)**	**-**	**7,623**
Community Match Challenge	2	233	(734)	500	-	1
CAF discretionary funds	6,267	645	(844)	314	-	6,382
Grantmaking & sector support	**6,269**	**878**	**(1,578)**	**814**	**-**	**6,383**
	1,753,282	**1,088,686**	**(1,064,710)**	**(3,213)**	**74,422**	**1,848,467**

26.2 Restricted funds (continued)

Charity	At 1 May 2023	Income and donations received	Expenditure on charitable activities	Transfers	Recognised gains & losses	At 30 April 2024
	£000	£000	£000	£000	£000	£000
Growing philanthropy						
Major donors						
CAF Charitable Trusts	1,225,532	186,425	(176,458)	(3,285)	66,666	1,298,880
Regular givers						
CAF Charity Accounts	104,063	55,152	(62,692)	1,663	-	98,186
CAF Give As You Earn Charity Accounts	41,711	38,920	(36,490)	(6)	-	44,135
	145,774	94,072	(99,182)	1,657	-	142,321
Companies						
CAF Company accounts	45,417	80,398	(85,019)	(1,228)	14	39,582
Serving charities						
CAF Venturesome						
Financial & donation services	8,763	400	(369)	(1,171)	-	7,623
Grantmaking						
Community Match Challenge	2	233	(734)	500	-	1
CAF discretionary funds	6,267	645	(844)	314	-	6,382
	6,269	878	(1,578)	814	-	6,383
	1,431,755	**362,173**	**(362,606)**	**(3,213)**	**66,680**	**1,494,789**

26. STATEMENT OF FUNDS (CONTINUED)

26.2 Restricted funds (continued)

Group	At 1 May 2022 £000	Income and donations received £000	Expenditure on charitable activities £000	Transfers £000	Recognised gains & losses £000	At 30 April 2023 £000
Growing philanthropy						
Major donors						
CAF Charitable Trusts	1,209,687	210,743	(178,145)	(9,272)	(7,481)	1,225,532
Regular givers						
CAF Charity Accounts	101,467	68,621	(71,333)	5,308	-	104,063
CAF Give As You Earn Charity Accounts	40,313	37,693	(36,252)	(43)	-	41,711
	141,780	106,314	(107,585)	5,265	-	145,774
Companies						
CAF Company accounts	44,729	75,103	(79,321)	4,920	(14)	45,417
Charity	**1,396,196**	**392,160**	**(365,051)**	**913**	**(7,495)**	**1,416,723**
CAF America	135,814	559,828	(511,356)	(6,963)	(4,279)	173,044
CAF American Donor Fund	115,490	104,453	(86,066)	(188)	(1,236)	132,453
CAF Canada	17,240	13,712	(14,083)	-	(839)	16,030
CAF America and subsidiaries	**268,544**	**677,993**	**(611,505)**	**(7,151)**	**(6,354)**	**321,527**
Serving charities						
CAF Venturesome accounts	8,979	46	(518)	256	-	8,763
Financial & donation services	**8,979**	**46**	**(518)**	**256**	**-**	**8,763**
Community Match Challenge	471	75	(148)	(396)	-	2
CAF discretionary funds	5,560	569	(128)	266	-	6,267
Grantmaking & sector support	**6,031**	**644**	**(276)**	**(130)**	**-**	**6,269**
	1,679,750	**1,070,843**	**(977,350)**	**(6,112)**	**(13,849)**	**1,753,282**

26.2 Restricted funds (continued)

Charity	At 1 May 2022 £000	Income and donations received £000	Expenditure on charitable activities £000	Transfers £000	Recognised gains & losses £000	At 30 April 2023 £000
Growing philanthropy						
Major donors						
CAF Charitable Trusts	1,209,687	210,942	(178,155)	(9,461)	(7,481)	1,225,532
Regular givers						
CAF Charity Accounts	101,467	68,621	(71,333)	5,308	-	104,063
CAF Give As You Earn Charity Accounts	40,313	37,693	(36,253)	(42)	-	41,711
	141,780	106,314	(107,586)	5,266	-	145,774
Companies						
CAF company accounts	44,729	82,250	(79,505)	(2,043)	(14)	45,417
Serving charities						
CAF Venturesome						
Financial & donation services	8,979	46	(518)	256	-	8,763
Grantmaking						
Community Match Challenge	471	75	(148)	(396)	-	2
CAF discretionary funds	5,560	569	(128)	266	-	6,267
	6,031	644	(276)	(130)	-	6,269
	1,411,206	**400,196**	**(366,040)**	**(6,112)**	**(7,495)**	**1,431,755**

Restricted funds comprise:

a. CAF Charitable Trusts – consist of capital gifted to CAF and the related income from financial investments. The capital is held in accordance with CAF's Investment Policy for CAF Charitable Trusts and investment gains or losses are credited or charged to the funds. These funds are expected to be used to make payments to other charities as suggested by the donor.

b. CAF Charity Accounts, CAF Company Accounts and CAF Give As You Earn Charity Accounts – represent amounts gifted to CAF by individual and corporate donors which are held in accounts until disbursed to charities as suggested by the donor.

c. CAF Venturesome accounts – represent funds set aside by CAF donors to complement the funds assigned by the Trustees for CAF Venturesome.

d. CAF America, CAF American Donor Fund and CAF Canada – represent undistributed donations received by each of these charities. The boards of these entities review, validate and approve donors' suggestions for distributions to charities worldwide.

e. CAF discretionary funds – represent funds available to support the sector at Trustees' discretion.

f. Community Match Challenge – represent funds received by CAF from DCMS in 2020/21 and transferred from CAF Company accounts in 2021/22 in respect of the Community Match Challenge created in response to the Coronavirus pandemic. Grants from the fund were awarded to small charities.

Transfers between restricted funds

Transfers between restricted funds occur where a donor gives funds into a range of restricted funds and subsequently requests a transfer between the funds.

27. CASH FLOW STATEMENT

27.1 Reconciliation of net income to net cash flow from operating activities

	Group		Charity	
	2024 £000	2023 £000	2024 £000	2023 £000
Net income before tax	112,842	90,145	61,339	23,231
Adjustments for:				
Depreciation	218	279	193	248
Impairment losses	203	-	203	-
Losses on disposal of tangible fixed assets	9	-	9	-
(Gains)/losses on financial investments	(73,469)	10,842	(67,024)	7,532
Gains on other investments	(722)	(536)	(752)	(536)
Amortisation and other revaluations of debt securities	(2,457)	3,180	168	1,039
Amortisation of capitalised costs of borrowing	67	66	67	66
Non-cash transactions:				
In specie investment transfers and share gifts	(48,935)	(58,642)	(21,114)	(40,534)
Gift of property and other assets	-	(3,789)	-	-
Defined benefit pension plan expense	247	232	247	232
Interest on long-term loans	1,450	1,445	1,450	1,445
Investment income receivable on Trust Funds	(23,782)	(14,405)	(19,345)	(12,022)
Decrease/(increase) in Cash Ratio Deposit with Bank of England	3,582	(369)	-	-
(Increase)/decrease in loans and advances to customers	(19,767)	2,907	(156)	19,745
(Increase)/decrease in other assets and prepayments	(12,255)	(3,142)	(4,069)	3,462
Decrease in amounts due to beneficiary charities	(1,477)	(3,080)	(3,370)	(5,472)
Increase/(decrease) in other liabilities and accruals	6,179	(365)	2,406	1,135
(Decrease)/increase in donor client balances	(922)	1,425	(922)	1,425
Decrease in CAF Bank depositor balances	(85,439)	(2,770)	-	-
Cash from operations	**(144,428)**	**23,423**	**(50,670)**	**996**
Corporation tax paid	(5,815)	(830)	-	-
Net cash (used in)/provided by operating activities	**(150,243)**	**22,593**	**(50,670)**	**996**

27.2 Analysis of changes in net debt

Group	At 1 May 2023 £000	Cash flows £000	Foreign exchange movements £000	Other non-cash changes £000	At 30 April 2024 £000
Total cash and cash equivalents	1,048,645	(40,421)	1,083	-	1,009,307
Loans falling due within one year	(439)	1,449	-	(1,450)	(440)
Loans falling due after more than one year	(36,662)	-	-	(67)	(36,729)
Cash and cash equivalents less debt	**1,011,544**	**(38,972)**	**1,083**	**(1,517)**	**972,138**

Charity	At 1 May 2023 £000	Cash flows £000	Foreign exchange movements £000	Other non-cash changes £000	At 30 April 2024 £000
Total cash and cash equivalents	234,599	(52,819)	(298)	-	181,482
Loans falling due within one year	(439)	1,449	-	(1,450)	(440)
Loans falling due after more than one year	(36,662)	-	-	(67)	(36,729)
Cash and cash equivalents less debt	**197,498**	**(51,370)**	**(298)**	**(1,517)**	**144,313**

28. OPERATING LEASE COMMITMENTS

At the balance sheet date the group and CAF had total commitments under non-cancellable operating leases as set out below:

	Land & buildings		Other		Total	
	2024	2023	2024	2023	2024	2023
Group	£000	£000	£000	£000	£000	£000
Operating lease payments falling due:						
Within one year	645	276	244	239	889	515
Between one and five years	2,219	1,015	428	-	2,647	1,015
After more than five years	1,536	16	-	-	1,536	16
	4,400	**1,307**	**672**	**239**	**5,072**	**1,546**

The amounts charged to the SOFA totalled £0.7m (2023: £0.8m) in respect of land and buildings and £0.4m (2023: £0.4m) in respect of other assets.

28. OPERATING LEASE COMMITMENTS (CONTINUED)

	Land & buildings		Other		Total	
	2024	2023	2024	2023	2024	2023
Charity	£000	£000	£000	£000	£000	£000
Operating lease payments falling due:						
Within one year	407	45	244	239	651	284
Between one and five years	1,552	114	428	-	1,980	114
After more than five years	1,536	16	-	-	1,536	16
	3,495	**175**	**672**	**239**	**4,167**	**414**

The amounts charged to the SOFA totalled £0.4m (2023: £0.4m) in respect of land & buildings and £0.4m (2023: £0.4m) in respect of other assets.

29. FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES

At the balance sheet date the group was committed to the following:

	2024	2023
	£000	£000
CAF Venturesome loans	1,507	1,860
CAF Venturesome grants	92	338
Charity	**1,599**	**2,198**
CAF Bank:		
Commitments to customers	68,369	62,156
Group	**69,968**	**64,354**

CAF Venturesome loans and grants to charities

At the balance sheet date CAF Venturesome was committed to provide concessionary loans and grants to charities, subject to certain conditions being met. No liability has been recorded in the balance sheet for these loans or grants. The commitments become due or expire within one year (if the charity no longer needs the funding).

CAF Bank commitments to customers

At the balance sheet date CAF Bank had commitments comprising amounts yet to be drawn under loan or overdraft agreements.

CAF contingent liabilities

A disagreement between CAF and another organisation in respect of a long-standing contract remains unresolved. While there have been some developments in the period, there is uncertainty as to the outcome and while an amount cannot be reasonably estimated, there may be a possible outflow of unrestricted funds at a time that cannot currently be determined. The degree of uncertainty at this time means that it is not practicable to estimate its financial effect.

30. CONTINGENT ASSETS

At the balance sheet date, the charity had been notified of a number of legacies for which probate had not yet been granted or other factors indicated that these legacies should not be recognised as income. The aggregate value of those legacies was £28.8m for the group and the Charity (2023: £7.9m for the group and £7.8m for the Charity).

31. PENSION OBLIGATIONS

During the year CAF participated in the following pensions.

a. Hargreaves Lansdown

The Hargreaves Lansdown scheme is a defined contribution self-invested group pension. New employees are enrolled into this scheme and from 1 May 2016 all current employees contributed to this scheme only.

From 1 April 2019, upon auto-enrolment the employee contribution rate is currently 2.67% of basic salary and CAF contributes 5.33%. After three months, employees are able to elect to increase their contribution rate to 5.67% of basic salary, with CAF contributing 11.33%.

b. The Charities Aid Foundation Pension Scheme

The Charities Aid Foundation Pension Scheme is a defined benefit scheme established on 15 September 2015 and is closed to new employees and further benefit accrual. The Charities Aid Foundation Pension Scheme was established solely to receive a transfer from the Growth Plan, a multi-employer section of The Pensions Trust in which CAF was a participating employer.

The most recent triennial valuation was performed by the scheme actuary as at 1 May 2022. The assets at the effective date were sufficient to cover around 103% of the scheme's technical provisions.

Given that the funding position remained favourable, in January 2023, the Trustees of CAF agreed with the scheme trustee that a buy-in with an insurer may be considered. After receiving a quote that was considered affordable, and following receipt of the necessary advice, the trustee entered into a buy-in policy with Just Retirement Limited on 27 June 2024. This policy covered all remaining uninsured liabilities of the Scheme. To facilitate this transaction, CAF have injected £0.8m.

Consequently, it is unlikely that the net defined benefit asset, as determined by the actuary as at 30 April 2024 in accordance with FRS 102, will be realised by CAF and the net defined benefit asset has not been recognised in the balance sheet.

For the purposes of these financial statements and reporting in accordance with FRS 102, the scheme actuary has carried out calculations by projecting forwards the results of the triennial valuation of the scheme as at 1 May 2022, and then making appropriate adjustments for material known experience and for differences in assumptions.

The results of the actuary's estimate of the scheme's assets and liabilities at 30 April 2024, based on assumptions used for FRS 102 are as follows:

31. PENSION OBLIGATIONS (CONTINUED)

i) Amounts recognised in the balance sheet:

	2024	2023
	£000	£000
Fair value of assets	12,851	13,724
Defined benefit obligation	(11,880)	(12,401)
Surplus	**971**	**1,323**
Effect of asset limit	(971)	(1,323)
Net asset	**-**	**-**

ii) Amounts included in the SOFA under FRS 102:

	2024	2023
	£000	£000
Scheme expenses	247	295
Interest income on assets	(640)	(528)
Interest cost on defined benefit obligation	583	465
Interest on effect of asset limit	57	-
Total expense recognised in the SOFA	**247**	**232**

iii) Movement in the net defined benefit asset/liability:

	2024	2023
	£000	£000
Net defined benefit asset as at 1 May	-	2,183
Pension cost in SOFA	(247)	(232)
Actuarial losses	(162)	(628)
Remeasurement of asset limit	409	(1,323)
Net defined benefit asset at 30 April	**-**	**-**

iv) Movement in present value of the defined benefit obligation:

	2024	2023
	£000	£000
Defined benefit obligation at 1 May	12,401	15,235
Interest on obligation	583	465
Actuarial (gains)/losses	(580)	(2,818)
Benefits paid	(524)	(481)
Defined benefit obligation at 30 April	**11,880**	**12,401**

v) Movement in fair value of scheme assets:

	2024	2023
	£000	£000
Fair value of the scheme assets at 1 May	13,724	17,418
Interest on scheme assets	640	528
Actuarial experience gains/(losses)	(742)	(3,446)
Scheme expenses	(247)	(295)
Benefits paid	(524)	(481)
Fair value of scheme assets at 30 April	**12,851**	**13,724**
Actual return on Scheme assets	(102)	(2,918)

vi) Change in asset limit

	2024	2023
	£000	£000
Opening effect of the asset limit	1,323	-
Interest on effect of the asset limit	57	-
Remeasurement of the asset limit	(409)	1,323
Asset not recognised at 30 April	**971**	**1,323**

vii) Major categories of the scheme assets as a percentage of total assets are as follows:

	2024	2023
	Allocation	Allocation
Equities	-	7%
Corporate bonds	37%	34%
Government bonds	49%	44%
Cash	1%	2%
Annuity policies	13%	13%
	100%	**100%**

The Scheme does not invest directly in property occupied by the employer or in financial securities issued by the employer.

31. PENSION OBLIGATIONS (CONTINUED)

viii) Principal assumptions at the balance sheet date

	2024	2023
Discount rate	5.1% pa	4.8% pa
Inflation measured by Retail Price Index (RPI)	3.3% pa	3.1% pa
Inflation measured by Consumer Price Index (CPI)	2.9% pa	2.7% pa
Pension increases in payment:		
CPI capped at 5% pa	2.8% pa	2.7% pa
CPI capped at 2.5% pa	1.9% pa	2.1% pa
Cash commutation	50% of members assumed to exchange 25% of their pension sum for a cash sum	50% of members assumed to exchange 25% of their pension sum for a cash sum
Base mortality table	90% of rates implied by S3PXA	90% of rates implied by S3PXA
Mortality projection basis	CMI (Core) 2023 projection with a long-term rate of improvement of 1.5% p.a. for males and 1.0% p.a. for females	CMI (Core) 2021 projection with a long-term rate of improvement of 1.5% p.a. for males and 1.0% p.a. for females
Retirement age	Members assumed to take all benefits at their Normal Retirement Age under Scheme Rules	Members assumed to take all benefits at their Normal Retirement Age under Scheme Rules
Proportion marries	100% of members who have chosen spouses' benefits are married at retirement or earlier death	100% of members who have chosen spouses' benefits are married at retirement or earlier death
Life expectancy of a male currently aged 65	87.3 yrs	88.0 yrs
Life expectancy of a male currently aged 45	88.9 yrs	89.6 yrs
Life expectancy of a female currently aged 65	89.5 yrs	89.9 yrs
Life expectancy of a female currently aged 45	90.6 yrs	91.1 yrs

ix) Sensitivity analysis

	Change to defined benefit obligation as at 30 April 2024
	£000
Decrease discount rate by 0.1%	103
Increase assumed rate of future RPI and CPI inflation by 0.1%	41
Increase assumed life expectancies by one year	219
Initial addition (A factor) in mortality projections of 0.5%	113
Decrease assumed proportion married by 10%	(16)

32. TRANSACTIONS WITH RELATED PARTIES

Other than the matters detailed below, none of the Trustees nor any connected persons had a material or beneficial interest in any contract or undertaking with CAF, other than in the ordinary course of business, nor in the shares of its subsidiary companies.

Donations payable to third-party charities passing through group entities from restricted funds are initiated by donor suggestion. They are, therefore, excluded from disclosure within this note.

During the year, a grant was received by CAF from CAF American Donor Fund from its unrestricted general funds of £2.5m (2023: £0.8m).

In addition to the recharge of direct staff costs processed through the CAF payroll, CAF invoiced the following amounts to its subsidiaries in respect of staff whose duties are partially attributable to these subsidiaries as well as management charges relating to the occupancy of premises and use of systems equipment.

CAF American Donor Fund	£1,048k (2023: £956k)
CAF Bank Limited	£5,244k (2023: £4,014k)
CAF Financial Solutions Limited	£509k (2023: £440k)

CAF America recharged costs incurred, on behalf of the group, to CAF of £130k (2023: £117k).

CAF advanced £15.0m of subordinated debt to CAF Bank Limited in August 2023 at an interest rate of SONIA plus 4%, with £10.0m repaid on 30 April 2024. Interest of £966k (2023: £nil) was accrued and received.

Amounts due to CAF from its subsidiaries at the balance sheet date were:

CAF American Donor Fund	£130k (2023: £114k)
CAF Bank Limited - recharges	£1,354k (2023: £982k)
CAF Bank Limited – subordinated debt	£5,000k (2023: £nil)
CAF Financial Solutions Limited	£521k (2023: £28k)

Amounts due from CAF to its subsidiaries at the balance sheet date were:

CAF America	£130k (2023: £nil)

33. EX-GRATIA PAYMENTS AND WAIVERS

During the year CAF had two ex-gratia waivers authorised by the Charity Commission for England & Wales. Both were in respect of a waived entitlement to income from a legacy due to CAF and totalled £14,089 (2023: £nil).

34. POST BALANCE SHEET EVENTS

There have been no events since the balance sheet date that are required to be adjusted for, or to be disclosed other than those disclosed in notes 15 and 31.

35. CAF BANK FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

CAF Bank is a wholly owned subsidiary of CAF and is authorised by the PRA and regulated by the FCA and the PRA.

The group's risk management framework and principal risks, including those applicable to CAF Bank, are set out in the Risk Management Report within the Trustees' Report. CAF Bank's exposure to its principal risks, which are those associated with holding financial instruments, is further described below:

35.1 Credit risk

The following tables set out CAF Bank's principal financial instruments from which credit risk arises.

Treasury assets by class:	2024 Book Value £000	2024 Market Value £000	2023 Book Value £000	2023 Market Value £000
Listed:				
Multilateral financial institutions	511,053	489,173	670,370	638,973
Fixed coupon corporate bonds	49,368	47,900	23,498	21,129
Floating rate corporate bonds	76,955	76,853	48,232	48,477
	637,376	613,926	742,100	708,579
Unlisted:				
Certificates of deposit	-	-	10,000	10,082
Debt securities	637,376	613,926	752,100	718,661
Balances at Bank of England	630,526	630,526	620,476	620,476
Loans and advances to banks	23,998	23,998	6,116	6,116
	1,291,900	**1,268,450**	**1,378,692**	**1,345,253**

Treasury assets by credit rating:

Category (Fitch equivalent credit rating)	2024 Book Value £000	2024 % of Book	2023 Book Value £000	2023 % of Book
Balances at Bank of England	630,526	48.81%	620,476	45.00%
AAA	617,350	47.78%	732,614	53.13%
AA+	-	0.00%	9,486	0.69%
AA	20,025	1.55%	-	0.00%
AA-	21,725	1.68%	3,979	0.29%
A+	2,274	0.18%	2,137	0.16%
A	-	0.00%	10,000	0.73%
	1,291,900	**100.00%**	**1,378,692**	**100.00%**

Treasury assets by exposure value:

	2024	2023
UK Government & multilateral financial institutions	90%	94%
Financial & non-financial institutions up to £12m	6%	5%
Financial & non-financial institutions £12m - £21m	4%	1%
	100%	**100%**

Lending

CAF Bank's policies include maximum exposure values, and limits to manage concentration risk by sector. Exposure to geographical area is monitored. At 30 April 2024, the largest loan was £8.5m (2023: £8.7m). The maximum aggregate exposures to any one sector (social housing) and geographical area were 62% and 32% respectively (2023: 58% and 35% respectively).

Loans, overdrafts and BACS facilities are subject to regular monitoring of loan performance and individual annual review. Administration of the loan book is outsourced to BCM Mortgage Services Ltd, which provides regular management information on a loan by loan and aggregated basis. A provision of £1.8m has been made at 30 April 2024 reflecting losses that may have been incurred but not yet identified (2023: £1.1m) and £0.6m has been provided for specific loan provisions (2023: £0.6m). No overdrafts were written off during the year (2023: none).

One loan was in arrears at 30 April 2024 (2023: one).

Secured and unsecured lending

	2024 £000	2023 £000
Gross loans and advances to customers	201,979	181,108
Contingent liabilities and commitments	52,831	48,888
	254,810	**229,996**
Amounts included within the above:		
Secured on property	254,810	229,996
	254,810	**229,996**

As at 30 April 2024, the average loan to value ratio across the lending portfolio was 53% (2023: 53%).

35.2 Liquidity and funding risk

CAF Bank holds liquidity buffer eligible assets of £1.18bn (2023: £1.30bn), excluding assets pledged as security under repurchase agreements. Liquidity buffer assets comprise amounts held in the Bank of England Reserve Account and investments in Multilateral Development Banks, UK Gilts and Treasury Bills.

35. CAF BANK FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

35.3 Market and interest rate risk

The following tables set out details of the maturity and duration of financial instruments held by CAF Bank.

Non-maturity (on-demand) deposits are behaviourally adjusted as follows:

Current accounts	
£0 - £249,999	2 - 3 years
£250,000 - £999,999	1 - 2 years
Over £1m	6 - 12 months

Assets and liabilities analysed by interest rate pricing time periods:

At 30 April 2024	Next day	Up to 3 months	3 months to 6 months	6 months to 1 year	1 year to 5 years	Over 5 years	Other items	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Assets								
Balances at Bank of England	630,526	-	-	-	-	-	-	630,526
Loans and advances to banks	23,997	-	-	-	-	-	-	23,997
Loans and advances to customers	162,926	-	410	80	32,702	1,584	-	197,702
Debt securities	-	148,884	-	76,555	402,525	8,581	831	637,376
Prepayments and accrued income	-	-	-	-	-	-	10,566	10,566
Intangible fixed assets	-	-	-	-	-	-	10,758	10,758
	817,449	**148,884**	**410**	**76,635**	**435,227**	**10,165**	**22,155**	**1,510,925**
Liabilities								
Customer accounts	731,832	-	-	109,788	577,803	-	10	1,419,433
Repurchase agreements	13,852	-	-	-	-	-	-	13,852
Other liabilities	-	-	5,000	-	-	-	7,542	12,542
Shareholders' funds	-	-	-	-	-	-	65,098	65,098
	745,684	**-**	**5,000**	**109,788**	**577,803**	**-**	**72,650**	**1,510,925**
Interest rate sensitivity gap	**71,765**	**148,884**	**(4,590)**	**(33,153)**	**(142,576)**	**10,165**	**(50,495)**	**-**
Impact of 2% change in interest rates	**-**	**538**	**(33)**	**(465)**	**(706)**	**976**	**-**	**310**

At 30 April 2023	Next day	Up to 3 months	3 months to	6 months to 1 year	1 year to 5 years	Over 5 years	Other items	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Assets								
Balances at Bank of England	616,894	3,582	-	-	-	-	-	620,476
Loans and advances to banks	6,116	-	-	-	-	-	-	6,116
Loans and advances to customers	146,145	-	-	1,894	28,075	1,620	-	177,734
Debt securities	-	262,043	25,042	144,864	290,564	28,907	680	752,100
Prepayments and accrued income	-	-	-	-	-	-	8,775	8,775
Intangible fixed assets	-	-	-	-	-	-	6,333	6,333
	769,155	**265,625**	**25,042**	**146,758**	**318,639**	**30,527**	**15,788**	**1,571,534**
Liabilities								
Customer accounts	756,945	-	-	135,992	612,480	-	8	1,505,425
Repurchase agreements	8,852	-	-	-	-	-	-	8,852
Other liabilities	-	-	-	-	-	-	5,784	5,784
Shareholders' funds	-	-	-	-	-	-	51,473	51,473
	765,797	**-**	**-**	**135,992**	**612,480**	**-**	**57,265**	**1,571,534**
Interest rate sensitivity gap	**3,358**	**265,625**	**25,042**	**10,766**	**(293,841)**	**30,527**	**(41,477)**	**-**
Impact of 2% change in interest rates	**-**	**(649)**	**(174)**	**(147)**	**6,416**	**(2,650)**	**-**	**2,796**

35.4 Capital management

CAF Bank aims at all times to maintain an adequate level of capital to support the development of its business and to meet regulatory capital requirements.

Business and capital plans are drawn up annually covering a three year period and approved by CAF Bank's Board. The plans ensure that adequate levels of capital are maintained by CAF Bank to support its strategy. This is integrated with CAF Bank's annual planning process.

The capital plan takes the following into account:

- Current and anticipated future regulatory capital requirements;
- Increases in demand for capital due to business development, including planned lending growth;
- Potential demand for capital from market shocks or stresses;
- Available supply of capital and capital raising options;
- Achieving a minimum required leverage ratio; and
- Internal controls and governance for managing CAF Bank's risk, operations and capital.

CAF Bank undertakes a detailed capital adequacy assessment to support its capital requirements. Each material risk is assessed, relevant mitigants considered, and appropriate levels of capital determined. The capital adequacy assessment is a key part of CAF Bank's risk and planning framework and a minimum capital requirement is assessed and agreed with the PRA. CAF Bank's internal capital adequacy assessment is regularly updated.

CAF Bank's capital resources comprise:

	2024	2023
	£000	£000
Ordinary share capital	40,319	40,319
Profit and loss account	24,779	11,154
	65,098	**51,473**

Board of trustees

SIR JAMES LEIGH-PEMBERTON, CVO
Chair

RT HON SIR ERNEST RYDER, TD, PC, DL

MICHAEL ASHLEY

CYRUS ARDALAN

JANET POPE

DR PRIYA SINGH, CHAIR NCVO

MEREDITH NILES

SABINE EVERAET

OWEN PRINGLE

ROBERT VOGTLE

DAVID SHALDERS

ROBERT DENCH
appointed 18 April 2024

ROGER PERKIN
retired 1 August 2023

Executive committee at the date of signing

NEIL HESLOP, OBE
Chief Executive

LIZ RYLATT FCA
Group Chief Financial Officer

NORA SAKAAN
Chief Marketing Officer

MARK GREER
Managing Director of Giving and Impact

ALISON TAYLOR
CEO, CAF Bank and CAF Financial Solutions Limited

JESSIE KRAFFT
Interim CEO, CAF America and CAF Canada

DAVID JESSOP
Chief People Officer

Independent auditors

PricewaterhouseCoopers LLP,
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London
SE1 2RT

Principal bankers

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London
WC1V 7PA

Charities Aid Foundation
25 Kings Hill Avenue
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West Malling
Kent ME19 4TA

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E enquiries@cafonline.org
W www.cafonline.org

Registered charity number 268369

Registered charity number
268369



Charities Aid Foundation

Visit www.cafonline.org
to find out more

THE CHARITIES AID FOUNDATION

England & Wales - Charity number 268369

Accounts

ANNUAL REPORT 2022/23



Image: stock image

Giving more in tough times

Trustees' report and financial statements for the year ended 30 April 2023

CAF
Charities Aid Foundation



Image: Tapestry Care

About CAF

The Charities Aid Foundation exists to accelerate progress in society towards a fair and sustainable future for all. We are a leading charity operating in the UK and internationally. Our giving and impact services help people and businesses support the causes they care about.

For charities, we provide tailored advice, fundraising tools and financial services, freeing them up to concentrate on the real work of making a difference. We also understand and influence the wider environment for charities and donors across the UK and beyond via our research, policy and campaigns work.

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Our year at a glance 2022/23

Paid in

£1.5bn
CAF Bank deposits

Donated out

£1bn+
Distributed to charities around the world

£199m
Given from major donors

£106m
Given from regular givers

£75m
Given from corporate clients

£490m
Donations from CAF America

£47m
Donations from CAF Donate

£17m
Donations to the Disasters Emergency Committee (DEC) from CAF donors

£14m
Donations into CAF Canada

£538m
Donations into CAF America

£103m
Given from dual US/UK taxpayers

Key statistics

£40m
Funding for charities as part of CAF Resilience Fund over the past 3 years

119
Countries with charities supported by CAF

55,000+
Individual donors

3,100+
Number of private clients

14,000+
Number of CAF Bank charity customers

Chair's report

Next year, the Charities Aid Foundation (CAF) will celebrate its centenary. This serves as a timely reminder of how much the organisation has achieved over the years, but also of what we have still to do, and how we must re-double our efforts to build on our successes to continue increasing our contribution to social progress.



We are pursuing our purpose to accelerate social progress in a highly uncertain and rapidly changing political, economic and technological environment. The charity sector has emerged from the great hardships of the Covid-19 pandemic only to be met by rising inflation and energy prices, and a related cost-of-living crisis. In response, our inspiring donors, both individuals and businesses of all sizes, our sector partners and every one of our colleagues at CAF, have stepped up and positively addressed these continuing challenges.

As the conflict in Ukraine enters its second year, we are humbled by the great generosity of our donors who have been unswerving in their support of the communities and people affected. In the UK, nearly £10 million was donated through CAF to the Disasters Emergency Committee's (DEC) record-breaking Ukraine appeal in 2022/23. And CAF America's donors have given almost $50 million in donor-advised and restricted grants to date. Hundreds of thousands will have benefited.

In February, southern Turkey and north-west Syria suffered devastating earthquakes and aftershocks. We, alongside our partners in humanitarian organisations, have been working on behalf of our clients to fund vital relief and reconstruction. Donations have supported medical care, built emergency shelters and provided clean water to many displaced families.

These are only two examples of the extraordinary and moving show of support for charities of every size that our donors have exhibited over the course of the past year. They have demonstrated immense compassion and sustained generosity, enabling us to distribute a new record of more than £1 billion to important causes over these past 12 months. It is a privilege for all of us at CAF to play our part in supporting every one of our donors as they contribute to the building of civil society.

HELPING TO BUILD RESILIENCE

Launched in November 2020, the £40 million CAF Resilience Fund was part of a £110 million programme that supported charities and communities that were hardest hit by the Covid-19 pandemic.

It stands as a testament to how government, private sector and third sector can come together in a crisis.

In phase one, we distributed £20 million to help more than 600 charities survive. Phase two saw grants help 102 organisations to adapt, to thrive and to build resilience. I am proud of the support we have given at a time when charities desperately needed it, and when they themselves are likewise needed by so many.

The pandemic may now be largely behind us, but we remain acutely aware that today's changing landscape presents significant challenges for the charities we support. Demand for charities' services has increased, while their costs continue to rise and donors have had to make tough decisions about their own squeezed resources. We have highlighted this with the launch of our new CAF Charity Resilience Index, which reveals all too clearly how these organisations are being stretched, and how limited their options are in response.

As part of our package of support, we developed our new online Cost-of-living hub, which has helped nearly 25,000 users to access tools, guidance and resources on topics such as financial planning, managing costs and governance.

ADDRESSING LONG-TERM CHALLENGES

The Charity Resilience Index, along with our annual UK Giving Report and World Giving Index, offer rich insights and set out the long-term strategic challenges for charities presented by current economic conditions.

This research has been invaluable in our engagement with government to highlight the pressing policy issues facing the sector. Indeed, our influencing work has had a significant impact this past year.



Key activities during the year



Facilitating emergency relief



Supporting charities to build their resilience



Launched our Cost-of-living hub

Chair's report

We joined other sector organisations in successful pre-Budget advocacy that persuaded the Chancellor to acknowledge the tough position charities were in and to allocate £100 million of financial support in response to the cost-of-living crisis.

We also welcomed HMRC's announcement of a review of Gift Aid processes, something that we and sector colleagues have long called for. This will focus effort on accelerating digitisation and other reforms to processes to reduce the £500 million of relief that currently goes unclaimed each year.

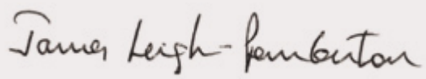
LISTENING TO OUR CHARITIES AND DONORS

This year, for the first time, we were officially recognised as the largest charity in the UK by income.

This milestone marks an important point in our history, and it underscores the obligation for every one of us at CAF to provide our charities and donors with services of the highest quality, delivered as efficiently as possible. Essential to the achievement of this objective are the major investments we have made to modernise our organisation and its operations, and to develop further the inclusive and collaborative culture that will enable us to fulfil the ambitions of our charities, donors and colleagues. We are making good progress, and all our group's entities ended 2022/23 in a position of greater financial and operating strength. Investing in our team and our operating platforms will continue to remain a priority for us in the coming year.

Greater digitisation will allow us to simplify our product range, and at the same time harness data-driven insights more effectively and provide our clients with an even stronger set of services, in pursuit of our vision of a global platform for giving.

The charities we serve need us more than ever, and our donors have been unstinting in their support. The team at CAF have once again shown their unwavering dedication and commitment to the organisation and to those whom we serve; they have listened to what our clients have told us, have acted and, together, we have made a difference. This would not have been possible without the extraordinary efforts of everyone at CAF over the past year, and I would like to offer my thanks to all my colleagues, both fellow Trustees and staff, for their contributions to making this year CAF's most impactful yet.



Sir James Leigh-Pemberton, CVO
Chair of Trustees



Image: Golden Opportunity Skills and Development (GOSAD)

Key activities during the year

Largest UK charity by income

Launched the CAF Resilience Index

Influenced government to increase funding to charities

Chief Executive's introduction

The remarkable resilience of our charity partners and unwavering generosity of our donors inspires in us hope and optimism for the future. Despite a challenging backdrop of entrenched financial pressure for the whole third sector, what was achieved in the past year is uplifting.



I am pleased to report that CAF has done more than ever before to accelerate progress in society towards a fair and sustainable future for all. Thanks to the compassion and generosity of our donors, we distributed a record £1 billion to charities.

It has been a difficult year for many of the organisations we exist to serve. Here in the UK, charities are stretched by the cost-of-living crisis, adjusting to stubbornly higher inflation, while more people and communities are in need of their services. Overseas, they have had to meet the significant humanitarian demands of the Ukraine conflict, devastating earthquakes in Turkey and Syria, and the Pakistan floods.

We are incredibly grateful that many of the businesses and individuals who work with us have recognised the circumstances many face, and increased their giving in response to these difficult times. It is clear from this report that our organisation plays a vital role in bringing donors together with charities and I remain convinced we have significant potential to further grow our philanthropic impact in the years to come.

CAUSES THAT MATTER

Throughout the year, we enabled progressive, ambitious companies to make a real difference by connecting businesses with the causes that matter to them. Our flagship Give As You Earn service celebrated 35 years in 2022, and helped more than 100,000 employees make direct, tax effective donations to their chosen charities.

A further 55,000 individual donors turned to us for expert advice and specialist services to realise the greatest impact from their giving. We enabled them to both safely distribute cash gifts in the UK and across the world, and to plan their long-term philanthropy strategy.

Venturesome, our pioneering social investment arm, celebrated 20 years since launching in 2002 as one of the first social investment funds in the UK. The capital provided by our generous donors means that one pot of money benefits many different causes. Over its two decades, Venturesome has helped over 500 organisations to innovate and grow, and I am looking forward to the next phase of development as it works with investors and donors to do even more.

SUPPORTING CHARITIES

Most of our work with the CAF Resilience Fund came to an end this year. This innovative grantmaking fund provided critical support to individuals and communities hardest hit by the Covid-19 pandemic. It is a model for what exceptional grantmaking can achieve and we are using learnings from this creative programme in our future grant design. Its principles of agility and simplicity were incorporated into our new Keystone Fund, which contributes to the core costs of small charities through unrestricted grants, strengthening their capacity and building their resilience for the future.

Our award-winning CAF Bank continues to provide financial and advisory services that enable over 14,000 charitable organisations to achieve more for those they support. With customers facing income challenges, rising operating costs and soaring demand, we supported them by reducing our monthly account fee, increasing rates on our deposit accounts and offering dedicated support for borrowers. The growth we have seen in new CAF Bank accounts confirms that those in the not-for-profit sector continue to see us as their trusted banking partner.

Key highlights during the year

£1bn+
Distributed to charities

100,000
Employees making direct donations through GAYE

55,000+
Individual donors gave through CAF

Chief Executive's introduction

Our Environmental, Social and Governance (ESG) Investment funds with abrdn are now an established part of our financial services offering and are tailormade for charities to achieve sustainable returns. In a further commitment to sustainability, we are working to bring to market our first CAF Bank green loan for charities, to enable them to fund projects that pursue a compelling response to the climate emergency.

INTERNATIONAL REACH

This year demonstrated, more than ever before, the importance of CAF's international work. By connecting donors in the UK, US and Canada with charities around the world, hundreds of millions of pounds and dollars crossed borders and safely reached those who urgently need help.

The inspiring international network of independent charities we lead across eight other countries gives us vital global insight and unique reach that ensures we can offer donors a range of ways to donate around the world.

Through CAF America, our expertise helps donors in the US and Canada to make strategic gifts while reducing the risk and administrative burden associated with cross-border giving. Since the beginning of the invasion of Ukraine last year, nearly $50 million has been made in grants from CAF America to support those affected by the war.

For clients with connections in the US and UK, the dedicated expertise we offer through our American Donor Fund meant that we distributed a record £86.2 million to a wide range of causes around the world.

SHAPING PUBLIC POLICY

With an election in prospect, the coming year is going to be important for all of us. Our aim is to use our unique position at the meeting place of donors and charities to amplify the voice of the non-profit sector and help shape policy in the UK and internationally.

I am proud that along with our partners in the sector, our research played an important role in persuading the Government to allocate £100 million of financial support for charities responding to the cost-of-living crisis.

FIT FOR THE FUTURE

Next year, we will celebrate the significant milestone of our centenary, providing an opportunity to bring together our staff, donors, charity partners and friends to reflect on CAF's history of innovation and look forward with a sense of focused optimism to the years ahead. I am privileged to lead an organisation of exceptionally committed people and I am delighted that we have been awarded Gold accreditation by Investors in People. This is a great achievement for our team and independently affirms our drive to make CAF a great place to work.

In the year ahead we are determined to continuously improve the service experience for our individual and business clients and to adapt to the changing needs of the charities we exist to serve. We are making progress with the digitisation of our services and operations so we can better connect donors with the causes and people they want to support. We continue to enhance our own ESG Investment funds performance, including by setting a path to net zero.

Everything we have accomplished for charities and donors this year is made possible by the expertise and dedication of our nearly 700 employees and the guidance and oversight of our highly experienced Trustees. I am hugely grateful to them all. United by a shared commitment and values, they all play their part to fulfil our purpose and to drive progress towards a fair and sustainable future for all.



Neil Heslop, OBE
Chief Executive



Image: CAF Network conference

Our role and what we do



Image: Merseyside Society for Deaf People

We exist to accelerate progress in society towards a fair and sustainable future for all and use our unique position to connect organisations and individuals that share our goals.

SERVING THE CHARITY SECTOR

Helping charities and social enterprises thrive is at the heart of what we do. As a charity, we understand the challenges – and the value – in being a non-profit organisation. With our advisory services, funding and finance solutions, we help other charities carry out life-changing work and strengthen their long-term resilience.

What we do goes beyond financial support. Through our public affairs and policy work, we speak up for the charitable sector and donors with government, policymakers and regulators. Our research into charity resilience, finance and changes in donor behaviour demonstrates the pressures charitable organisations are facing and points to the support they need.

MAKING GIVING EASIER

The charities we work with need their donors' generosity more than ever. Whether it is a one-off donation, setting up long-term giving, or embarking on a philanthropic journey, we link generous people with causes they want to help.

We are as ambitious about philanthropy as our donors. At CAF, we are aiming to be a centre of excellence in grantmaking, and a leader in social and impact investing, bringing exciting and innovative opportunities to our clients.

INTERNATIONAL REACH

From our offices in the UK, America and Canada, we enable hundreds of millions of pounds each year to move across sectors and borders to arrive safely with thousands of charities and make a greater impact.

We convene an international network of like-minded charitable organisations. Each partner is an expert in their region and together we inspire innovation, share best practice and improve cross-border giving.

We aim to achieve a global impact, providing donors and charities with a range of ways to give internationally, while ensuring the highest standards of regulatory compliance.

SHARED VALUES

CAF Bank is a specialist provider for the charity sector. Everything it does is geared towards helping these organisations support the people who need them. This includes helping borrowers to find affordable solutions, with any surplus we make reinvested.

Our emphasis on sustainability continues to grow and charitable and private clients can now access a range of ESG-focused investment funds. This is a vital step towards creating a fair and sustainable future for all.

Enabling philanthropy



Image: Alternatives Activity Centre

We want to provide the inspiration and connections, and the digital and financial infrastructure, to unlock resources that power social progress globally.

In 2022/23, despite international economic uncertainty and the rising cost of living, the generosity of the donors we work with enabled us to support charities in 119 countries. Donations from our global private and corporate clients surpassed £1 billion.

These funds have enabled CAF to help our clients make an even bigger difference where and when it matters most.

We have continued to simplify our product range, using data-driven insights to remove duplication and make sure we provide the best solutions for our donors. Alongside this, we are laying the foundations for a technology transformation, reviewing everything from our client platforms and portals to our internal systems, so our donors have a better digital experience, and we can grow our impact together. Work is under way to streamline our product proposition to better suit the requirements of our customers.

CORPORATE AND EMPLOYEE DONORS

We work with ambitious businesses, for example through our grantmaking service, to manage their corporate giving. This includes handling the risk, reputation, exposure and administrative requirements needed to ensure and secure impactful charitable donations. In 2022/23, we supported 55% of FTSE 100 companies.

Our corporate foundation offering provides a structure through which companies can positively address pressing social and environmental issues in a way that creates maximum value for society and their organisation.

Our strategic expertise, established governance and giving infrastructure means we can flexibly support corporate programmes and drive measurable positive impact in communities across the UK and internationally.

As the largest payroll giving agency in the UK, we make it possible for employees to donate to causes straight from their salary, before income tax is deducted. This year, we enabled over 100,000 Give as You Earn (GAYE) donors to help ensure charitable organisations have a regular income stream so they can plan for the future.

More than £1.6 billion has been donated to charitable causes through our payroll giving service, in the 35 years since the scheme launched in 1987. GAYE has supported over 40,000 UK charities, for more than 2,000 businesses and their employees.

For our corporate clients, we also provide insight on topics such as purpose, sustainability and corporate and social responsibility. This is shared through blogs, reports and events, with one of the latest thought-provoking workshops focusing on radical collaboration.

We want to provide the inspiration and connections, and the digital and financial infrastructure, to unlock resources that power social progress globally.

55,000+
Individual donors

100,000+
Give As You Earn direct donors

£1bn+
Donated to charitable causes

£103m
Donations from dual US/UK taxpayers

£82m
Donations from corporate clients

£199m
Donations and legacies from private clients


Image: ©TomDingley
CAF's Social Business Impact Programme launch

£106m
Donations into Charity Accounts

3,100+

Private clients

2,300+

Corporate donors

INDIVIDUAL AND PRIVATE CLIENTS

We assist our individual donors with expert advice on their giving plans, whether that is a one-off donation or long-term support, across the UK and internationally.

Through donor-advised funds and donor-advised gifts, people can give cash, shares or other assets to us. We add Gift Aid, and distribute them, or invest the funds until donors ask us to send their donations to charitable causes around the world.

Our legacy service enables people to leave a gift in their will, to benefit as many charities as they like in the future.

ADVISORY SERVICES

We have more than nine decades' experience connecting donors with charities around the world. We are one of the few providers of donor-advised funds to offer an in-house advisory service to our Charitable Trust clients.

Through our strategic, evidence-based approach to giving, we work with clients to bring their ambitions to life and ensure they are confident in their donations.



Image: Humraaz

Celebrating the CAF American Donor Fund

This year, we organised a celebration for the CAF American Donor Fund. The event marked more than 20 years of support for dual UK and US taxpayers, with more than £1 billion for charitable organisations raised through this specialised vehicle.

The CAF American Donor Fund helps clients with a foothold in both countries to maximise the value of their donations to charitable organisations around the world, and claim eligible UK and US tax relief on their giving.

In 2022/23, donations increased to £103 million, rising from £94.8 million in 2021/22. The amount distributed to charities in grants was our highest ever, with £86.2 million sent to causes around the world, increasing from £67.8 million in 2021/22.

ACCELERATING OUR IMPACT

Our new Impact Accelerator brings together our grantmaking, social investment and advisory expertise under a single umbrella.

This year, we established this new business unit to enable us to provide a more bespoke service to our clients who want to elevate their impact, so they can make an even greater difference to the charities they support.

While it is still early days, we are laying the groundwork for exciting developments next year.

EMERGENCY AID FOR EARTHQUAKE SURVIVORS

The earthquakes – and aftershocks – that hit southern Turkey and north-west Syria in February were devastating. In response, CAF has been working on behalf of our clients, and with humanitarian organisations, to support vital relief efforts.

Much-needed donations have helped to fund medical care, emergency shelter, clean water and winter kits for displaced families, many of whom were already affected by years of conflict in Syria.

Through CAF, donors can give to large international organisations, and other UK-based charities that have a presence on the ground, including members of the DEC. In the UK, we are a proud partner of the DEC, which brings together 15 leading aid charities to raise funds quickly and efficiently in times of crisis overseas. Employees and companies have also been donating through CAF's Give As You Earn scheme. Our clients donated more than £16.6 million to DEC appeals this year.

CAF America's generous donors have granted $1.1 million to organisations helping people affected by the earthquakes in Turkey and Syria. This includes over $750,000 given to organisations based in Turkey or Syria, providing support to their local communities.

The impact of catastrophic events on communities and individuals are long term. A one-off donation can help alleviate immediate suffering, but we know that sustained support assists recovery. We work with our clients to help them incorporate ongoing humanitarian relief into their philanthropic strategies.



Image: Stock photo

"CAF's consultancy has led us to this partnership, something I directly attribute to those conversations and CAF challenging us to think about where we want to have the biggest impact and how to find our unique role. It was a really insightful process. I had no idea about the attainment gap in education before the research and I still look back on the work CAF delivered and use it to this day." **Tracey Fuller, UK Head of Community Engagement and Impact, BNP Paribas UK**

BNP Paribas UK: Teaching net zero to the next generation

BNP Paribas UK has worked with local communities for years but wanted to make a more targeted impact. So, it designed the Leaders for a Changing World programme to educate 14,000 young people from disadvantaged backgrounds on sustainability and prepare them for jobs in a net zero future.

When the scheme ends in 2025, young people will have been supported by 110 teachers specially recruited, trained and placed in partner schools in less advantaged communities. BNP Paribas UK staff are also involved with coaching and mentoring teachers.

To increase reach, the resources will be freely available to all teachers in the UK.

CAF paved the way for the programme after supporting BNP Paribas to develop a new corporate giving strategy. Through workshops and research, we helped prioritise education to encourage social mobility, and the work led to the bank partnering with charity Teach First and B Corp environmental consultancy Gemserv to deliver the initiative.

UK

TSG: Putting purpose above profit while tackling the digital divide

2%

TSG has committed 2% of annual profits to charitable organisations. It plans to double its profit and then double it again over the next five years.

Nationwide IT services and consultancy firm Technology Services Group (TSG) has a mission to help improve the digital capabilities of those in need in the UK. At the centre of its ambition is the desire to engage its people in a new strategic approach to corporate giving.

Seeking a clear direction, TSG turned to CAF. Our Impact Advisory team took into account TSG's ambition and budget, and suggested a CAF Company Account to ring-fence and distribute its charitable funds. This meant the company could set up its own corporate foundation rather than registering a separate entity through the Charity Commission, reducing costs, governance and administrative pressures.

"We had not thought through the implications of setting up our own charity, so using CAF as a conduit, that safe passage, was really quite appealing," says David Stonehouse, TSG's Executive Chairman.

Still in the early stages, the fund is now open to employee nominations. In time, TSG aims to open it up externally to reach a wider pool of organisations tackling the UK's digital divide.

UK



Image: GOSAD

"Our customers and prospects are increasingly asking us what we are giving back to society. Thanks to our journey with CAF, we can now make that messaging succinct." **David Stonehouse, TSG's Executive Chairman**

Kent Wildlife Trust: Delivering lasting impacts for nature

After the passing of his late wife, one of our clients became involved with local wildlife charities. Having always loved nature, his wife had become increasingly concerned about the growing adverse impact of humanity and was an active volunteer for Kent Wildlife Trust.

Building on her relationship, our client used a CAF Charity Account to support Kent Wildlife Trust in her memory. He is now seeing the exciting direct and growing impact of his donations, as nature returns and wilding gradually takes over, increasing biodiversity and hopefully reducing the impact of climate change. He said: "I believe that our support, with assistance from CAF, will create the lasting positive impacts my wife wanted for nature."

The charity's mission is to create a wilder Kent, and benefit nature and people, by running ground-breaking projects to help adapt to the changing environment. Its programmes include the introduction of bison at Blean woods.

What bison can do at scale and speed is far more efficient and productive for nature than any human intervention. They thin out the woodland to let light in and encourage new growth, and make species more resilient by spreading mobile species such as pollinators into neighbouring sites, reducing pollution and benefiting the people in nearby Canterbury even before they get out into the woodland.

Kent, UK

"This particular donation was unrestricted, which is the holy grail of funding. It is the most difficult to get but is incredibly important because it allows the Trust to make the decision about where best it can use the money to make the most impact, and it allows us to react quickly as well."

Jane Ayres, Head of Grants & Partnership Development at Kent Wildlife Trust

Image: © Donovan Wright for Kent Wildlife Trust



Image: The Mark Foundation

$200m

Awarded grants in research from The Mark Foundation

US

The Mark Foundation: Accelerating cures for cancer

Through our American Donor Fund, we have been working with The Mark Foundation for Cancer Research for more than five years helping to grant tens of millions of US dollars annually to accelerate prevention, diagnosis and treatment of cancer. The Foundation supports ground-breaking science by funding individual scientists and multi-disciplinary teams, as well as venture investment in early-stage companies.

Since 2017, The Mark Foundation has awarded more than $200 million in grants to enable innovative basic, translational, and clinical cancer research, including drug discovery.

International reach



Image: ©Islamic Relief

World Giving Index 2022

CAF has been producing the World Giving Index for more than a decade. Last year, we launched the research at an event at the UN General Assembly in New York on funding for the UN's Sustainable Development Goals, joined by representatives from the UN Development Programme and International Rescue Committee. The annual study gives an insight into the scope and nature of giving around the world, looking at three aspects of donor behaviour: helping a stranger in need, donating to charity and volunteering.

30+

Years of operating internationally

CAF has been operating internationally for three decades, but for almost a century we have acted as a meeting point for companies, private philanthropists, fellow foundations, governments, charities and not-for-profit enterprises. Thanks to our independence, expertise and international reach we enable hundreds of millions of pounds to move across sectors and borders each year.

In 2022/23, we delivered more than £1 billion of donations across borders from our offices in the UK, the US and Canada. This enabled us to assure vital income for civil society organisations.

Cross-border giving is the term used for any donation that is given directly from a funder to a civil society organisation in another country. It is not new, but it has become an increasingly popular way to donate during times of international crisis. Growing borderless giving through direct donations is a key strategic focus for CAF.

Delivering funds to local organisations can help build stronger communities and improve the long-term humanitarian response. However, giving directly to a charity that operates in a high-risk country that has recently been destabilised by a natural disaster or war can prove difficult.

CAF's combination of advice, due diligence and experience means our donors can move money anywhere in the world, knowing that it is being distributed safely and effectively. Our verification service ensures funds go to genuine causes and remain compliant with UK, US and Canadian rules on foreign donations.

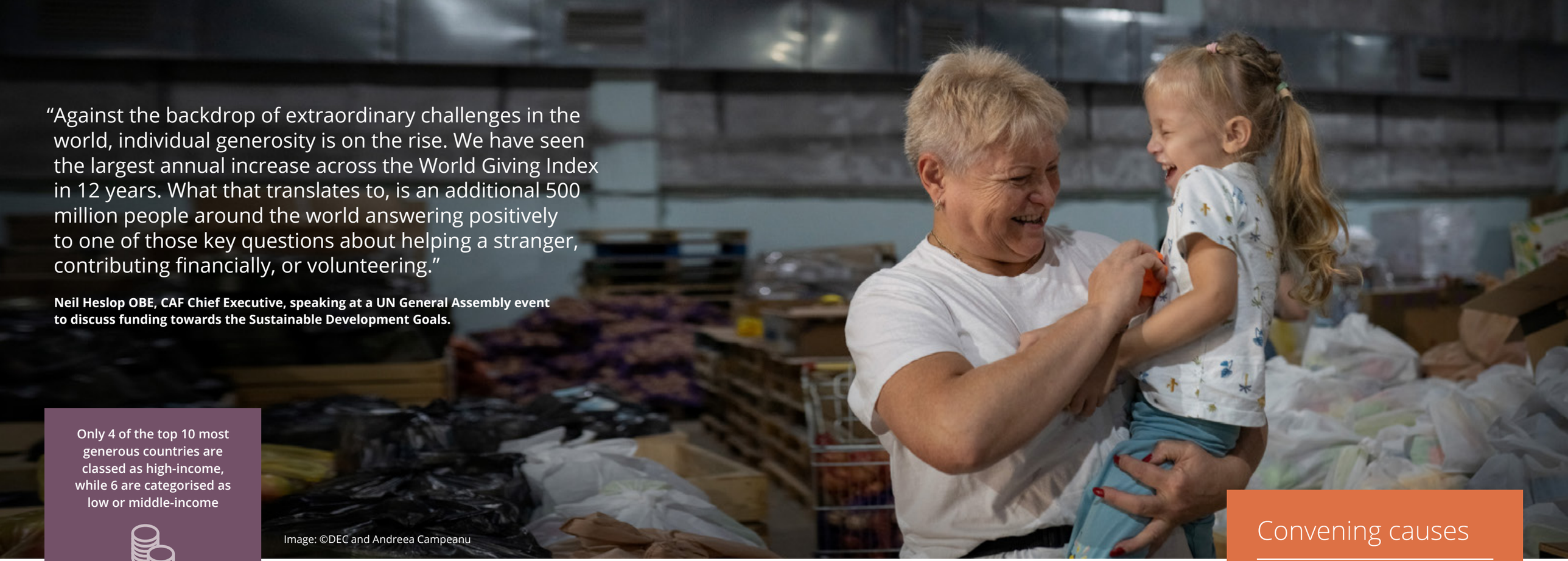
In addition, our public affairs and policy advisors champion cross-border giving, so donations can get where they are needed most. This includes monitoring rules that are developing in Canada regarding overseas grants and important policy changes from the UN and in the US to make it easier to support disaster response work in high-risk countries.

£1.1bn+
Funds entrusted to CAF's stewardship

£1bn+
Funds sent to charities around the world

3,760
Grants from UK to 91 countries

13,545
Grants from US to 116 countries



"Against the backdrop of extraordinary challenges in the world, individual generosity is on the rise. We have seen the largest annual increase across the World Giving Index in 12 years. What that translates to, is an additional 500 million people around the world answering positively to one of those key questions about helping a stranger, contributing financially, or volunteering."

Neil Heslop OBE, CAF Chief Executive, speaking at a UN General Assembly event to discuss funding towards the Sustainable Development Goals.

Image: ©DEC and Andreea Campeanu

Convening causes

Only 4 of the top 10 most generous countries are classed as high-income, while 6 are categorised as low or middle-income

The most generous country in the world is Indonesia (5th year in a row)

In 2021, more than 3 billion people helped someone they did not know and more people than ever donated money

DISASTER RESPONSE

With the ongoing conflict in Ukraine, floods in Pakistan and the devastating earthquake in Turkey and Syria, the past year has seen the need for donors to respond quickly to international crises and emergencies.

Our goal is to enable clients to give more effectively to any charity they care about. When it comes to supporting humanitarian aid, we have infrastructure in place to help donors:

- Give directly to the DEC
- Support large international organisations and UK-based charities that have a presence on the ground
- Give directly to overseas charities
- Use payroll giving services like our Give As You Earn scheme.

In addition, CAF America has created pooled funds to collaborate on efforts to tackle emergencies. One example is its Corporate Aid for Ukraine Fund. Launched in partnership with AmCham Poland, it helps corporations to provide effective, impactful aid to Ukrainians during a time of crisis.

In the UK, we are a partner of DEC and a member of its Rapid Response Network, enabling donations, while helping to raise awareness of its appeals.

Our clients have generously supported DEC, with nearly £10 million donated through CAF to its appeal for Ukraine. DEC is the largest charitable donor to the response inside Ukraine to tackle the regional refugee crisis.

INTERNATIONAL NETWORK

The CAF Network is a global group of trusted, international partners that share CAF's mission to accelerate progress towards a fair and sustainable future for all.

Operating in Australia, Brazil, Bulgaria, India, South Africa and Turkey, each network partner is an expert in their region, giving CAF a unique philanthropic global reach. They provide local knowledge and thought leadership when it comes to donating into their countries and work with us to seek new ways to grow cross-border giving, with much needed insight into the regulatory and legal landscape in their regions. We look forward to adding more network partners and growing our reach internationally.

Our International Team focus on connecting donors to global causes. This year, they began a webinar programme to inform donors on the best ways to give with impact to various countries around the world featuring in-country expertise.

In April, our International Team hosted the second webinar in their 'Giving to' series, exploring how donors can ensure the greatest impact through their support for Ukraine and its refugees. Speakers from the Zagoriy Foundation in Ukraine, BCause in Bulgaria and the Academy for the Development of Philanthropy in Poland, shared their insights into the situation on the ground and how they have been responding to the challenges.



Image: ©Róbert Németi for Caparthian Foundation

CAF America: Helping those affected by conflict

$49m
Grants to help Ukrainians in need

$2m
Received by charities in Bulgaria, Czechia, Austria, Romania and Hungary

UKRAINE

UKRAINE
Since the beginning of the invasion in February 2022, CAF America has made over $49 million in donor-advised and restricted grants to help Ukrainians in need; their donors have funded grants to 112 charities operating in 21 countries.

This includes over $4 million in grants to charities incorporated in Ukraine, and nearly $15 million to charities within Poland. As the international community's response developed, Poland has emerged as a hub for humanitarian action, and organisations within that country have been the largest beneficiary of CAF America's support.

Response within Ukraine itself has also been substantial; Ukrainian civil society continues to thrive in the face of extreme disruption. While most of the programmes funded within Ukraine have adapted to help those affected by the invasion, many are continuing to also provide valuable social support services that are more needed than ever before, like our grantee partner Tabletochki.

Since 2011, this Ukrainian charitable foundation has been committed to supporting the families of children fighting cancer. In Ukraine, cancer remains the biggest cause of death among children's diseases. Paediatric oncology treatment is long and expensive, and often charitable organisations and donors are the only source of finance.

CAF America: Gainsborough couple cross continents after decades apart

Portraits of a husband and wife painted by Thomas Gainsborough have been reunited in Dorset Museum in the UK after a donor's generous gift.

Gainsborough, one of the leading artists of Regency-era Britain, painted Miss Elizabeth Adney and her husband John Bragge, a Dorset landowner, in 1767. The portraits remained together until 1909 when they were sold to separate buyers in the US.

In 1983 the portrait of John was bought by Dorset Museum and returned to the UK where it hung alone for decades.

However, in 2022 the portrait of Elizabeth was bequeathed by Mrs Delia Brinton to CAF America, which loaned it to the museum, reuniting the long-lost pair.

UK



Image: Dorset Museum

Charity resilience



Image: Hubbub

At the heart of CAF is our mission to help all charities thrive. However, the pandemic, the cost-of-living crisis and interest rate rises have hit hard.

Charities are finding themselves with an increasing number of families relying more and more on their essential services. They are providing debt advice, food packages, somewhere warm to stay and care for the vulnerable. But they are having to meet this growing demand while facing their own financial challenges.

Our bespoke advisory services, funding and finance solutions are there to help strengthen their long-term resilience. Our support includes access to grants for small charities and flexible and affordable finance via CAF Bank and Venturesome, our social investment arm.

Our new resource hub, launched in autumn 2022, provides a wide range of tools and guidance on subjects including financial planning, staffing and volunteers. This resource has been accessed by thousands of individuals in the charity sector looking for advice to weather the storm. Alongside this, we are running regular webinars covering topics such as responsible charity leadership and fundraising strategy.

ADVOCACY

Our research into charity resilience, finance and changes in giving habits has allowed us to better understand the challenges organisations face, and we are using this to engage with government, local councils and community groups on public policy issues.

CHARITY RESILIENCE INDEX

Our wider research into charity resilience and changes in giving habits, including our long-running UK Giving research, provides insight into the charitable sector. This research informs our work with partners across the charity sector and supports our engagement with the Government on issues of public policy.

We recently launched a new piece of research, the CAF Charity Resilience Index, which provides insight into how the cost-of-living crisis has affected the sector.

The index is a practical tool, which we hope will be useful by providing a quantitative basis for understanding the outlook and experiences of charities. Building on our monthly polling from the pandemic, the new research focuses on three areas – charity income, demand for services and operational costs.

Across 2022/23, nearly 2,000 charities were interviewed, with the index updated regularly. The Charity Resilience Index acts as a resource to put recommendations to government and donors, as well as charities. This includes a call to government to ensure charities receive targeted support with energy costs and to speed up the modernisation of Gift Aid. This would help 126,000 organisations not currently benefiting from this valuable tax relief.

81%

of charities say demand for their services increased compared with last year

38%

of charities are highly confident in their funding to meet demand

55%

of charities are confident they can pay overheads

50%+

are worried about their survival

Between October 2022 and January 2023, a total of 1,323 charities were interviewed, with the index updated monthly. At the start of the period, the index stood at 68% but had fallen to 62% by the end of 2022.

ADVISORY SERVICES
Our bespoke consultancy service is tailored to each client, and we use our knowledge and decades of experience to find effective solutions. As a charity ourselves, we are as committed to achieving our clients' goals as they are.

£47m
Contributions to charities from CAF Donate

GRANTMAKING
At CAF, we design grantmaking programmes that target specific areas of social need. These are often identified by our own research. We work with charities to meet these needs and realise their ambitions, so that together we can make a difference to the lives of individuals and communities across the UK and internationally.

ENABLING DIGITAL FUNDRAISING
More than 6,500 charities use our platform CAF Donate to raise funds online and process their donations. Participants can create online donation pages that fit their charity's branding, and we can claim the Gift Aid on their behalf. Charities can also run reports on campaigns, donors and donations to help with their operational strategy.

Keystone: Help for small charities at the heart of their communities

UK

In November, we launched a £3 million fund for small charities that are addressing social injustice or working towards creating a fairer society.

We know these charities provide a lifeline to the most vulnerable in our communities but their ability to do this is threatened by rising costs and depleted reserves.

The Keystone Fund awards unrestricted grants for the core costs of running a charity, strengthening capacity, or building resilience. It is focused on local and regional charities with an income of less than £1 million working to improve social equity in their communities.

Charities across the country have been encouraged to apply, with half of the grants available to organisations supporting refugees in the UK.

Around 120 charities will receive grants of between £5,000 and £50,000. CAF will also provide tools and information to help build resilience and put organisations in a stronger position for future work.



Image: Young People Matter

CAF Resilience Fund

Launched in November 2020, this £40 million programme has supported charities and communities that were hardest hit by the Covid-19 pandemic.

Funding was provided by the Department for Digital, Culture, Media and Sport and was combined with the Covid-19 Support Fund, created by the insurance and long-term savings industry.

During phase 1, £20 million of rapid relief helped 645 organisations to survive. Phase 2 provided grants and tailored support to enable 102 charities to adapt and thrive, while building their resilience.

The three-year programme comes to an end in 2023 and we are proud of what we have been able to achieve. These unrestricted grants to charitable organisations have helped, for example, charities supporting deprived areas, BAME communities, youth skills and disabled people.



Image: YMCA, Milton Keynes

Golden Opportunity Skills and Development (GOSAD)

GOSAD is a west London-based charity offering skills-building projects, courses, advocacy and advice to the local community. It saw demand for its services dramatically increase during and after Covid-19, so applied to the CAF Resilience Fund.

Main grant (£94,500): Funded employability support for marginalised young people. It paid the salaries of an Employability Advisor and a Youth Worker, and contributed to project, volunteer and running costs.

Resilience Support Grant (£15,000): Consultancy support to develop its business plan and Board, and work on an income generation strategy.

Tailored Support Programme: Monthly 1:1 calls with a member of the CAF Resilience team, access to online events, networking opportunities and an online resource platform.

"Resilience work takes time – it is like cooking! This grant has given us the right ingredients (time, financial resources and the support). Having input from our consultant and members of the CAF team has helped us get there – expertise, advice and a soundboard for our ideas." **Sharmarke Diriye, GOSAD**

The Churches Trust

Derry or Londonderry, in Northern Ireland is an area still dealing with the legacy of the Troubles. Here, The Churches Trust offers youth programmes and older people's services, and runs a food bank and charity shop. Covid-19 exacerbated the communities' existing needs and vulnerabilities, so The Churches Trust applied to the CAF Resilience Fund.

Main grant (£102,600): This funding covered project staff and delivery costs for a youth work programme and senior staff to deliver its ambitious resilience plans.

Resilience Support Grant (£20,000): Provided external consultancy on its new strategy, Board development, and IT and HR infrastructure and processes.



Image: Gesher School

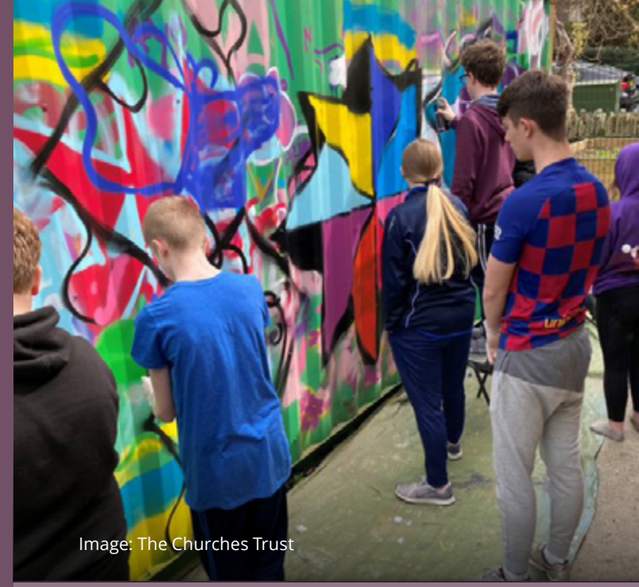


Image: The Churches Trust

Berkshire Multiple Sclerosis (MS) Therapy

Before the pandemic, the MS Therapy Centre was supporting 350 local people at its Reading base. When Covid-19 hit, it had to close its doors and go from entirely face-to-face services to working out how to support people online.

Main grant (£111,550): Funding was targeted towards delivering services for clients and their families. The grant also helped to upskill the fundraising team.

Resilience Support Grant (£20,000): Provided external consultancy on the organisation's new long-term strategy.

"That flexibility of the grant meant we achieved so much more. We could think outside the box and outside of a fixed task list. For example, our work on good governance and strategy development gave rise to ideas about developing a youth steering group to shape our work – and we are going to do it."

Fiona Fagan, Chief Executive of the Churches Trust

Venturesome

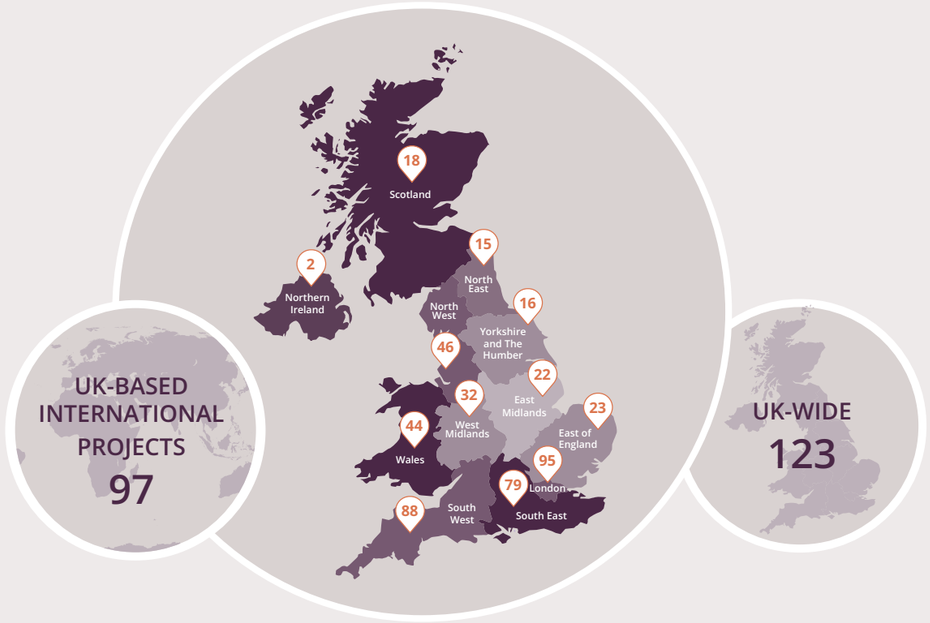
In November, we celebrated 20 years of social investment with Venturesome. When launched in 2002, it was one of the first funds of its kind in the country. We have since supported enterprises and charities all over the UK, including those with international projects, and made more than 700 social investments totalling over £61 million.

It works by recycling capital provided by our generous donors. Venturesome lends money to social enterprises and, as they repay us, we use the same funds to make loans to other organisations looking for affordable and flexible finance. This means that one pot of money can benefit many causes.



Image: Inner City Music

"While equality is about everyone having the same opportunities, equity is about making sure individuals have what they need to be successful." **Ashling Cashmore, Head of Impact and Advisory, Charities Aid Foundation**



For over 20 years, Venturesome has supported social enterprises across the UK in different cause areas.

£31,900

In 2021, the median turnover for social enterprises led by Black women was £31,900, compared with an overall median turnover of £100,000, according to Social Enterprise UK.

London, UK

Supporting minority-led businesses and women entrepreneurs

Minority-led businesses have faced challenges in accessing social investment, which has hampered their ability to grow. So, with funding from JPMorgan Chase and private donors, CAF launched a programme for social enterprises run by women of colour.

Created in partnership with Hatch Enterprise, which supports under-represented entrepreneurs, it offered access to funding, and non-financial support, for organisations with a clear social or environmental impact mission that reinvest or donate their profits to drive change.

Between September 2022 and February 2023, ten business leaders took part in our London pilot, with eight successfully applying for up to £70,000 in blended finance packages made up of 0% loans and grants. They can use this to employ more people, grow their enterprises and generate social impact in their communities.

A team of women with personal experiences of the issues these entrepreneurs have to overcome also offered mentoring, coaching and business advice.

Now the aim is to work with more philanthropic investors so we can roll the programme out across the whole of the UK. This would enable an even more diverse range of social businesses to grow and accelerate their impact.

20 years of impact

700
social investments totalling
£61m+

including
40
blended finance grants (since 2020) worth
£1m+

515
social organisations supported

104
funders engaged

£20m
under management

All figures for January 2002 to April 2022

Charity banking



Image: Street League

CAF Bank is owned by a charity and run for charities. As a specialist provider to not-for-profit organisations, we know that soaring fuel bills and rising prices are now placing ever-increasing demands on services already impacted by Covid-19.

"The cost-of-living crisis makes the value of charities' work more visible than ever while also placing these same charities under significant pressure as they seek to deliver their essential services and meet increasing demand from their communities."

Alison Taylor, CEO of CAF Bank

14,000+
Customers

16,000+
Current accounts

£1.5bn
Deposits

£229m
Total committed loans and advances to clients

102,000
Enquiries handled by CAF Bank in 2022/23

We offer borrowing, saving and investment options for organisations of all kinds, across many causes. In 2022, once again, we were named Charity Bank of the Year in the Charity Times Awards.

PURPOSE AT OUR CORE

Over 45% of our charity and social enterprise customers are small organisations working at the local level and underpinning communities across the UK.

We understand the range of support they need, both financial and advisory. Everything we do is geared towards enabling our clients to help the people who turn to them in times of crisis.

In January 2023, we wrote to all our charities inviting them to talk to us if they were experiencing financial pressures. We have introduced an interest-only period for those that need it, either because they are facing challenges or because they want to do more for their beneficiaries.

All our borrowers meet with our experts at least once a year, whether that is face-to-face or online, and for many the conversations are far more frequent. Currently, we are averaging a check-in every two months, so we can understand our clients' individual circumstances.

During the pandemic, this proactive and personalised approach meant none of our clients missed a repayment. It has also ensured that, despite the economic turbulence of 2022/23, we are still opening new accounts.

"Our customers quite literally change the world for people every day."

Richard Hunt, Head of Customer and Lending, CAF Bank



Image: GOSAD

SUSTAINABLE, SOCIALLY RESPONSIBLE BANKING

In June 2022, CAF Financial Solutions Limited (CFSL) launched our first ESG funds with abrdn. The products aim to offer value for money while making sure investments contribute to the long-term benefit of the causes that charities support.

All three funds have clear aims and targets and are only open to charitable investors. Potential investments are screened so the funds only hold assets that meet specific criteria.

The response has been overwhelmingly positive, with 90% of the money invested from private clients. We are committed to building on our offering so we can provide impact investment options to a wider range of clients.

More generally, we are helping organisations to think about their own sustainability, including their future exposure to the impacts – and costs – of climate change mitigation. This is a particularly important issue for charities that provide housing as they are balancing big choices around investing in existing and future stock.

We are proud to work with the Ethical Property Foundation, the UK's only dedicated property advice charity serving the voluntary sector, to share knowledge and resources on subjects including cutting energy costs.

PART OF THE DISCUSSION

CAF overlaps the worlds of philanthropy, finance and asset management. As such, we have an integral voice in the wider discussion around measuring and incentivising sustainability.

The Financial Conduct Authority (FCA) has published discussion papers outlining how it will regulate the way in which funds are categorised and called sustainable, or ethical. We will be submitting a collective response to the latest paper, around how the FCA can encourage and incentivise better sustainability practice within the finance sector.

The word sustainability is currently used interchangeably with ESG. We want to take a step back and establish exactly what sustainability means. Until that has been determined, we believe it will be difficult to measure or incentivise.

Fighting financial fraud

We are committed to helping charities keep their money safe. CAF Bank's security centre is free to anyone, whether they are a client or not. It offers guidance and tips to help organisations understand their cyber exposure, recognise scams and other threats, and introduce financial controls to protect their accounts.

www.cafonline.org/about-us/security-centre



Image: Wheelyboat Trust

"Two-factor online authorisation for payments initially attracted the Trust to CAF Bank and since then the service we have received has been excellent." **Paul Elgood, Director of Development, The Wheelyboat Trust**

West Sussex, UK

The Wheelyboat Trust: Helping disabled people take part in water-based activities

A CAF Bank customer since 2016, The Wheelyboat Trust is a national charity that enables disabled people to participate in a wide variety of activities on the water in its specially designed and purpose-built wheelchair accessible Wheelyboats.

It designs, builds, funds and supplies a range of Wheelyboat models that are used by organisations such as outdoor activity centres, canal trusts, fisheries, Sea Scouts, Navy Cadets, SEN schools, sailing clubs and Sailability groups.

Operating since the mid-1980s, the Trust has so far supplied 228 Wheelyboats to projects all over the UK and Ireland. One of its most important roles is to help organisations raise funds to acquire Wheelyboats.

The Trust operates without having to borrow, but with an annual turnover of around £350,000 it needs a bank it can rely on, and that is where CAF Bank comes in.

London, Manchester, Bristol and Newcastle, UK

akt: Putting surplus cash to work

akt (formerly the Albert Kennedy Trust) is a nationwide charity dedicated to supporting LGBTQ+ people aged 16-25 who are at risk of, or are experiencing, homelessness. It works to help them stay safe in a crisis, find emergency and long-term accommodation, access specialist support, develop their skills and identity, and achieve their life goals. Since the charity was founded in 1989, akt has supported over 50,000 young LGBTQ+ people.

Having built up significant cash reserves, akt was looking to grow interest income, while diversifying its savings with different banks.

As a CAF Bank customer, akt was introduced to the CAF Charity Deposit Platform, for charities to open a range of savings accounts with a single application.

While interest earned is only a small percentage of its overall annual income, akt grew its average annual interest income five-fold in a single year, from £1,300 in 2021, to £6,600 in 2022.

One of the main benefits of the CAF Charity Deposit Platform is the ease of moving money around a wide range of accounts and providers within one platform.

"The administration of the site is really easy to use. If I had to set up multiple bank accounts regularly to move money around, it would be a really difficult process." **Joanne McKenna, Director of Finance, akt**



Image: Stock photo

Blueprint for the future



Image: CAF employees

Our strategic projects will deliver the cultural renewal, digital services and efficiency envisaged by our 'Together Building Opportunity' vision. This will ensure CAF fulfils its potential to grow the organisation's impact sustainably.

OUR PEOPLE

At CAF, we aim to be a great and safe place to work, wherever people are located across the world.

Recognising the need to adapt to the changing landscape of work in the wake of the pandemic, this year we modernised and refreshed all aspects of our UK employee value proposition. Listening to and developing our workforce voice has been foundational to our approach. Throughout 2021, we invited colleagues to share their experiences through our newly formed Reset working group.

We also gathered further insights through a range of informal channels, including team meetings and listening groups, as well as consulting with more formal networks, such as the Employee Council. Using this feedback we were able to create a framework to shape our future ways of working that focused on flexibility in the workplace, the right tools and spaces, and the creation of our new Employee Deal.

Our Deal summarises our employee proposition under three pillars:

- Your Wellbeing, supporting physical, mental and financial wellbeing;
- Your Reward, improving competitive salaries and benefits; and
- Your Career, focusing on personal development and learning.

In July 2023, we relocated to our new London office, offering our employees a more contemporary and hybrid-friendly environment. This thoughtfully designed space not only prioritises our approach to sustainability, it also minimises our overall footprint. We are also planning to invest in our Kent-based offices, to provide our employees with an environment that fosters productivity, greater collaboration and work-life balance.

With a renewed focus on Diversity, Equity, Inclusion and Belonging (DEIB), our goal is to create a workplace where employees feel valued and respected. This will form the foundations of our three-year people plan to create an environment where every individual can thrive and contribute their unique perspectives and talents.

Earlier this year, we were delighted to be awarded Gold accreditation from Investors in People in recognition of our refreshed employee proposition. From enhanced benefits and career development, to more flexible ways of working, and support for employee wellbeing, CAF is building a leading and great place to work, where every voice matters.



Image: MS-UK

Sustainability is "meeting the needs of the present without compromising the ability of future generations to meet their own needs."

United Nations Brundtland Commission

OUR BRAND

Next year (2024) marks the centenary of CAF and this provides an opportunity to reposition and promote the organisation to our key stakeholders. There is an opportunity to refresh our brand to showcase our organisation and make it even more relevant to our global audience.

We plan to move to a single global brand, which will signal our broader reach and role that we play in the world. The aim is to improve the connection between colleagues globally who are working towards the same ends. The united brand will be supported by improved sharing of the processes and operations the UK and North America, and greater collaboration in our ways of working.

Externally, we want to be known for our expertise in four areas: enabling philanthropy, building charities' resilience, our international reach, and charity banking in the UK.

Enabling philanthropy

Building charities' resilience



Image: MS-UK

Charity banking in the UK

Our international reach

OUR SERVICES

Our vision for CAF is to be a global and digitally enabled platform for giving, connecting people to accelerate social progress. In 2022, we launched the Renew programme, an ambitious initiative to provide the donors and charities we exist to serve with the next generation of services.

We have partnered with Microsoft® to design and develop an entirely new CAF global digital ecosystem, using the very latest technologies to create new and improved services and solutions. This will bring innovation and unique insight to the sector, connecting donors with charities, and supporting growth in giving and impact in the years to come.

The programme will provide rich digital services and data-driven insights, complementing our advisory services. These will enable timely, efficient, scalable and ultimately better informed and more impactful giving.

CAF BANK DIGITAL MODERNISATION

A new digital IT platform will transform CAF Bank. Significant investment in technology has been driven by our need to give our customers a more efficient, modern experience; maintain compliance with regulatory changes; and upgrade our IT platforms to maintain operational resilience.

While the programme will take longer than initially planned, we are continuing to move ahead with our new IT platform and digital modernisation project. Our current plan is that the new platform and much of the enhanced functionality for customers will be delivered in late 2024. This will provide the foundation for modernising our client proposition to ensure we are able to offer efficient, up-to-date banking services in a mobile, 24/7 digital world.

SUSTAINABILITY

Sustainability is embedded in our vision: to accelerate progress in society towards a fair and sustainable future for all. But what does it mean to be a truly sustainable organisation? CAF follows the UN's definition of sustainability, which is "meeting the needs of the present without compromising the ability of future generations to meet their own needs."

Sustainability has an environmental or planetary element, in terms of not exceeding our limited set of global resources, and a social element relating to rights of people to health, education and their ability to provide for their families.

Our sustainability strategy needs to bring these pieces together to recognise our impact on people and the planet. It is the right thing to do but will also ensure our organisation remains relevant and resilient.

In recent years, our clients and colleagues have expressed how important it is to them to prioritise sustainability and ESG factors. Furthermore, we are actively contributing to potential regulatory elements that will affect the wider industry.

This year, we appointed an ESG and Impact Lead to articulate our ambitions and translate these into a meaningful and accountable sustainability strategy.

OUR AMBITION

Although strategies and measurements around ESG, scope emissions and sustainability are relatively established in the corporate space, it is only recently that they have been applied more widely in the charity sector.

However, this is not a new concept for charitable organisations. Essentially, the 'social' strand of sustainability is central to what the sector does day in and day out.

At CAF, we are defined by our social purpose and our commitment to the charities and donors that we serve. This includes our determination to look inward, improve how we operate as an organisation and ensure that we stay true to our guiding values to act with integrity, move forward together and shape the changed world that we all want to see.

Our goal is to be a leader and an innovator in this area. We may be at the beginning of that journey, but the past year has seen us make some important progress. We are seeking to learn from other organisations and to help others along the journey.

THE JOURNEY TO NET ZERO

As part of that journey, we have started working with an independent consultant to carry out an audit of our Scope 1 and 2 emissions and some of Scope 3. To help achieve our goal of becoming a net zero organisation, the audit includes emissions generated by people travelling for business trips and commuting, working from home, the energy efficiency of our offices and our procurement approach.

As with most organisations, the vast majority of our emissions fall under Scope 3 – that is, the indirect emissions produced by our wider ecosystem.

We already have preliminary recommendations from this work and will be incorporating these into our broader net zero strategy.

A key part of any sustainability strategy is living within the means of the planetary boundaries or limited global resources. We therefore have a responsibility to look inward and understand our own contributions to this.



Journey to net zero



Image: Disability Solutions



Equality, diversity and inclusion

Research shows that companies with an inclusive and diverse culture perform better and are more efficient and creative when making decisions.

LISTENING TO OUR PEOPLE

Our journey to net zero is something that everyone can – and should – be involved with.

An internal environmental working group was set up in 2022, made up of employees across CAF who are all passionate about sustainability and bring fresh perspectives and ideas.

Earlier in 2023, as part of our emissions audit, we surveyed our UK-based workforce to assess their carbon footprint with a focus on home working patterns and commuting. This audit will help to inform our understanding of our carbon emissions. The results of this survey also led our internal communications team to run a campaign to increase awareness around the topic and highlight ways employees could reduce their individual carbon footprint.

We will also speak to our customers, partners and stakeholders to further develop our sustainability strategy and to identify the right disclosure framework for our organisation.

EQUALITY, DIVERSITY AND INCLUSION

Research shows that companies with an inclusive and diverse culture perform better and are more efficient and creative when making decisions. In October 2022, we started working with an independent consultant to lay the foundations for a meaningful and sustainable DEIB programme. These insights and recommendations have given us a better understanding of our current position, enabling us to create a framework that will form an integral part of our cultural change journey.

It is important that people across our organisation can contribute to, and help shape, our DEIB programme. An internal working group will act as champions, led by David Jessop, Group People Officer. Employees have been invited to get involved and act as advocates, with the aim of actively engaging the workforce to gather feedback to ensure that everyone has an opportunity to join the conversation.

Financial review

The financial year ended 30 April 2023 has continued to see the development of challenging economic and financial conditions for charitable giving in the UK and around the world. This is due to the impact on energy prices of the war in Ukraine and the knock-on effect of this on inflation more widely. Further, all organisations have faced pressure on their costs as a result.

As well as retaining good control of our costs in this period, the stability of CAF's position has been helped by additional income from interest earned as rates have increased. We have been able to achieve this while, despite the adverse economic environment, continuing to distribute record levels of funding to charities and social enterprises in the UK and around the world. Growth has been particularly notable in CAF America, the group's North American subsidiary, where income from both regular giving and third-party giving platforms has increased over the period. This has allowed us to achieve greater impact working with our donors and partners, and to invest in the future of our organisation.

CAF's accounts are consolidated and therefore include the income, costs and balance sheets of its charitable and trading subsidiaries in the US, Canada and the UK. The principal subsidiaries are CAF Bank, CAF America and the CAF American Donor Fund. The principal sources of unrestricted income arise from products provided to donors and fees earned together with income earned from financial assets and interest on loans. Restricted income consists principally of donations to donor accounts in the Charity and CAF America, and from legacies. The group balance sheet consists primarily of the unrestricted and restricted charitable funds of the Charity and of its subsidiaries together with donor client balances where the Charity is acting as agent and CAF Bank depositor balances.

RESTRICTED FUNDS AND DONOR CLIENT BALANCES

Donations received by us and subsequently paid to charities represent the principal movements in our restricted and donor client balances. The restricted funds principally relate to the services we provide to donors through CAF Charitable Trusts, CAF Charity Accounts, CAF Company Accounts, CAF America and CAF American Donor Fund. Donor client balances consist of donations received by us and subsequently paid to other charities through CAF Give As You Earn and CAF Donate.

Restricted funds and donor client balances

	Donations, legacies, grants & investment income		Donations payable to charities	
	2022/23	2021/22	2022/23	2021/22
	£m	£m	£m	£m
Restricted funds per Group Statement of Financial Activities (SOFA)	1,071	999	956	808
Less: US fundraising programme costs	(21)	(62)	-	-
	1,050	937	956	808
Donor client balances (note 21 to the Financial Statements)	111	111	69	69
Less: CAF Give As You Earn receipts transferred to restricted funds and included in the Group SOFA	(42)	(42)	(1)	(1)
Net donor client balances	69	69	68	68
Total	**1,119**	**1,006**	**1,024**	**876**

We have illustrated earlier in this report how, for the first time, the value of funds we have sent to charities around the world has exceeded £1 billion. The continuing generosity of donors using our services in the UK and US enabled this level of support, with donations received exceeding £1.1 billion.

At 30 April 2023, restricted funds held in respect of our services, offering donors flexibility to suggest donations at a later date and to maintain philanthropic capital, increased to £1,753m (2022: £1,680m). Restricted funds benefited from the high level of receipts, particularly in the US and from the addition of investment income of £14.4m (2022: £11.6m). Despite losses on our financial investments of £10.8m (2022: gains of £6.4m) contributing to their aggregate market value falling to £837m at 30 April 2023 (2022: £846m), total assets grew from £1,706m to £1,779m.

Our donor client balances, which reflect donations in the course of processing for CAF Give As You Earn and CAF Donate stood at £7.1m (2022: £5.7m).

CAF BANK DEPOSITOR BALANCES AND LENDING

At 30 April 2023, CAF Bank's deposits remained unchanged at £1.5 billion. Its charity customers continue to provide a strong and stable base of deposits and a robust funding position underpins CAF Bank's activity. The impact of the rapid increase in interest rates during this year has been significant.

Approximately 80% of CAF Bank's assets are highly liquid, with liquidity buffer eligible assets of £1.29 billion at 30 April 2023 (£1.28bn at 30 April 2022).

Liquidity buffer assets comprise amounts held in the Bank of England Reserve Account, and investments in Multilateral Development Banks and UK Gilts and Treasury Bills.

CAF Bank's policy is to hold investment securities to redemption at par. The impact of any movements in interest rates on fixed rate financial instruments is therefore not anticipated to affect CAF Bank's profits. The fair value unrealised loss on debt securities was £33.4m at 30 April 2023 (as at 30 April 2022: £17.4m).

CAF Bank's lending continued to grow during 2022/23. At 30 April 2023, the value of total committed loans and advances to customers stood at £229m (2022: £185m). The pipeline of sanctioned loans (but not yet drawn) stood at £34m at 30 April 2023 (2022: £58m), providing a strong base for further growth in lending.

Given the ongoing economic uncertainty and inflationary environment, CAF Bank has continued to monitor and analyse closely its collective and specific loan provisions. Despite the economic environment, the quality of its loan book remains strong, resulting in modest loan loss provision. The collective provision was determined as £1.1m at 30 April 2023 (£0.9m at 30 April 2022). The cost-of-living crisis and inflationary environment has impacted charities' donors and this has resulted in CAF Bank's specific loan provisions increasing to £0.6m at 30 April 2023 (£0.2m at 30 April 2022).

UNRESTRICTED FUNDS

At 30 April 2023, group unrestricted funds stood at £84.1m (2022: £76.7m), an increase of £7.4m (2022: £8.2m).

Total income increased to £76.4m (2022: £44.9m). The impact of the rapid increase in interest rates in the UK and US has been significant with CAF Bank's net interest income increasing from £10.6m to £28.0m for 2022/23. Investment income, including interest receivable, grew to £17.2m (2022: £4.9m).

However, we continue to focus on increasing our fee income in order to ensure an appropriate mix of income sources and this is reflected in the growth in fees to £25.2m (2022: £23.7m) during the year. For many years CAF and the group were impacted by low interest rates. But the extraordinarily rapid increase in interest rates during the year has afforded us additional income enabling us to mitigate the effects of persistent inflation on our costs and to pursue our plans for growth through change and investment with greater confidence. Total expenditure of £69.3m (2022: £49.8m) includes additional expenditure resulting from the initial steps of our growth and transformation plans, but also from the rapid scaling up of activity for CAF America and the impact of inflation on our staff costs.

Financial review

Transfers from restricted funds during the year were £6.1m (2022: £13.6m). They include transfers from funds for which the original donor or legator had provided no wishes for the distribution of funds upon their death. In accordance with terms and conditions, £1.5m (2022: £3.2m) was also transferred from CAF Charity Accounts that were closed. These and other funds transferred from restricted funds are applied for the general charitable purposes of CAF.

Although we have benefited from the increase in interest rates, other economic factors have adversely impacted the value of our principal offices in Kent and a downward valuation of £2.0m has been recognised (2022: increase of £0.5m).

In addition, we are investigating the possibilities for a buyout of the defined benefit pension plan. Although the financial consequences of this cannot presently be determined, we have ceased to recognise the related asset (£1.3m) in our balance sheet.

RESERVES POLICY

CAF's policy is to maintain, but not exceed, an appropriate level of reserves to support the activities of the group, taking into account the risks to which the group is exposed, existing and projected future levels of income and expenditure, and the capital requirements of its regulated subsidiaries.

The policy and determination of the required level of reserves are set in accordance with Charity Commission guidelines and are reviewed at least annually by Trustees.

In determining the appropriate level of reserves, Trustees consider the nature of the group's activities and the risks inherent in our financially-based activities including credit risk, liquidity risk and interest rate risk, along with other risks to which CAF and the group are exposed.

They also consider future capital requirements and changes in our operating environment, including regulatory changes, which may also impact the level of retained reserves or the levels of reserves we are required to maintain in the future.

Our objective is to remain strong, keep our fees competitive and take mitigating action where it is possible, so we can offer the maximum support to the charities and donors we serve. We, therefore, continue to take a prudent approach to the levels of reserves maintained.

Although, as a result of the significant level of liquid assets held, the rapid increase in interest rates has been beneficial for the group, the Trustees are mindful of factors which may affect the group negatively in the future. In the current context of the UK economy facing the headwinds of persistently high inflation, a tight labour market and the prospect of a recession, a rapid decline in short-term interest rates is not currently anticipated. However, if it were to arise, it would have a negative impact in the medium- to longer-term once deposit rates which have already been locked in for shorter periods have matured.

Past experience of the economic crises which have arisen since 2008, however, provide evidence that donors who chose to give via CAF and the group are resilient and giving by individuals remains broadly protected from economic changes. Therefore, the Trustees and respective boards and committees of CAF and its subsidiaries continue to closely monitor these matters and to work with their respective Executive Committees to respond as required to these pressures.

Group unrestricted funds, which also represent our reserves, stood at £84.1m (2022: £76.7m). This level of reserves at 30 April 2023 is considered to be sufficient to support the ongoing activities and development of the group.

CAF INVESTMENT POLICIES AND PERFORMANCE

Overview and governance

CAF adopts investment policies appropriate to the nature of the funds for which the investments are held. The policies set out CAF's risk appetite for investments including liquidity, credit, large exposures, concentration and interest rate risks.

Investment policies are approved by CAF's Trustees and the boards of its subsidiaries. They are monitored by the Investment Advisory Committee (IAC).

Policies

CAF unrestricted funds

Other than investments in CAF's subsidiaries, the Charity's unrestricted funds are primarily invested in cash deposits. CAF assesses its liquidity reserves requirements and places deposits with a range of counterparties within credit, liquidity, interest rate and large exposure risk appetites. CAF may also invest unrestricted funds in gilts, supranational and investment grade bonds. CAF's policy is to hold investments to maturity.

CAF Trusts – restricted funds

The investment policy allows CAF Trust funds to be invested to meet the longer-term philanthropic objectives of donors. The investment risk appetite is appropriate for the charitable purposes of the funds. This portfolio consists of investments often held over the longer term, comprising UK and global investment funds, equities, bonds and cash deposits. CAF Trust investments are held and managed directly by CAF or managed by third-party investment managers.

Other CAF restricted funds

Other restricted funds principally comprise balances held temporarily by CAF pending onward donation to other charities. CAF assesses liquidity requirements to ensure funds are available to meet donations and grants requested by clients, and invests funds with a range of counterparties within approved credit, liquidity, interest rate and large exposure risk appetites. CAF invests restricted funds in gilts, supranational and investment grade bonds, and cash deposits/certificates of deposit. CAF's policy is to hold investments of other restricted funds to maturity.

Subsidiaries

Investment policies of subsidiaries are determined and managed by their respective boards, taking into consideration regulatory and other requirements.

Measurement and performance

Performance of investments held for unrestricted and restricted funds is reported monthly to the CAF Executive and quarterly to the IAC. Performance is compared to benchmarks for individual funds where these have been agreed. Key Risk Indicators monitor the position of portfolios against agreed risk appetites.

In early 2022/23, CAF updated its investment policies and risk appetite, allowing it to benefit from the increase in market interest rates in all major markets during the year. The revised policies allowed investments to be diversified across a wider range of financial and non-financial counterparties within approved risk appetites. The result is an increase in CAF's total investment income from £14.8m to £25.8m since 2021/22.

Subsidiaries

Investment policies for CAF Bank, CAF America and CAF Canada, and the measurement and performance of investments by these subsidiaries, are described in their respective Annual Report and Accounts.

GOING CONCERN

In order to assess the appropriateness of the going concern assumption basis, the Trustees have considered the group's and the charity's financial position, liquidity, unrestricted reserves and forecasts for the foreseeable future, taking into account the principal risks to which the group and the charity is exposed and the ongoing cost-of-living crisis and geo-political uncertainties. The Trustees and boards of CAF's subsidiaries have considered the impact of a severe economic outcome on each entity and the effectiveness of management actions that might be taken to mitigate the impact of this stress. Trustees and boards of subsidiaries have also considered the circumstances under which operations of the entity would be unable to continue. Having considered the assessments of going concern for CAF, CAF Bank and CAF America and after taking into account the current level of the group's and the charity's cash and reserves and the financial performance of the group and the charity since 30 April 2023, the Trustees have concluded that the risk of this situation occurring for CAF or for a subsidiary is remote.

Accordingly, and after making appropriate enquiries, the Trustees have a reasonable expectation that the group and the charity will be able to continue in operation and meet their liabilities as they fall due for at least 12 months from the date of signing this report. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Structure, governance and management

The Charities Aid Foundation is a registered charity (number 268369) and is governed by a Declaration of Trust dated 2 October 1974 (as amended from time to time). The Board of Trustees, together with the executive, are set out at the end of this document.

CAF TRUSTEES

The Board of Trustees is the body responsible for the management of CAF and is required to consist of:

- Not fewer than eight Trustees appointed by resolution of the Trustees; and
- The Chair of NCVO (National Council for Voluntary Organisations)

The Board meets at least four times a year. All Trustees are non-executive and none of them receive remuneration from CAF. Trustees are appointed to hold office for a term of three years. Except for the Chair of NCVO, no Trustee may hold office for more than three consecutive terms. All newly appointed Trustees are required to undertake an induction programme delivered by the Company Secretary and the Group People Officer.

The induction is in two parts and across two dedicated sessions. The first of these focuses upon governance, the role of the trustee and their responsibilities. The second focuses upon the organisation, how it is designed, the business plan, key themes and performance measures. During the year a newly designed Board effectiveness framework was implemented. This is designed around a three-year programme broken down into the themes of key knowledge on the duties related to governance in year one, the assessment of Board skills, knowledge and experience in year two and a formal external review and validation in year three.

The Trustees delegate management responsibilities to the Chief Executive and also delegate certain functions to the sub-committees described below. Each sub-committee has specific terms of reference and a chairman appointed by the Trustees. Trustees strengthen the sub-committees by co-opting experts in the relevant field. This delegation is controlled by requiring regular reporting from the Chief Executive and the sub-committees to the Board of Trustees.

BOARD OF TRUSTEES

Meeting attendance

	1 May 2022 to 30 April 2023	
	Meetings attended	Maximum
Sir James Leigh-Pemberton (Chair)	3	3
Cyrus Ardalan (Chair, Investment Advisory Committee)	3	3
Sabine Everaet	3	3
Meredith Niles	3	3
Roger Perkin (Vice-chair and Chair, Audit, Risk & Compliance Committee)	3	3
Janet Pope (Chair, CAF Bank Ltd)	3	3
Owen Valentine Pringle	3	3
The Rt Hon Sir Ernest Ryder	1	3
David Shalders	3	3
Dr Priya Singh (Chair, NCVO)	-	3
Susannah Storey (resigned 8 February 2023)	3	3
Robert Vogtle (appointed 25 January 2023)	1	1
Michael Ashley (appointed 1 February 2023)	-	-

*The meeting which would usually take place in April each year was held on 4 May 2023.

Sir James Leigh-Pemberton, CVO – Chair
Sir James is Non-Executive Chairman of RIT Capital Partners, Chair of the Trustees of the Royal Collection Trust and a Trustee of The Alnwick Garden Trust.

Cyrus Ardalan – Chair, Investment Advisory Committee
Cyrus is currently Chair of OakNorth Bank, LXi REIT PLC, Blend Network, a Board Member of the Coalition for Epidemic Preparedness Innovations. He is also the co-founder of the Humanitarian Finance Forum (HFF).

Sabine Everaet
Sabine is an Independent Non-Executive Director for ING Belgium, following a 26-year career at The Coca-Cola Company, latterly as EMEA Chief Information Officer. She is Industry Partner at the Private Equity firm Oraxys. She is also a Business Coach and a Senior Advisor to companies in a variety of industries. Sabine promotes women in leadership and STEM, and has received multiple awards from Belgian and European CIO networks.

Meredith Niles
Meredith has a background in investment banking and the charity sector. She is currently Chair of the SOFII Foundation, Vice Chair of Plan International UK, and a Trustee of Trust for London.

Roger Perkin – Vice-chair and Chair, Audit Risk and Compliance Committee
Roger was for many years a partner in Ernst & Young. He has served on many corporate boards, including Nationwide Building Society and Hargreaves Lansdown, as well as serving as a Trustee of charities including Change, Grow, Live and The Conservation Volunteers.

Janet Pope – Chair, CAF Bank Ltd
Janet is Chief of Staff and Chief Sustainability Officer at Lloyds Banking Group plc, with responsibility for inclusion and diversity, responsible business and sustainability. She is also a member of the Financial Services Culture Board and Trustee at Camden School for Girls.

Owen Valentine Pringle
Owen is a partner of Leaders' Quest, a leadership development practice that supports executive teams with the alignment of profit with purpose. Previously, Owen was Chief of Staff at ActionAid International's global secretariat, Global Director of Digital at Amnesty International and he was recognised by the Financial Times in their inaugural list of the 100 most influential BAME leaders in technology.

The Rt Hon Sir Ernest Ryder
Sir Ernest was previously a Lord Justice of Appeal, and Senior President of Tribunals for the UK. He is Master of Pembroke College, University of Oxford and a Trustee of the Nuffield Foundation.

David Shalders
David is the Chief Operating Officer and Head of Integration at the London Stock Exchange Group. Prior to this, he was Group Operations and Technology Director at Willis Towers Watson and COO at Royal Bank of Scotland, Capital Markets.

Dr Priya Singh
Dr Priya is Chair of the National Council for Voluntary Organisations (NCVO). She is also Chair of NHS Frimley Integrated Care Board, Deputy Chair of Guy's and St Thomas' NHS Foundation Trust and executive director of the Society for Assistance of Medical Families, a mutual benevolent fund with charitable status.

Susannah Storey
Susannah Storey is Director General for Digital Technologies and Telecoms at the Department for Science, Innovation and Technology (DSIT). Previously, Susannah was Director General for Digital and Media Policy in the Department for Digital, Culture, Media and Sport, from September 2019 to February 2023.

Robert Vogtle
Robert focuses on his Trustee roles after 35 years of experience across global banking organisations including Citibank, Bankers Trust, and Deutsche Bank. Robert is also currently a Trustee of Community Wholecare Centres and a Non-Executive Director of CAF Bank.

Michael Ashley
Mike has held several non-executive roles spanning the private, public and third sectors since retiring from KPMG in 2013. His current roles include chairing the Audit and Risk Committee at the Cabinet Office, a Board Member for the UK Endorsement Board and he is a Trustee and Treasurer at The Scout Association and Trustee at StepChange.

AUDIT, RISK AND COMPLIANCE COMMITTEE
The Audit, Risk and Compliance Committee consists of Trustees and co-opted members with relevant expertise. The committee meets with senior management and external and internal auditors at least four times a year. The committee's purpose is to review and make recommendations on the following on behalf of the Trustees:

- Internal control and risk management systems
- Effectiveness of internal audit
- CAF's relationship with its external auditors
- Procedures for compliance with anti-money laundering legislation and CAF's other regulatory obligations
- Annual report and accounts
- The arrangements by which staff may, in confidence, raise concerns about possible improprieties in financial reporting or other matters.

INVESTMENT ADVISORY COMMITTEE
The Investment Advisory Committee is a panel of independent investment experts chaired by a Trustee. The committee meets with senior management at least four times a year. The purpose of the committee is to advise the Trustees on investment matters regarding CAF's funds as well as the funds held in CAF Charitable Trusts or as agent. This is undertaken in the context of our long-range strategic plans, operational activities and Charity Commission guidelines. The committee monitors compliance with agreed investment policies and performance benchmarks. It also monitors compliance with procedures relating to investments, as well as providing other advice on an ad hoc basis.

NOMINATIONS AND REMUNERATION COMMITTEE
The Nominations and Remuneration Committee advises the Trustees on the appointment of CAF's Trustees and of the co-opted members and advisers to the boards and committees of the CAF group. The committee also makes recommendations regarding the remuneration of members of the Executive Committee of CAF (who form the key management personnel of the group) and other senior members of staff, and reviews and agrees the basis for the general pay award to staff. Remuneration and salaries are assessed and reviewed against market rates using third-party data. The committee also reviews the general terms and conditions of employment of our staff including the provision of pension arrangements. The committee meets at least three times a year.

CAF'S PARTNERS
The Charities Aid Foundation group consists of CAF and its subsidiaries in the UK, CAF America, the CAF American Donor Funds and CAF Canada.

The wider CAF Network is a global collaboration of trusted partners made up of fully independent, robust organisations who share CAF's mission to accelerate progress towards a fair and sustainable future for all. This network currently includes partners in Australia, Brazil, Bulgaria, India, South Africa and Turkey. Each network partner is an expert in their region, giving CAF a unique philanthropic global reach. Our partners provide local knowledge and thought leadership when it comes to donating into their countries and work with us to seek new ways to grow cross-border giving.

Additionally, in order to deliver its mission and to comply with the regulatory requirements for the provision of banking and investment solutions to charities, in the UK CAF has created and holds mixed-motive investments in a number of wholly-owned subsidiaries, the largest of which is CAF Bank. These investments further CAF's charitable mission, as well as providing a financial return. CAF's Board of Trustees receives updates from the boards of each entity that is a member of the CAF group.

Full details of the CAF group are set out in note 2 to the financial statements.

PUBLIC BENEFIT AND SOCIETY

CAF's purpose (as set out in the 1974 Declaration of Trust) is to hold and distribute funds 'for the benefit of such charitable institutions or such charitable purposes as the Trustees shall think fit'. The work we do to accelerate progress in society towards a fair and sustainable future for all is illustrated throughout this report. Through the provision of financial services, CAF contributes to public benefit by partnering with donors to realise giving with greater impact, thus enabling charities to do more of their life changing work across borders to inspire innovation so civil society thrives.

CAF has paid due regard to the Charity Commission's general guidance on public benefit when reviewing its aims and objectives and in planning its future activities.

STAKEHOLDER ENGAGEMENT

We recognise and promote the importance of strong relationships with our stakeholders across all of our activities, and we are committed to productive, long-term relationships. Throughout this report we have described how we engage with our donors, charity customers, government and colleagues in the sector and our employees. Below we give examples of engagement with other stakeholders.

Suppliers

We recognise that our suppliers are crucial to our success and we understand the importance of maintaining strong lines of communication. Many perform critical out-sourced functions and are subject to regular formal review. We engage with suppliers regularly throughout the year and feedback is continuously communicated and monitored.

Regulators

It is within our culture of fairness and transparency to promote high standards of conduct within CAF and with all external parties. In particular, holding donor funds and customer deposits, safety, soundness and adherence to all relevant aspects of regulation is key to us.

We maintain close awareness of this through engagement with regulators. This engagement is supported by interactions with industry bodies, specialist advisers, regulatory seminars, online forums and round table events. This has allowed us to remain informed on increasing regulatory requirements and to ensure we operate to the standard required.

FUNDRAISING

There have been no UK fundraising activities undertaken in the current or preceding year. CAF America works in partnership with US professional fundraising organisations. CAF America receives 100% of the donations collected, which it then grants, minus costs and fees paid to the fundraising organisations, to third-party beneficiary charities.

RISK MANAGEMENT

Responsible and effective risk management is central to CAF's ethos and is embedded as part of our strategy in support of our purpose to accelerate progress in society towards a fair and sustainable future for all. The CAF risk management strategy, including related risk appetites, is reflective of CAF objectives in support of each part of the group and reflects our commitment as a charity to making a positive and lasting difference for the charities, donors, beneficiaries and partners with whom we work.

Risk is overseen by CAF Trustees, CAF Bank Non-Executive Directors, Executive Boards and Senior Management, supported by a dynamic and developing culture of awareness, understanding and practical application of risk management by all employees of CAF, wherever they are located in the world.

Risk Management Framework

The group operates a risk management framework that provides oversight and accountability for the management of risk across all risk types and at all levels of the group. The framework supports prudent risk management and decision making, aligned to our objectives, and is designed to ensure risk is managed within clearly defined parameters.

The control environment aligns to the risk management framework and is supported by a related set of policies, procedures and controls which supports responsible decision making, within the appetite of the group, as approved by the Trustees and supported through Executive Boards which include the CAF Executive Committee, CAF Bank Board, CAF America Board, CAF American Donor Fund (CADF) Board and CAF Financial Solutions Limited (CFSL) Board. CAF Executive Boards have dedicated supporting risk committees, including the CAF Audit, Risk & Compliance Committee, CAF Bank Executive Risk Committee, the CAF America Finance, Audit & Risk Committee and CFSL Executive Risk Committee.

The Risk Management Framework operates using the 'three lines' model, separating risk ownership from risk oversight and assurance, with governance provided by formal committees.

Further information on the CAF Bank Risk Management Framework can be found in the CAF Bank annual report and is aligned with Financial Conduct Authority and Prudential Regulation Authority requirements.

Developments in the charity sector have seen increased media, public and regulator interest in the operation of charities. The Trustees and Senior Management remain focused on those risks which could adversely affect our reputation and ensuring that all activities are carried out in a respectful, open and appropriate manner.

PRINCIPAL RISKS AND THEIR MITIGATION

The principal risks evaluated across the group:

NON-FINANCIAL RISKS

- Strategy and mission
- Regulatory
- Operational
- Cyber
- Financial crime
- Reputational
- Governance

FINANCIAL RISKS

- Capital
- Credit
- Liquidity and funding
- Market and interest rate

NON-FINANCIAL RISKS

Risk		Mitigation
STRATEGY AND MISSION	CAF's objective is to deliver on its Together Building Opportunity plan for the future whilst ensuring CAF fulfils its obligation and great potential to grow the group's impact sustainably, managing costs and providing a positive customer experience. Below are the main risks to this objective. Strategic risks are those that arise from the decisions taken concerning the group's objectives and ability to meet those objectives. This can include decisions taken in relation to developing products and services, changes in the technological environment and longer-term sources of finance to support planned strategic growth. Changes in the financial markets in light of rising inflation, related higher interest rates and related economic downturn risks have the potential to significantly impact our strategic plans and are subject to modelling. Modelling for other economic scenarios in the medium and longer term are also subject to consideration. Changes in our operating environment, including regulatory changes, may also impact the level of our retained reserves or the levels of reserves we are required to maintain in the future.	A detailed approach is taken to budget-setting and development of financial plans and these are reviewed and approved by the Trustees and the relevant Boards. Regular detailed financial monitoring is carried out and actions are taken to mitigate against any budget pressures, including effective cost management measures. Our strategic planning includes the modelling of a range of potential future scenarios in respect of changes in the group's operating environment, through which we identify opportunities to further our strategic goals or for the mitigation of any negative impact arising from the change in the operating environment and the external environment more generally. Our planning processes include comparison of projected reserves against the level of reserves required to support our ongoing operations and planned strategic growth. We continue to assess and monitor risks associated with evolving legislation as it impacts charitable work.

NON-FINANCIAL RISKS

Risk		Mitigation
REGULATORY	CAF's objective is to work with all our regulators in an open and co-operative way and to deliver on our commitments. Regulatory risk is defined as the risks associated with a failure to comply with relevant legal and regulatory requirements and can include loss of trust, reputational damage, regulatory censure, increased costs and financial penalties. The group aims to comply appropriately with all relevant legal and regulatory requirements and expectations, and monitors for regulatory change, to minimise these risks. CAF is regulated by the Charity Commission for England and Wales and is required to comply with HM Revenue & Customs tax legislation. CAF is responsible for ensuring that the charitable funds it receives, administers and distributes are managed in compliance with charity law and the tax legislation relevant to charitable giving and expenditure. CAF is registered with the Financial Conduct Authority (FCA) for anti-money laundering purposes.	Compliance with regulatory requirements and expectations commences at board level for each group entity. It is cascaded down through the Executive and Senior Management teams and is embedded across all areas of operation and subject to second line oversight by Risk, Compliance and Financial Crime teams. Regular reporting to our UK Audit, Risk & Compliance Committee (ARCC), CAF Bank Audit Committee, CAF Bank Board Risk & Compliance Committee (BRCC) and CAF America Finance, Audit & Risk Committee (FARC) includes risks arising out of our charitable activity, operations, including risk, compliance and financial crime related matters and internal mitigating controls. The committees review and monitor the adequacy of internal controls and report to the Board of Trustees and their respective Boards on significant risks, any identified weaknesses in controls and progress of actions for addressing any such identified weaknesses.

NON-FINANCIAL RISKS

Risk		Mitigation
REGULATORY	CAF Bank is authorised by the Prudential Regulation Authority (PRA) and regulated by the FCA and PRA. CAF Financial Solutions Limited (CFSL) is regulated by the FCA. CAF America is regulated by the US Internal Revenue Service and must also comply with State regulations for registered charities and data privacy protections. CAF Canada (a subsidiary of CAF America) is regulated by the Canadian Revenue Agency and must comply with provincial regulations in the provinces where it is registered. Where the CAF group undertakes cross-border grantmaking, the local regulations of the receiving country are considered. CAF group adheres to UK, US, EU and UN financial sanctions obligations including those defined by the UK Government Office of Financial Sanctions Implementation (OFSI) and the Office of Foreign Assets Control (OFAC) of the US Department of the Treasury.	Data protection and information governance policies are in place and are reviewed to ensure our internal processes are robust and comply with relevant legislative, regulatory or contractual requirements including the UK General Data Protection Regulation and Data Protection Act. Data protection training is compulsory for all employees and has been designed to ensure awareness of our duty to protect data and support implementation of our internal policies and procedures on data protection and information governance. The group is committed to ensuring that the appropriate resource is made available to adhere to regulatory requirements. CAF America, CAF Canada and CAF American Donor Fund maintain grantmaking and Project Distribution protocols that are reviewed regularly by legal counsel to ensure compliance with regulatory requirements. The CAF America Finance and Compliance Team is responsible for ensuring appropriate filings are completed with the US Internal Revenue Service, Canada Revenue Agency, and each state (US) or province (Canada) as necessary. Quarterly compliance reports ensure that these regulatory filings are documented and submitted on time. The CAF Network is underpinned by agreements with our trusted partners around the globe. The agreements require each of our fully independent partners to adhere with relevant legislation. Whilst these partners do not form part of the CAF group, we strive for each member of the network to maintain the highest standards of regulatory compliance.

NON-FINANCIAL RISKS

Risk		Mitigation
OPERATIONAL	Operational risk is the risk of loss to CAF that results from inadequate or failed internal processes, people and systems, or from external events.	The group continually develops its systems and controls, to manage and mitigate the likelihood of failure associated with operational risks. Policies, procedures and controls are in place and are continually developed to govern our operational risks. These are reviewed for effectiveness on an ongoing basis. CAF Bank uses the Basic Indicator Approach (Capital Requirements Regulation (CRR) Pillar 1) and considerations of its maximum scenario based operational loss (CRR Pillar 2) to assess operational risk capital requirements. CAF Bank's operational resilience is in continual development to protect it against internal and external events that can disrupt service to its customers. In accordance with PRA, FCA and Bank of England rules, CAF Bank has established important business services, defined set impact tolerances for the maximum tolerable level of disruption and performed testing of its ability to remain within impact tolerances during a severe but plausible disruption. Our people are the key to our success, so we invest significantly in learning and development. We carry out surveys of our employees and we develop and implement action plans to address key issues. We provide a number of new tools to support our employees focused on psychological, physical and financial wellbeing. We carry out comprehensive reviews of our resilience and business continuity arrangements and plans and perform ongoing testing of key business-critical activities. We adopt hybrid working arrangements where appropriate and this has become part of our standard operating model, further increasing our operational resilience and commitment in making CAF a great place to work. Operational risk presented by third party suppliers is addressed by our procurement and supplier management processes which ensure a robust framework for engaging third parties including a thorough risk assessment and regular service reviews.

NON-FINANCIAL RISKS

Risk		Mitigation
CYBER	CAF defines cyber risk as any risk of financial loss, disruption or damage to the reputation of CAF from a technology systems breach. Cyber threats are escalating from an increasingly sophisticated criminal community and we continue to invest in strengthening defences for both the group and its customers and in developing emergency response plans.	We continue to monitor the effectiveness of our arrangements to deliver cyber related resilience, to layer up security measures and to build capacity informed by our operating model and related activity. We regularly test and monitor controls to ensure they are operating effectively and undertake industry benchmarking to ensure our arrangements remain fit for purpose. A key part of these controls is awareness throughout the organisation of how cyber attacks occur and the defences we have in place to counteract these. Employees are required to complete IT security training which supports awareness of our duty to protect our systems and the data they hold. CAF America and CAF Canada IT systems are reviewed and supported by an external firm to ensure they are protected from cyber attacks.
FINANCIAL CRIME	There is a risk of both CAF and its customers being a target of financial crime which may lead to reputational damage, financial loss and/or regulatory censure. Financial crime events include money laundering, terrorist financing, fraud, bribery and sanctions.	The CAF group risk management framework and related policies define requirements relating to the management and mitigation of financial crime related risks including anti-money laundering, fraud, counter terrorist financing, proliferation financing, counter tax evasion facilitation, anti-bribery and corruption and sanctions. These policies are designed to support CAF's adherence with the obligations and requirements as applicable determined by UK, US and Canadian legislation, regulations and industry best practice guidelines for both the charity and financial services sectors and reflects our commitment and intent to both detect and disrupt financial crime. The group's systems and controls are designed to combat financial crime and the group-wide transformation plans continue to drive an agenda for ongoing targeting of financial crime related risks, aligned with our legal, regulatory and social responsibilities.

NON-FINANCIAL RISKS

Risk		Mitigation
REPUTATION	CAF's brand and reputation are critical in our endeavours to attract and retain our stakeholders, in support of the CAF mission. CAF's objective is to enhance our standing with stakeholders, underpinned by a consistent application of the rules which govern the use of CAF's products, services and brand. CAF understands the importance of having clear and consistent positions on the issues facing the charitable sector, donors, corporate givers and government. The risks to the group of reputational damage include a reduction in contributions and donations to serve the sector, as well as increased operating costs and loss of market position. Reputational risk arises from (and is considered within) the other risks categories in this report.	We take active steps to manage our brand. This work includes the monitoring of social media sentiment, the tracking and reporting of media mentions and the analysis of customer feedback. We use our written policies and procedures to ensure that customer feedback and complaints are managed in line with prevailing best practice and applicable regulation. CAF conducts risk-based due diligence on donors and beneficiaries as part of our systems and controls to ensure effective management of financial crime risks, including giving consideration to actual or potential reputational risks that may arise. We maintain a Crisis Communications plan to address any negative reputational concerns. Our Human Resources team supports managers to understand and act upon risk outcomes in support of good employee relations. Through regular training and ongoing risk and compliance oversight, we ensure that our people are equipped to support outcomes to protect our reputation. CAF International undertakes risk based due diligence on its network of independent partners, including ensuring relevant agreements are in place in support of expected standards.

NON-FINANCIAL RISKS

Risk		Mitigation
GOVERNANCE	Governance risk is the risk that CAF has inappropriate governance arrangements in place (including lack of direction, strategy and forward planning) and/or that Trustees and other Senior Management lack the relevant skills or commitment. It includes ensuring committees receive accurate, timely and relevant information.	CAF Trustees, CAF Bank Non-Executive Directors, Executive Boards and other Senior Management are made up of accomplished leaders drawn from financial services, the third sector, the civil service, higher education, and multi-national corporations. Their expert scrutiny and strategic direction informs everything we do, including ensuring our compliance and reporting protocols are fully fit for purpose and that our people feel empowered to raise any concerns about internal practice. They set an impressive level of robust, transparent governance that is upheld throughout the organisation. All of our governance structures, including the make-up of committees, have been subject of a robust, Trustee-led review. Our elected internal Employee Council constructively represents the views of our workforce, offering valuable support to fellow employees and insights to senior leadership. Workforce training is constantly reviewed to ensure everyone at CAF is fully aware of their own responsibilities to the organisation and to our donors and charity partners. CAF provides training and development opportunities to ensure everyone who chooses to work with us can grow their careers. We have recently introduced a refreshed Whistleblowing Policy to ensure employees at all levels of our organisation have both the information and the means necessary to raise any concerns.

FINANCIAL RISKS

Through such services as the CAF Charity Account, CAF Company Account and CAF Charitable Trust in the UK and through Donor Advised Funds in the US and Canada, the group's activities include the receipt, investment and onward distribution of charitable funds. Activities also include banking services, such as deposit taking and lending provided by CAF Bank. Consequently, the group holds financial instruments and has a corresponding exposure to the associated financial risks.

Details of the financial instruments held by CAF Bank are set out in note 33 to the financial statements, together with descriptions of the management of each category of financial risk.

FINANCIAL RISKS

Risk		Mitigation
CAPITAL	CAF defines capital risk as risk that the group (or its entities) do not have the amount and/or quality of reserves or capital needed to meet the requirement of the relevant reserves policy or the minimum regulatory requirements or to support planned strategic growth.	Relevant policies are reviewed and approved by the CAF Executive Committee and ARCC (UK) or FARC (America/Canada). Capital requirements are funded by reserves in line with policy. Our planning processes include comparison of projected reserves against the minimum level of reserves required to support our operations and planned growth. We continue to focus to maximise income opportunities and cost management in order to minimise the impact on reserves. For CAF Bank, capital risk is measured, monitored and reported daily against limits approved by the CAF Bank Board within CAF Bank's Capital Policy and monitored at CAF Bank's Asset and Liability Committee (ALCo) and Executive Risk Committee. CAF Bank undertakes regular stress testing of its capital adequacy.

FINANCIAL RISKS

Risk		Mitigation
CREDIT RISK	Credit risk is the risk of financial loss arising from a borrower or counterparty failing to meet their financial obligations to repay the group in accordance with agreed terms. Credit risk arises primarily from investing funds with treasury counterparties and lending to charities.	**TREASURY ASSETS** Treasury policies are reviewed and approved by the CAF Investment Advisory Committee (IAC) and set criteria which includes credit rating and counterparty lending limits and country limits. Subject to minimum credit ratings, maximum terms and maximum counterparty limits, funds may be invested in the following: • UK Gilts and Multilateral Development Banks • Other single sovereign-backed Sterling denominated bonds • Financial and non-financial corporate bonds (fixed and floating rate) • Bank deposits, certificates of deposit and other marketable securities. For CAF Bank, Treasury counterparties are reviewed and approved in accordance with policies and criteria approved by the CAF Bank Board. The Bank sets criteria which include credit rating, counterparty lending limits, group exposures, and country exposure limits. The Bank uses the Standardised Approach to assess capital required for credit risk, with risk weightings based on the lower of the two highest of Fitch, S&P and Moody's ratings in accordance with the credit quality assessment scale. There has been no material impact to CAF from the recent failure of a small number of financial institutions and CAF continues to carefully consider risks associated with the macro-economic environment.

FINANCIAL RISKS

Risk		Mitigation
CREDIT RISK	Credit risk is the risk of financial loss arising from a borrower or counterparty failing to meet their financial obligations to repay the group in accordance with agreed terms. Credit risk arises primarily from investing funds with treasury counterparties and lending to charities.	**FINANCIAL INVESTMENTS HELD FOR TRUST FUNDS** CAF Charitable Trusts, CAF America Donor Advised Funds, CADF Trusts and CAF Canada Donor Advised Funds (collectively 'Trust funds') are invested in accordance with policies approved by the CAF IAC, on behalf of CAF's and CADF's Trustees, and by the Boards of CAF America and CAF Canada. Donors typically hold a proportion of their funds in cash in order to meet their short-term giving expectations and invest funds to meet their medium to long-term philanthropic objectives. Donors plan donations by reference to the market values and liquidity profile of the assets held for their Trust fund. Cash held for Trust funds by third party investment managers pending investment is subject to FCA client money rules applying to the third party firms. **LENDING AND PROGRAMME RELATED INVESTMENTS** There are two principal streams of lending activity' CAF Bank and CAF Venturesome (part of Impact Accelerator). CAF Bank has in place a system of limits and controls to manage credit risk on its loan portfolio. Loan applications are reviewed by a credit assessment team and presented for approval to the Sanctions Committee, a sub-committee of the CAF Bank Credit Committee, in accordance with policies and criteria approved by the CAF Bank Board. CAF Bank lending is secured on property and subject to maximum limits on loan to value ratios. CAF Bank's lending policies include maximum exposure values and limits to manage concentration risk by sector. Exposure to geographical risk is monitored. CAF Bank's loans, overdrafts and BACS facilities are subject to regular monitoring of loan performance and individual annual review. Administration of the loan book is outsourced to a third party which provides regular management information on a loan by loan and aggregated basis. CAF Venturesome's programme-related investments enable charities to leverage their operations and deliver more social impact. All loans are subject to regular monitoring of performance. Provisions are assessed for evidence of impairment at both specific and collective level and where appropriate, include consideration of the impact of a reduction in property values of various degrees of severity.

FINANCIAL RISKS

Risk		Mitigation
LIQUIDITY AND FUNDING RISK	Liquidity risk is the risk that a group entity does not have sufficient financial resources to meet its obligations as they fall due, or can secure them only at excessive cost. Liquidity risk arises from mismatches in the timing of cash flows. Funding risk arises when the liquidity needed to fund illiquid asset positions cannot be obtained at the expected terms and when required.	**TREASURY ASSETS** The liquidity position is monitored by the CAF IAC. On a day-to-day basis the liquidity profile of CAF's assets is compared with the historical behavioural of CAF's payments to beneficiary charities. CAF's Liquidity Policy requires a minimum percentage of total balances to be available within 24 hours and a further minimum percentage of total balances to be available within three months. No more than 50% of balances may be invested for a term in excess of 12 months. Approximately 80% of CAF Bank's assets are highly liquid, with liquidity buffer eligible assets of £1.29bn at 30 April 2023 (£1.28bn at 30 April 2022). CAF Bank liquidity risk is measured, monitored and reported daily against intra-day triggers and limits approved by the CAF Bank Board within the Bank's Liquidity Policy. The liquidity position is monitored by relevant committees. The Bank undertakes regular stress testing of its liquidity position and behavioural analysis of its liabilities and assets. CAF Bank's liquidity buffer assets comprise amounts held in the Bank of England Reserve Account, and investments in Multilateral Development Banks, UK Gilts and Treasury Bills. CAF Bank maintains access to the Bank of England liquidity facilities which are tested on a regular basis. Following the resolution and transfer of another UK bank in March 2023, CAF Bank has conducted reviews of its depositor concentration, investment portfolio liquidity, contingency funding arrangements, product terms and conditions, and regular monitoring of customer behaviour. The output of this analysis, and resulting enhancements and actions, are monitored by CAF Bank's BRCC. **FINANCIAL INVESTMENTS HELD FOR TRUST FUNDS** Trust funds are invested at the discretion of donors in accordance with investment policies which require investments to be highly liquid. These investments take into account anticipated liquidity requirements to fund donations. Should additional liquidity be required to fund donations, investments are disposed of. In the event of a shortfall in anticipated proceeds, the value of the donation is reduced.

FINANCIAL RISKS

Risk		Mitigation
MARKET AND INTEREST RATE RISK	Market and interest rate risk is the risk from adverse movements in external markets, e.g. interest rate movements, changes in investment values or currency movements that will reduce income or the value of assets. This includes interest rate risk in CAF Bank's banking book which is the risk arising from a mismatch between the duration of assets and liabilities. The purchase of fixed rate investments can result in unrealised discount or losses, that could crystalise in the event of disposal, impacting levels of reserves and regulatory capital.	**TREASURY ASSETS** CAF, including CAF Bank, does not undertake proprietary trading activities. It is the group's policy to hold investments to maturity and to value at cost with any premium or discount amortised over the remaining term (the effective interest method). The group manages interest rate risk through the purchase of fixed rate investments. The group's policy is to hold these investment securities to redemption at par and the group's ability to do so is evaluated on a regular basis through the use of stress testing. The impact of any movements in interest rates on fixed rate instruments is therefore not anticipated to affect the group's financial results. Market risk in CAF Bank is measured by monitoring mismatches between assets and liabilities assessed on a behavioural basis, which may result from movements in market interest rates over a specified time period within Board approved limits. **FINANCIAL INVESTMENTS HELD FOR TRUST FUNDS** Trust funds are invested to fund our donors' long-term philanthropic goals. The value of investments determines the value of funds available to make donations. Accordingly, a movement in equity markets or interest rates may affect the value of Trust funds held by the group, but does not impact the level of unrestricted funds.

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

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the group and the charity and of the incoming resources and application of resources of the group and the charity for that period.

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

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the group and the charity 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 the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees' report on pages 2 to 73 was approved by the Board of Trustees on 31 July 2023 and signed on their behalf.



Sir James Leigh-Pemberton, CVO
Chairman



Image: CAF Network conference

Independent Auditors' report to the Trustees of Charities Aid Foundation

Report on the audit of the financial statements

OPINION

In our opinion, Charities Aid Foundation's group financial statements and charity financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the charity's affairs as at 30 April 2023 and of the group's and charity's incoming resources and application of resources, and of the group's and charity's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the trust deed.

We have audited the financial statements, included within the Trustees' Report and Financial Statements, which comprise: the group and charity Balance Sheets as at 30 April 2023; the group and charity Statements of Financial Activities and Cash Flow Statements for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

OUR AUDIT APPROACH

Context

This is our first year of audit. After our appointment and becoming independent, we met with management to understand the group and its activities, and to gather information which we needed to plan our first audit effectively. We met with the former auditors and reviewed their audit working papers to obtain evidence over the 2022 opening balance sheet and comparative financial information.

Overview

Audit scope

- As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. Our group audit scope included the full scope audit of the group's entities which were individually of financial significance to the group being the Charity, CAF Bank Limited, CAF America, and Southampton Row Trust Limited. The group audit team performed the audit work at these components, with the exception of CAF America where they were performed by a non-PwC network firm. The scope of our audit and the nature, timing and extent of audit procedures performed were determined by our risk assessment and other qualitative factors (including history of misstatement through fraud and error).

Key audit matters

- Recognition of income from donations and legacies (group and charity)

Materiality

- Overall group materiality: £11.5m based on 1% of total income.
- Overall charity materiality: £4.3m based on 1% of total income.
- Performance materiality: £8.6m (group) and £3.2m (charity).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Recognition of income from donations and legacies (group and charity) For the year ended 30 April 2023, the group's donation income was £1,021m and legacy income was £14m. In accordance with the accounting policies set out in "Note 1.4 (a) Donations and legacies" of the financial statements, donations received, including Gift Aid on eligible donations, are recognised once the group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Donation income represents the primary source of income for the group and charity, and the volume of transactions is significant. Therefore, this was an area of focus in the context of our work. There is a high degree of management judgement involved in the recognition of income from legacies which have been accrued at the year end. These judgements include assessing the entitlement, probability and measurement of the income. Accordingly, we consider there to be an increased risk of misstatement due to fraud in respect of accrued legacy income.	We understood and evaluated the design and implementation of key controls surrounding donation and legacy income recognition. We evaluated the implementation of controls by performing walkthroughs of control procedures over the recognition of donations and legacy income. We noted no significant exceptions in our evaluation of the design and implementation of key manual controls in this regard. We obtained an understanding of relevant general IT controls related to the group's key financial systems, but in view of their maturity, did not seek to place reliance on them. We performed substantive tests to validate the integrity of any reports generated from systems that were used in our audit work. In addition we performed the substantive testing described below. • Tested on a sample basis donations received during the year to supporting evidence; • Tested on a sample basis whether donations were recognised in the correct period; • Tested a sample of legacy income (with specific focus on the legacy accrual) and considered management's judgement on the timing of legacy recognition and the amount recognised in light of documented evidence and the charity's legacy accounting policy; • Performed specific completeness testing, for example around the receipt of third party legacy notifications; • Performed cut-off testing with respect to legacy cases recognised after the year end to test whether income had been recorded in the correct financial year; and • Considered the results of the journal testing performed where this affected reported donation and legacy income. Through our testing we identified a number of exceptions where donation income had not been recognised in the right period. These were not material, and have been adjusted for. Immaterial differences identified in respect of legacy income accrued have not been adjusted for. Based on the procedures performed and evidence obtained, we considered management's recognition of donation and legacy income to be appropriate.

Independent auditors' report

HOW WE TAILORED THE AUDIT SCOPE

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the charity, the accounting processes and controls, and the sector in which they operate.

We determined the scope of the work required based on the nature of activities in each of the components and issued instructions to a non-PwC network firm in respect of audit work required for CAF America. We instructed them to perform full scope audit procedures on our behalf. We interacted regularly with them and also visited CAF America to meet with management and local Trustees. Our procedures included reviewing key working papers and discussing and challenging the results of work in higher risk areas of the audit. We concluded that the audit procedures performed on our behalf were sufficient for the purposes of issuing our opinion.

THE IMPACT OF CLIMATE RISK ON OUR AUDIT

As part of our audit, we made enquiries with management to understand the process management has adopted to assess the extent of potential impact of climate risk on the financial statements and support the disclosures made within the financial statements.

In addition to enquiries with management, we also:

- Evaluated the group's qualitative and quantitative risk assessment to consider the impact on our audit risk assessment; and
- Considered the consistency of disclosures in relation to climate change within the Trustees' report with the financial statements and knowledge obtained from our audit.

Our procedures did not identify any material impact as a result of climate risk on the financial statements.

MATERIALITY

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	FINANCIAL STATEMENTS - GROUP	FINANCIAL STATEMENTS - CHARITY
Overall materiality	£11.5m.	£4.3m.
How we determined it	1% of Total Income	1% of Total Income
Rationale for benchmark applied	We consider total income to be an appropriate benchmark as it is a key measure of the performance of the group, being a not-for-profit organisation.	We consider total income to be an appropriate benchmark as it is a key measure of the performance of the charity, being a not-for-profit organisation.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materialities allocated across components was from £0.5m to £8.8m. Certain components were audited to a local statutory audit materiality that was less than our allocated group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to £8.6m for the group financial statements and £3.2m for the charity financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit, Risk and Compliance Committee that we would report to them misstatements identified during our audit above £0.6m (group audit) and £0.2m (charity audit) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

CONCLUSIONS RELATING TO GOING CONCERN

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 group's and the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the charity's ability to continue as a going concern.

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

REPORTING ON OTHER INFORMATION

The other information comprises all of the information in the Trustees' Report and Financial Statements other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Charities Act 2011 requires us also to report certain opinions and matters as described below.

Trustees' Report

Under the Charities Act 2011 we are required to report to you if, in our opinion, the information given in the Trustees' Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities in respect of the Trustees' Report and the Financial Statements, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as

Independent auditors' report

they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

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

Based on our understanding of the group and sector, we identified that the principal risks of non-compliance with laws and regulations related to provisions of the charity's trust deed and relevant tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011 and relevant regulations made or having effect thereunder, including the Charities (Accounts and Reports) Regulations 2008. We evaluated the incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) by the trustees and those responsible for, or involved with, the preparation of the financial statements, and determined that the principal risks were related to posting of inappropriate journal entries and bias through manipulation of key accounting estimates. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Enquiring of management and the Audit, Risk and Compliance Committee in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Assessing matters reported on the charity's whistleblowing helpline and the results of management's investigation of such matters;
- Reviewing key correspondence with regulatory authorities;
- Gaining an understanding of period end controls around the preparation of the financial statements, including controls around posting of manual journals;
- Testing the appropriateness of journal entries using risk based sampling procedures, also making use of data analytics to identify journals with high risk characteristics;
- Assessing for bias in significant estimates (with respect to key accounting or valuation estimates and the assumptions used. For example, recognition and measurement of legacies or fair value of assets and of the present value of defined benefit obligations); and
- Incorporating unpredictability into the nature, timing and/or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's trustees, as a body, in accordance with section 151 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 of the Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

Charities Act 2011 exception reporting

Under the Charities Act 2011, we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the charity; or
- the charity financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.



Chartered Accountants and Statutory Auditors
PricewaterhouseCoopers LLP
London
31 July 2023

Group statement of financial activities

for the year ended 30 April 2023

	Notes	Unrestricted funds 2023 £000	Unrestricted funds 2022 £000	Restricted funds 2023 £000	Restricted funds 2022 £000	Total 2023 £000	Total 2022 £000
Income							
Donations		5,129	4,537	1,016,717	886,011	1,021,846	890,548
US fundraising programme income		-	-	25,678	77,481	25,678	77,481
Legacies		692	1,119	13,946	23,550	14,638	24,669
UK Government grants	4	-	-	75	789	75	789
		5,821	**5,656**	**1,056,416**	**987,831**	**1,062,237**	**993,487**
Charitable activities:							
Fee income		25,240	23,688	22	11	25,262	23,699
CAF Bank net interest income		28,046	10,641	-	-	28,046	10,641
Investment income	5	17,246	4,886	14,405	11,562	31,651	16,448
Total income	**6**	**76,353**	**44,871**	**1,070,843**	**999,404**	**1,147,196**	**1,044,275**
Expenditure							
Charitable activities:							
Donations payable to charities		226	298	956,158	808,488	956,384	808,786
Other expenditure on charitable activities		69,059	49,532	(136)	45	68,923	49,577
		69,285	**49,830**	**956,022**	**808,533**	**1,025,307**	**858,363**
US fundraising programme costs		-	-	21,328	61,718	21,328	61,718
Total expenditure	**6**	**69,285**	**49,830**	**977,350**	**870,251**	**1,046,635**	**920,081**
Net income/(expenditure) before net gains on investments		**7,068**	**(4,959)**	**93,493**	**129,153**	**100,561**	**124,194**
Net losses on debt securities		(110)	-	-	-	(110)	-
Net gains/(losses) on financial investments		-	124	(10,842)	6,414	(10,842)	6,538
Net gains on other investments		536	335	-	660	536	995
Net income/(expenditure) before tax	**6**	**7,494**	**(4,500)**	**82,651**	**136,227**	**90,145**	**131,727**
Corporation tax	9	(2,073)	(389)	-	-	(2,073)	(389)
Net income/(expenditure) after tax		**5,421**	**(4,889)**	**82,651**	**136,227**	**88,072**	**131,338**
Transfers between funds	26	6,112	13,578	(6,112)	(13,578)	-	-
Net movement in funds before other recognised gains/(losses)		**11,533**	**8,689**	**76,539**	**122,649**	**88,072**	**131,338**
Other recognised gains/(losses)							
Gains/(losses) on revaluation of tangible fixed assets	16	(1,959)	476	-	-	(1,959)	476
Gain/(losses) on foreign exchange		(264)	227	(3,007)	17,168	(3,271)	17,395
Long-term loan re-financing: Premium paid on bonds purchased and cancelled	25	-	(1,729)	-	-	-	(1,729)
Defined benefit pension scheme:							
Actuarial gains/(losses)	31	(628)	548	-	-	(628)	548
Remeasurement of asset limit	31	(1,323)	-	-	-	(1,323)	-
Net movement in funds		**7,359**	**8,211**	**73,532**	**139,817**	**80,891**	**148,028**
Reconciliation of funds							
Total funds brought forward		76,692	68,481	1,679,750	1,539,933	1,756,442	1,608,414
Total funds carried forward	**26**	**84,051**	**76,692**	**1,753,282**	**1,679,750**	**1,837,333**	**1,756,442**

The notes on pages 86 to 141 form an integral part of these financial statements.

Charity statement of financial activities

for the year ended 30 April 2023

	Notes	Unrestricted funds 2023 £000	Unrestricted funds 2022 £000	Restricted funds 2023 £000	Restricted funds 2022 £000	Total 2023 £000	Total 2022 £000
Income							
Donations		5,025	3,443	374,744	412,930	379,769	416,373
Legacies		692	1,119	13,333	23,550	14,025	24,669
UK Government grants	4	-	-	75	789	75	789
		5,717	**4,562**	**388,152**	**437,269**	**393,869**	**441,831**
Charitable activities:							
Fee income		13,299	10,599	22	11	13,321	10,610
Investment income	5	13,800	4,755	12,022	10,088	25,822	14,843
Total income	**6**	**32,816**	**19,916**	**400,196**	**447,368**	**433,012**	**467,284**
Expenditure							
Charitable activities:							
Donations payable to charities		226	298	366,176	412,429	366,402	412,727
Other expenditure on charitable activities		36,381	27,729	(136)	45	36,245	27,774
Total expenditure	**6**	**36,607**	**28,027**	**366,040**	**412,474**	**402,647**	**440,501**
Net expenditure before net gains/(losses) on investments		**(3,791)**	**(8,111)**	**34,156**	**34,894**	**30,365**	**26,783**
Net losses on debt securities		(138)	-	-	-	(138)	-
Net gains/(losses) on financial investments		-	124	(7,532)	8,145	(7,532)	8,269
Net gains on other investments		536	335	-	660	536	995
Net income/(expenditure)	**6**	**(3,393)**	**(7,652)**	**26,624**	**43,699**	**23,231**	**36,047**
Transfers between funds	26	6,112	13,578	(6,112)	(13,578)	-	-
Net movement in funds before other recognised gains/(losses)		**2,719**	**5,926**	**20,512**	**30,121**	**23,231**	**36,047**
Other recognised gains/(losses)							
Gains/(losses) on revaluation of tangible fixed assets	16	(1,959)	476	-	-	(1,959)	476
Gains/(losses) on foreign exchange		(189)	(75)	37	5,629	(152)	5,554
Long-term loan re-financing: Premium paid on bonds purchased and cancelled	25	-	(1,729)	-	-	-	(1,729)
Defined benefit pension scheme:							
Actuarial gains/(losses)	31	(628)	548	-	-	(628)	548
Remeasurement of asset limit	31	(1,323)	-	-	-	(1,323)	-
Net movement in funds		**(1,380)**	**5,146**	**20,549**	**35,750**	**19,169**	**40,896**
Reconciliation of funds							
Total funds brought forward		69,194	64,048	1,411,206	1,375,456	1,480,400	1,439,504
Total funds carried forward	**26**	**67,814**	**69,194**	**1,431,755**	**1,411,206**	**1,499,569**	**1,480,400**

The notes on pages 86 to 141 form an integral part of these financial statements.

Group balance sheet

as at 30 April 2023

	Notes	Unrestricted funds 2023 £000	Unrestricted funds 2022 £000	Restricted funds 2023 £000	Restricted funds 2022 £000	CAF Bank balances and donor client balances 2023 £000	CAF Bank balances and donor client balances 2022 £000	Total 2023 £000	Total 2022 £000
Assets									
Balances at Bank of England		47,279	41,413	561	1,301	572,636	559,839	620,476	602,553
Loans and advances to banks									
On demand and short-term deposits	10	51,075	57,915	366,957	381,639	13,719	13,275	431,751	452,829
Other	10	-	-	287,176	325,075	-	-	287,176	325,075
Loans and advances to customers	11	5	42	9,053	28,082	177,736	161,854	186,794	189,978
Debt securities	12	-	-	241,867	81,594	752,100	777,145	993,967	858,739
Financial investments	13	-	-	836,766	845,763	-	-	836,766	845,763
Other investments	14	3,990	4,140	9,201	5,120	-	-	13,191	9,260
Tangible fixed assets	16	3,276	5,515	-	-	-	-	3,276	5,515
Intangible fixed assets	17	6,333	4,676	-	-	-	-	6,333	4,676
Other debtors	18	5,162	1,865	11,303	12,814	-	-	16,465	14,679
Prepayments and accrued income	19	13,133	7,314	16,353	24,305	6,292	2,845	35,778	34,464
Pension scheme asset	31	-	2,183	-	-	-	-	-	2,183
Total assets		**130,253**	**125,063**	**1,779,237**	**1,705,693**	**1,522,483**	**1,514,958**	**3,431,973**	**3,345,714**
Liabilities									
CAF Bank depositor balances	20	-	-	-	-	1,504,866	1,507,636	1,504,866	1,507,636
CAF Give As You Earn and CAF Donate balances	21	-	-	-	-	7,129	5,704	7,129	5,704
Due to beneficiary charities	22	-	-	19,279	22,359	-	-	19,279	22,359
Other creditors	23	4,491	8,779	5,397	3,578	474	100	10,362	12,457
Accruals and deferred income		2,758	2,118	1,279	6	1,162	1,518	5,199	3,642
Provision for corporation tax		1,852	436	-	-	-	-	1,852	436
Repurchase agreement	24	-	-	-	-	8,852	-	8,852	-
Long-term loans	25	37,101	37,038	-	-	-	-	37,101	37,038
Total liabilities		**46,202**	**48,371**	**25,955**	**25,943**	**1,522,483**	**1,514,958**	**1,594,640**	**1,589,272**
Funds	**26**	**84,051**	**76,692**	**1,753,282**	**1,679,750**	**-**	**-**	**1,837,333**	**1,756,442**
Total liabilities and charitable funds		**130,253**	**125,063**	**1,779,237**	**1,705,693**	**1,522,483**	**1,514,958**	**3,431,973**	**3,345,714**

The notes on pages 86 to 141 form an integral part of these financial statements.

Approved by the Trustees and authorised for issue on 31 July 2023 and signed on their behalf by

Roger Perkin FCA
Trustee

Liz Rylatt FCA
Group Chief Financial Officer

Charity balance sheet

Registered charity number268369

as at 30 April 2023

	Notes	Unrestricted funds 2023 £000	Unrestricted funds 2022 £000	Restricted funds 2023 £000	Restricted funds 2022 £000	Donor client balances 2023 £000	Donor client balances 2022 £000	Total 2023 £000	Total 2022 £000
Assets									
Loans and advances to banks									
On demand and short-term deposits	10	44,389	49,308	182,607	214,079	7,603	5,804	234,599	269,191
Other	10	-	-	264,219	325,075	-	-	264,219	325,075
Loans and advances to customers	11	5	42	2,960	22,945	-	-	2,965	22,987
Debt securities	12	-	-	213,221	76,784	-	-	213,221	76,784
Financial investments	13	-	-	758,802	755,969	-	-	758,802	755,969
Other investments	14	3,990	4,140	5,412	5,120	-	-	9,402	9,260
Subsidiary undertakings	15	42,200	41,925	-	-	-	-	42,200	41,925
Tangible fixed assets	16	3,217	5,424	-	-	-	-	3,217	5,424
Other debtors	18	2,455	1,914	9,340	11,204	-	-	11,795	13,118
Prepayments and accrued income	19	12,217	5,912	15,770	24,259	-	-	27,987	30,171
Pension scheme asset	31	-	2,183	-	-	-	-	-	2,183
Total assets		**108,473**	**110,848**	**1,452,331**	**1,435,435**	**7,603**	**5,804**	**1,568,407**	**1,552,087**
Liabilities									
CAF Give As You Earn and CAF Donate balances	21	-	-	-	-	7,129	5,704	7,129	5,704
Due to beneficiary charities	22	-	-	15,179	20,651	-	-	15,179	20,651
Other creditors	23	1,932	2,677	5,397	3,578	474	100	7,803	6,355
Accruals and deferred income		1,626	1,939	-	-	-	-	1,626	1,939
Long-term loans	25	37,101	37,038	-	-	-	-	37,101	37,038
Total liabilities		**40,659**	**41,654**	**20,576**	**24,229**	**7,603**	**5,804**	**68,838**	**71,687**
Funds	**26**	**67,814**	**69,194**	**1,431,755**	**1,411,206**	**-**	**-**	**1,499,569**	**1,480,400**
Total liabilities and charitable funds		**108,473**	**110,848**	**1,452,331**	**1,435,435**	**7,603**	**5,804**	**1,568,407**	**1,552,087**

The notes on pages 86 to 141 form an integral part of these financial statements.

Approved by the Trustees and authorised for issue on 31 July 2023 and signed on their behalf by

Roger Perkin FCA
Trustee

Liz Rylatt FCA
Group Chief Financial Officer

Group cash flow statement

for the year ended 30 April 2023

	Notes	2023 £000	2023 £000	2022 £000	2022 £000
Cash flows from operating activities:					
Net cash provided by operating activities	**27**		**22,593**		**124,051**
Cash flows from investing activities:					
Net (increase)/decrease in loans and advances to banks		37,899		(1,499)	
Net (increase)/decrease in debt securities		(138,406)		104,744	
Payments to acquire financial investments		(243,932)		(189,373)	
Proceeds on disposal of financial investments		296,152		208,430	
Proceeds on disposal of other investments		671		21	
Payments to acquire intangible fixed assets		(1,657)		(3,482)	
Decrease/(increase) in investment portfolio cash and settlements pending		4,576		(13,863)	
Proceeds from repurchase agreements		8,852		-	
Receipts of Trust Funds investment income		14,447		11,667	
Net cash (used in)/provided by investing activities			**(21,398)**		**116,645**
Cash flows from financing activities:					
Long-term loan advance		-		29,476	
Repayment of long-term loan		-		(12,810)	
Premium paid on bonds purchased and cancelled		-		(1,729)	
Payments of interest on long-term loans		(1,448)		(798)	
Net cash (used in)/provided by financing activities			**(1,448)**		**14,139**
Change in cash and cash equivalents in the year			**(253)**		**254,835**
Cash and cash equivalents as at 1 May			**1,052,169**		**779,939**
Change in cash and cash equivalents due to exchange rate movements			**(3,271)**		**17,395**
Cash and cash equivalents as at 30 April			**1,048,645**		**1,052,169**
Represented by:					
Balances at Bank of England repayable on demand			616,894		599,340
Loans and advances to banks repayable on demand			431,751		452,829
			1,048,645		**1,052,169**

The notes on pages 86 to 141 form an integral part of these financial statements.

Charity cash flow statement

for the year ended 30 April 2023

	Notes	2023 £000	2023 £000	2022 £000	2022 £000
Cash flows from operating activities:					
Net cash provided by/(used in) operating activities	**27**		**996**		**(17,481)**
Cash flows from investing activities:					
Net (increase)/decrease in loans and advances to banks		60,856		(1,499)	
Net increase in debt securities		(137,476)		(12)	
Payments to acquire financial investments		(226,406)		(164,569)	
Proceeds on disposal of financial investments		252,044		182,489	
Proceeds on disposal of other investments		671		21	
Payments to acquire subsidiary undertakings		(275)		-	
Decrease/(increase) in investment portfolio cash and settlements pending		4,531		(5,853)	
Receipts of Trust Funds investment income		12,067		10,173	
Net cash (used in)/provided by investing activities			**(33,988)**		**20,750**
Cash flows from financing activities:					
Long-term loan advance		-		29,476	
Repayment of long-term loan		-		(12,810)	
Premium paid on bonds purchased and cancelled		-		(1,729)	
Payments of interest on long-term loans		(1,448)		(798)	
Net cash (used in)/provided by financing activities			**(1,448)**		**14,139**
Change in cash and cash equivalents in the year			**(34,440)**		**17,408**
Cash and cash equivalents as at 1 May			**269,191**		**246,229**
Change in cash and cash equivalents due to exchange rate movements			**(152)**		**5,554**
Cash and cash equivalents as at 30 April			**234,599**		**269,191**

The notes on pages 86 to 141 form an integral part of these financial statements.

Notes to the financial statements

1. Accounting policies

The principal accounting policies and judgements used in the preparation of the financial statements are:

1.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102') and the Statement of Recommended Practice: Accounting and Reporting by Charities (Charity SORP (FRS 102)), except for the adoption of a balance sheet format which the Trustees believe more clearly represents the group's financial assets and liabilities.

Monetary amounts in these financial statements are stated in pounds sterling, which is the functional and presentational currency, and are rounded to the nearest whole £1,000, except where otherwise indicated.

1.2 GOING CONCERN

In order to assess the appropriateness of the going concern assumption basis, the Trustees have considered the group's and the charity's financial position, liquidity, unrestricted reserves and forecasts for the foreseeable future, taking into account the principal risks to which the group and the charity are exposed, and the ongoing cost-of-living crisis and geopolitical uncertainties. The Trustees and boards of CAF subsidiaries have considered the impact of a severe economic outcome on each entity and the effectiveness of management actions that might be taken to mitigate the impact of this stress. Trustees and boards of subsidiaries have also considered the circumstances under which operations of the entity would be unable to continue. Having considered the assessments of going concern for CAF, CAF Bank and CAF America and after taking into account the current level of the group's and the charity's cash and reserves and the financial performance of the group and the charity since 30 April 2023, the Trustees have concluded that the risk of this situation occurring for CAF or for a subsidiary is remote.

Accordingly and after making appropriate enquiries, the Trustees have a reasonable expectation that the group and the charity will be able to continue in operation and meet their liabilities as they fall due for at least 12 months from the date of signing this report. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

1.3 FUND ACCOUNTING

The group holds restricted and unrestricted funds.

Fund classification is an area of significant judgement and is dealt with in Note 1.16 (a).

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects of the group.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors. Restricted funds comprise donations to the group which are held pending requests for investment or onward donation to charitable organisations.

Further details of each fund are disclosed in note 26.

1.4 INCOME RECOGNITION

Income is recognised once the group has entitlement to the income, it is probable that the income will be received and the amount can be measured reliably.

1.4 (a) Donations and legacies

Donations received, including Gift Aid on eligible donations, are recognised once the group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

In the event that a donation or grant is subject to conditions, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the group and it is probable that those conditions will be fulfilled.

Legacy donations are recognised on a case-by-case basis where there has been a grant of probate or notification has been made by executors that a distribution will be made. In the event that the gift is in the form of an asset other than cash, or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the group. Where legacies have been notified with an estimated value but the criteria for income recognition have not been met, then the legacies are treated as contingent assets and disclosed if material (see note 30).

Donations processed by the group acting in an agency role are recognised in the balance sheet as liabilities. Such donations consist of amounts in respect of CAF Give As You Earn and CAF Donate services.

1.4 (b) UK Government grants

Income in respect of Government grants is recognised, in accordance with any applicable agreement, over the period to which the grant relates. Any underspends of the grants which are due to be returned are included within creditors.

1.4 (c) Fee income

Income in respect of grant administration services provided to grantmakers, which forms part of wider arrangements including the receipt and onward payment of funds to beneficiary charities, is recognised upon delivery of the administration services. Recognition of this income is dependent upon being able to measure reliably: the stage of completion, the costs incurred in delivering the service and the costs to complete the requirements of the service.

Loan arrangement fees are recognised using the effective interest method over the term of the loan. Non-utilisation fees on undrawn loans are recognised as income in the period they are earned.

1.4 (d) Investment income

Interest receivable on financial assets is recognised using the effective interest method. Dividends are recognised once the dividend has been declared and notification has been received of the value of the dividend due. Where investments are managed by external investment managers, this is normally upon notification by the investment manager of the dividend income.

1.5 EXPENDITURE RECOGNITION

Expenditure is recognised as soon as there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Judgement has been applied in the disclosure in the Statement of Financial Activities (SOFA) of payments to beneficiaries as "Donations payable to charities". These amounts principally represent payments to beneficiary organisations for charitable purposes based on the suggestion of our donors (donor-advised payments). It is the group's objective to be cause neutral and, within the requirements of relevant regulations, to support any charitable cause wherever in the world it may be. Consequently, the Trustees do not consider these donor-advised payments to be made in pursuit of a grantmaking programme to support organisations that operate in specific charitable sectors or geographical locations, or that are of a certain size.

Exceptionally, the group may from time-to-time make donor-advised payments to individuals rather than to organisations. However, such payments are made only in compliance with relevant regulations and following a successful assessment of the payment being for charitable purposes.

Donations payable to charities are charged to the SOFA when both the group and beneficiary charities are notified in the normal course of business of an unconditional obligation to transfer funds. Amounts to be paid at a future date are included in creditors.

On occasion the beneficiary charity is formally notified in writing of a donation by the group. This notification gives the recipient a reasonable expectation that they will receive the one-off or multi-year donation. In the case of an unconditional offer this is accrued once the recipient has been notified of the donation. Donations that are subject to the recipient fulfilling performance conditions are recognised as payable when any remaining unfulfilled conditions attaching to that award are outside of the control of the group.

The provision for a multi-year donation is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the group that would permit the group to avoid making the future payment(s), settlement is probable and the effect of discounting is material. The discount rate used is the average rate of investment yield in the year in which the donation is made.

CAF America works in partnership with US professional fundraising organisations. CAF America receives 100% of the donations collected, which it then grants, minus costs and fees paid to the fundraising organisations, to third party beneficiary charities. The grants payable and associated fundraising fees and costs are recognised in accordance with the above recognition criteria for expenditure. No UK fundraising activities are undertaken.

Notes to the financial statements

1.6 ALLOCATION OF SUPPORT COSTS

All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. Where support costs cannot be directly attributed to one or more categories, they are apportioned on the basis of staff headcount. No support costs are allocated to restricted funds.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

Irrecoverable VAT is charged as a cost.

1.7 OPERATING LEASES

Operating lease rentals are charged to the SOFA on a straight line basis over the term of the lease.

1.8 PENSION COSTS

Details of the group's pension arrangements are set out in note 31. The following policies are applied to the recognition and measurement of costs and liabilities in respect of the pension plans.

Defined contribution pension plans

Pension contributions payable for the year in respect of defined contribution pension plans are recognised as an expense and as a liability, after deducting any amounts already paid.

Defined benefit pension scheme

The CAF-specific defined benefit pension scheme (Charities Aid Foundation Pension Scheme) is closed to both new members and benefit accrual. In accordance with the requirements of FRS 102, if CAF's obligations under the plan exceed the value of the plan's assets, CAF recognises a 'net defined benefit liability'. In the event of a winding up of the plan, the trust deed allows CAF to recover any surplus which may exist. Consequently, where the value of the plan's assets exceed CAF's obligation under the plan, CAF recognises a 'net defined benefit asset', but only to the extent it is expected that the asset might be recovered by CAF.

The net defined benefit asset or liability is measured in accordance with the requirements of FRS 102 and is determined by an independent actuary. The net change in the defined benefit asset or liability during the period is recognised in the SOFA.

1.9 FOREIGN CURRENCY

Transactions in foreign currencies are translated to Sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to Sterling at the exchange rate ruling at that date.

The results of overseas operations are translated at the average annual rate of exchange and their balance sheets at the rates ruling at the balance sheet date.

Exchange differences arising, including those on the translation of opening net assets of overseas subsidiary undertakings, are taken to the SOFA.

1.10 TAXATION

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.11 TANGIBLE FIXED ASSETS

Tangible fixed assets, other than long-leasehold property, are stated at cost less accumulated depreciation and accumulated impairment losses.

Long-leasehold property is stated at fair value less any subsequent accumulated depreciation and impairment losses. Gains and losses on revaluation are recognised in the SOFA and accumulated in the revaluation reserve.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Group entities assess at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the SOFA on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

• Long-leasehold property	50 years
• Long-leasehold and other leasehold improvements	Shorter of the remaining term of the lease or the useful economic life of the asset
• Furniture and fittings	up to 4 years
• Computer equipment	up to 3 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change in the pattern by which the group expects to consume an asset's future economic benefits.

1.12 INTANGIBLE FIXED ASSETS

Intangible fixed assets are stated at cost less accumulated amortisation and impairment losses. Amortisation will commence when the assets are brought into use.

Intangible fixed assets are assessed for impairment at each balance sheet date.

External spend to suppliers on software and system development is capitalised where the recognition criteria are satisfied. Internal spend on staff and contractors is expensed, except where effort directly relates to system development and the recognition criteria are satisfied.

1.13 BASIC FINANCIAL INSTRUMENTS

Investments

Investments may be held for two broad investment objectives:

- to generate income to support the group's charitable activities – 'Treasury assets' which include CAF Bank's investments, or
- to achieve capital appreciation and to generate income for CAF Charitable Trusts, CAF America Donor Advised Funds and CAF American Donor Fund Trusts (collectively 'Trust funds') – 'Financial investments'.

Treasury assets

Debt securities are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Financial investments

Pools of investments are held for Trust funds to achieve an investment return to fund future charitable donations. The value of the investments determines the funds available for donation at any point in time.

Basic financial instruments held as 'Financial investments' are, therefore, measured initially at fair value, which is normally the transaction price. Transaction costs are expensed in the SOFA (where material) if the investments are subsequently measured at fair value through profit or loss. Subsequent to initial recognition all types of investments, including debt securities, that can be measured reliably are measured at fair value with changes recognised in the SOFA. Where the fair value of such investments cannot be reliably measured because, for example they are not publicly traded, the investments are measured at cost less impairment.

Other investments

Investments in equity instruments, such as ordinary and preference shares, are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded (where material) if the investments are subsequently measured at fair value through profit or loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognised in the SOFA. Where the fair value of such investments cannot be reliably measured, the investments are measured at cost less impairment.

Investment properties are measured initially at fair value which is typically probate value. They are subsequently reviewed at each balance sheet date for any changes in fair value which is typically open market value.

Investments in subsidiaries

Investments in subsidiaries which represent ordinary share capital are carried at cost less impairment.

Notes to the financial statements

Loans and advances to banks

Loans and advances to banks comprise the group's cleared and uncleared balances held at clearing banks and deposits with an original maturity of five years or less. These are shown at the lower of cost or estimated realisable value.

Where a pool of 'Financial investments' is managed on a discretionary basis by an investment manager and the portfolio includes cash and cash deposits, those balances are included with the investment balance to reflect that the funds do not form part of day-to-day operational cash flows and balances.

CAF Bank depositor balances

CAF Bank depositor balances represent the value of deposits by account holders and are recorded as liabilities.

Debtors and creditors

Debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid.

Creditors are recognised where there is a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

Interest-bearing loans receivable and payable

Interest-bearing loans are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing loans are stated at amortised cost using the effective interest method, less any impairment losses.

Concessionary loans receivable and payable

Concessionary loans may be receivable from other charities as a result of social lending activity undertaken by CAF Venturesome and loans advanced by CAF Charitable Trusts. Such loans are advanced at concessionary (non-market) rates of interest, which may include interest-free loans. These are initially recognised at the amount advanced to the borrower and are subsequently measured at the amount advanced less amounts received less any impairment.

Concessionary loans may be payable in respect of funds advanced to support social lending undertaken by CAF Venturesome. Such loans are advanced at concessionary (non-market) rates and are usually interest-free loans. These are initially recognised at the amount advanced by the lender and are subsequently measured at the amount advanced less any amounts repaid to the lender.

1.14 OTHER FINANCIAL INSTRUMENTS - FINANCIAL INSTRUMENTS NOT CONSIDERED TO BE 'BASIC FINANCIAL INSTRUMENTS'

Other financial instruments not meeting the definition of 'Basic financial instruments' are recognised initially at fair value. Subsequent measurement is at fair value with changes recognised in the SOFA, except for equity instruments which are not publicly traded and whose value cannot otherwise be measured reliably, which are measured at cost less impairment.

1.15 IMPAIRMENT OF ASSETS

Financial assets (including trade and other debtors)

Financial assets including loans are assessed at each reporting date to determine whether there is objective evidence of impairment. Objective evidence can include default or delinquency by a borrower, restructuring of a loan or advance on terms the group would otherwise not consider, indications that a borrower or issuer may become insolvent, or a reduction in marketability of the security.

The group considers evidence for impairment for loans and advances (including on-demand commitments) at both specific and collective level. If there is evidence of impairment leading to an impairment loss for an individual counterparty relationship, then the amount of the loss is determined as the difference between the carrying amount of the loan, including accrued interest, and the estimated recoverable amount. The estimated recoverable amount is measured as the present value of expected future cash flows discounted at the loan's original effective interest rate, including cash flows that may result from foreclosure less costs for obtaining and selling collateral. The carrying amount of the loan is reduced by the use of an allowance account and the amount of the loss is recognised in the SOFA.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and loss experience for assets with credit risk characteristics similar to those in the group. In addition, the group uses its judgement to estimate the amount of an impairment loss, supported by historical loss experience data for similar assets. The use of such judgements and reasonable estimates is considered by management to be an essential part of the process.

Non-financial assets

The carrying amounts of the group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the SOFA. An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Investment properties

Investment properties which are only acquired upon donation, usually by legacies, to the group are measured initially at probate valuation. Subsequent to initial recognition, investment properties are held at open market value.

1.16 CRITICAL ACCOUNTING JUDGEMENTS AND SIGNIFICANT ESTIMATES

(a) Critical accounting judgements

Classification of funds

Judgement has been applied in whether certain funds held in accordance with CAF's standard terms and conditions should be classified as restricted funds or unrestricted funds under the SORP. These funds, in respect of the UK charity, which amount to £612.1m (2022: £544.1m), are held by CAF pending request for onward distribution to third party charities.

The Trustees consider that the following factors indicate that these funds held by the UK charity in CAF Charity Accounts, CAF Company Accounts and CAF Charitable Trusts are more appropriately classified as restricted funds:

- The SORP states that a restriction may result from a decision by the donor to support a specific purpose of the charity. So, although the standard terms and conditions of CAF do not themselves restrict the funds, the view of the Trustees is that the donor decision results in a restriction in substance.
- There is an expectation from the donor and users of the accounts that these funds will be used in line with the wishes of the donor.

In the ordinary course of business, there is no expectation that these funds will be used for any purposes other than onward distribution. This is supported by long term business practice and the fact that use of these funds for CAF's own needs would likely be damaging to the business model and would only ever be contemplated in an extreme event.

Legacies

Judgement has been applied in recognising income from legacies gifted to CAF. Legacies are recognised as income where receipt is probable, which is determined from a review of a number of criteria including grant of probate, sufficiency of assets and the existence of any conditions to be met.

Intangible fixed assets

Intangible assets represent CAF Bank's investment in a new core banking system under its transformation programme. In assessing for impairment at the balance sheet date, management assesses the current status of the programme and concludes that the programme will be taken to completion and that the development work to date has value when brought in to use.

(b) Significant Estimates

There are no sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1.17 ENTITY STATUS

CAF meets the definition of a Public Benefit Entity under FRS 102.

Notes to the financial statements

2. Consolidation

The group financial statements include the accounts of CAF (the charity) and its subsidiary undertakings for the year.

Consolidated entities

The following entities are controlled by CAF and are consolidated in the group financial statements:

Trading subsidiaries

By way of mixed-motive investments, CAF owns 100% of the equity share capital of the following:

- CAF Bank Limited (registered in England & Wales – company number 01837656), a bank for charities authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.
- CAF Financial Solutions Limited (registered in England & Wales – company number 02771873), a company authorised and regulated by the Financial Conduct Authority, responsible for the marketing and promotion of regulated savings and investment products to customers of CAF and its subsidiaries and, as of 30 April 2023, the sponsor of an Open Ended Investment Company (OEIC), namely, IFSL CAF Investment Fund.

UK registered charities

Southampton Row Trust Limited, which operates as the CAF American Donor Fund, is a UK charitable company registered with the Charity Commission (number 1079020) and is wholly-owned by CAF America (see below). CAF American Donor Fund supports crossborder tax-efficient giving by enabling individuals liable for tax in both the UK and USA to obtain tax relief on charitable gifts in each country.

Overseas charitable entities

CAF controls the following overseas charitable entities:

- CAF America, a US public charity recognised by the US Internal Revenue Service. CAF America provides US citizens with the opportunity to make tax-effective gifts for the support of overseas charities. CAF has the power to appoint and remove the members of CAF America at any time
- CAF Canada, a Canadian charity registered with the Canadian Revenue Agency, of which CAF and CAF America are the only members.

Entities not consolidated

The wider CAF Network is a global collaboration of trusted partners made up of fully independent, robust organisations who share CAF's mission to accelerate progress towards a fair and sustainable future for all. This network currently includes partners in Australia, Brazil, Bulgaria, India, South Africa and Turkey, in addition to our CAF group operations in the UK, US and Canada. CAF does not have a controlling interest in these entities and consequently their results are not consolidated in the group financial statements.

Other than through investment as an account holder or unit holder, and fees earned for administration and marketing, the CAF group entities have no beneficial interest in the net assets of the following:

- IFSL CAF Investment Fund and its sub-funds
- CAF Charity Deposit Platform.

3. Results and net assets of subsidiaries

Due to the number of subsidiary undertakings, the disclosure required by the Charities SORP would result in information of excessive length being given. As a result, detailed information is only given for CAF Bank, CAF America and CAF American Donor Fund, whose results significantly affect the group accounts.

CAF Bank Limited	2023 £000	2022 £000
Profit and Loss Account		
Interest receivable	35,396	10,823
Interest payable	(7,350)	(182)
Net interest income	**28,046**	**10,641**
Other operating income	1,647	2,062
Administrative expenses	(18,472)	(11,774)
Loan loss provision	(573)	1,100
Profit on ordinary activities before taxation	**10,648**	**2,029**
Tax on profit on ordinary activities	(2,073)	(389)
Profit on ordinary activities after taxation	**8,575**	**1,640**
Profit and loss account balance brought forward	1,579	(61)
Transferred from distributable reserve	1,000	-
Profit and loss account balance carried forward	**11,154**	**1,579**

	2023 £000	2022 £000
Balance Sheet		
Loans and advances to banks & Bank of England	626,592	610,024
Loans and advances to customers	177,734	160,407
Debt securities	752,100	777,145
Other assets	15,108	8,468
Total assets	**1,571,534**	**1,556,044**
Total liabilities		
Depositors' balances	1,505,425	1,508,937
Other liabilities	14,636	4,178
Total liabilities	**1,520,061**	**1,513,115**
Shareholders' funds	51,473	42,929
Total liabilities and shareholders' funds	**1,571,534**	**1,556,044**

Notes to the financial statements

3. Results and net assets of subsidiaries (continued)

CAF America	2023 £000	2022 £000
Statement of Financial Activities		
Donations and legacies receivable	533,280	370,798
US fundraising programme income	25,678	77,481
Income from group entities	278	408
Fee income	13,323	10,672
Investment income	3,103	480
Total income	**575,662**	**459,839**
Donations payable to charities	490,027	319,165
Donations payable to group entities	7,147	6,000
US fundraising programme costs	21,328	61,718
Direct costs of charitable activities	14,695	10,679
Governance costs	127	187
Total expenditure	**533,324**	**397,749**
Net income before net gains/(losses) on investments	**42,338**	**62,090**
Net gains/(losses) on debt securities	28	-
Net gains/(losses) on financial investments	(1,349)	(879)
Net income before other recognised gains/(losses)	**41,017**	**61,211**
Gain/(losses) on foreign exchange	(2,958)	8,874
Net movement in funds	**38,059**	**70,085**
Funds brought forward	139,346	69,261
Funds carried forward	**177,405**	**139,346**

	2023 £000	2022 £000
Balance Sheet		
Total assets		
Unrestricted funds	6,061	6,655
Designated funds [1]	177,133	137,341
Total assets	**183,194**	**143,996**
Total liabilities		
Unrestricted funds	1,699	3,121
Designated funds [1]	4,090	1,529
Total liabilities	**5,789**	**4,650**
Total funds		
Unrestricted funds	4,362	3,534
Designated funds [1]	173,043	135,812
Total funds	**177,405**	**139,346**
Total liabilities and funds	**183,194**	**143,996**

Notes:

1. These funds are designated for Donor Advised grantmaking purposes in CAF America but restricted for use within CAF America. Therefore, they are treated as restricted funds within the group accounts.

3. Results and net assets of subsidiaries (continued)

CAF American Donor Fund	2023 £000	2022 £000
Statement of Financial Activities		
Donations and legacies receivable	104,117	94,678
Donations receivable from group entities	-	139
Investment income	2,474	930
Total income	**106,591**	**95,747**
Donations payable to charities	85,571	62,211
Donations payable to group entities	1,524	5,617
Direct costs of charitable activities	10	24
Direct costs paid to group entities	1,621	531
Governance costs	65	60
Total expenditure	**88,791**	**68,443**
Net income before net gains/(losses) on investments	**17,800**	**27,304**
Net gains/(losses) on financial investments	(1,618)	(1,162)
Net income before other recognised gains/(losses)	**16,182**	**26,142**
Gains/(losses) on foreign exchange	374	2,654
Net movement in funds	**16,556**	**28,796**
Funds brought forward	117,138	88,342
Funds carried forward	**133,694**	**117,138**

	2023 £000	2022 £000
Balance Sheet		
Total assets		
Unrestricted funds	1,411	1,778
Designated funds [1]	133,737	115,491
Total assets	**135,148**	**117,269**
Total liabilities		
Unrestricted funds	175	126
Designated funds [1]	1,279	5
Total liabilities	**1,454**	**131**
Funds		
Unrestricted funds	1,236	1,651
Designated funds [1]	132,458	115,487
Total funds	**133,694**	**117,138**
Total liabilities and funds	**135,148**	**117,269**

Notes:

1. These funds are designated for Donor Advised grantmaking purposes in the CAF American Donor Fund but restricted for use within the CAF American Donor Fund. Therefore, they are treated as restricted funds within the group accounts.

Notes to the financial statements

4. UK Government grants

During the year CAF received £75k (2022: £0.8m) from Foreign & Commonwealth Development Office (FCDO).
No amounts were due to CAF from FCDO at 30 April 2023 (2022: £nil).

5. Investment income

	Unrestricted		Restricted		Total	
	2023	2022	2023	2022	2023	2022
Group	£000	£000	£000	£000	£000	£000
Interest on fixed interest securities and cash deposits	16,980	4,575	2,561	459	19,541	5,034
Dividends	17	26	11,744	11,079	11,761	11,105
Interest on concessionary loans to charities	249	285	100	24	349	309
	17,246	**4,886**	**14,405**	**11,562**	**31,651**	**16,448**
Charity						
Interest on fixed interest securities and cash deposits	13,550	4,456	2,042	443	15,592	4,899
Dividends	1	14	9,934	9,621	9,935	9,635
Interest on concessionary loans to charities	249	285	46	24	295	309
	13,800	**4,755**	**12,022**	**10,088**	**25,822**	**14,843**

6. Income and donations received and charitable activities

6.1 GROUP UNRESTRICTED FUNDS

	Growing Philanthropy	Serving Charities					Total	Total
	Charity [1]	CAF America and subsidiaries [2]	Financial & donation services [3]	CAF Network [1]	Grant making & sector support	Other funds	2023	2022
	£000	£000	£000	£000	£000	£000	£000	£000
Income								
Donations	4,003	970	147	-	-	9	5,129	4,537
Legacies	-	-	-	-	-	692	692	1,119
	4,003	**970**	**147**	**-**	**-**	**701**	**5,821**	**5,656**
Charitable activities:								
Fee income	6,135	13,935	4,766	16	388	-	25,240	23,688
CAF Bank net interest income	-	-	28,046	-	-	-	28,046	10,641
Investment income	11,733	3,436	604	10	139	1,324	17,246	4,886
Total income	**21,871**	**18,341**	**33,563**	**26**	**527**	**2,025**	**76,353**	**44,871**
Expenditure on charitable activities								
Donations payable to charities	-	-	-	151	-	75	226	298
Direct costs	12,367	15,928	18,925	601	1,709	1,771	51,301	35,122
Support costs								
Human resources	1,079	-	178	33	156	-	1,446	1,257
Property	1,487	-	246	45	215	-	1,993	1,811
Finance	1,994	-	330	61	288	-	2,673	2,086
Information systems	7,078	-	1,032	138	652	-	8,900	7,233
Governance costs	1,717	207	522	52	248	-	2,746	2,023
Total support costs	**13,355**	**207**	**2,308**	**329**	**1,559**	**-**	**17,758**	**14,410**
Total expenditure	**25,722**	**16,135**	**21,233**	**1,081**	**3,268**	**1,846**	**69,285**	**49,830**
Net income/(expenditure) before gains and losses	**(3,851)**	**2,206**	**12,330**	**(1,055)**	**(2,741)**	**179**	**7,068**	**(4,959)**
Net losses on debt securities	-	-	-	-	-	(110)	(110)	-
Net gains on financial investments	-	-	-	-	-	-	-	124
Net gains on other investments	-	-	-	-	-	536	536	335
Net income/(expenditure)	**(3,851)**	**2,206**	**12,330**	**(1,055)**	**(2,741)**	**605**	**7,494**	**(4,500)**

For the above table, and subsequent tables in this note, summary comparative information only has been provided as it is considered that the provision of full comparatives would add a disproportionate volume of additional information, compared with the benefit obtained by the reader of the accounts.

Notes:

1. Activities undertaken by CAF (the charity)
2. Activities undertaken by CAF America, CAF American Donor Fund and CAF Canada
3. Activities undertaken by CAF, CAF Bank Limited, CAF Financial Solutions Limited and CAF Investments Limited

Notes to the financial statements

6. Income and donations received and charitable activities (continued)

6.2 CHARITY UNRESTRICTED FUNDS

	Growing Philanthropy			Serving Charities				Total	Total
	Major donors	Regular givers	Companies	Financial & donation services [1]	CAF Network	Grant making & sector support	Other funds	2023	2022
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Income									
Donations	638	2,442	923	213	-	-	809	5,025	3,443
Legacies	-	-	-	-	-	-	692	692	1,119
	638	**2,442**	**923**	**213**	**-**	**-**	**1,501**	**5,717**	**4,562**
Charitable activities:									
Fee income	4,308	397	2,372	5,818	16	388	-	13,299	10,599
Investment income	7,361	2,324	2,048	604	-	139	1,324	13,800	4,755
Total income	**12,307**	**5,163**	**5,343**	**6,635**	**16**	**527**	**2,825**	**32,816**	**19,916**
Expenditure on charitable activities									
Donations payable to charities	-	-	-	-	151	-	75	226	298
Direct costs	4,578	2,918	4,871	2,620	601	1,709	1,771	19,068	13,851
Support costs									
Human resources	378	225	476	178	33	156	-	1,446	1,257
Property	521	310	656	246	45	215	-	1,993	1,811
Finance	699	415	880	330	61	288	-	2,673	2,086
Information systems	2,437	1,794	2,847	1,032	138	652	-	8,900	7,233
Governance costs	602	358	757	284	52	248	-	2,301	1,491
Total support costs	**4,637**	**3,102**	**5,616**	**2,070**	**329**	**1,559**	**-**	**17,313**	**13,878**
Total expenditure	**9,215**	**6,020**	**10,487**	**4,690**	**1,081**	**3,268**	**1,846**	**36,607**	**28,027**
Net expenditure before net gains/(losses) on investments	**3,092**	**(857)**	**(5,144)**	**1,945**	**(1,065)**	**(2,741)**	**979**	**(3,791)**	**(8,111)**
Net losses on debt securities	-	-	-	-	-	-	(138)	(138)	-
Net gains on financial investments	-	-	-	-	-	-	-	-	124
Net gains on other investments	-	-	-	-	-	-	536	536	335
Net income/(expenditure)	**3,092**	**(857)**	**(5,144)**	**1,945**	**(1,065)**	**(2,741)**	**1,377**	**(3,393)**	**(7,652)**

Notes:

1. CAF's income and expenditure arising from activities delivered by CAF (CAF Venturesome and CAF Donate), management fees received from its subsidiaries (CAF Bank Limited and CAF Financial Solutions Limited) and CAF's associated costs.

6.3 UNRESTRICTED FUNDS - ALLOCATION OF SUPPORT COSTS

Support costs of charitable activities comprise costs of certain central functions, which underpin the delivery of our services to support donors, charities and the sector and are shared across more than one of our activities. These shared functions provide support in areas such as information systems, premises, human resources, finance, executive management and governance. Where the costs of these shared functions cannot be attributed directly to an area of our activities, they are allocated on the basis of staff headcount.

No support costs are allocated to restricted funds.

6. Income and donations received and charitable activities (continued)

6.4 GROUP RESTRICTED FUNDS

	Growing Philanthropy		Serving Charities		Total	Total
	Charity [1]	CAF America and subsidiaries [2]	Financial & donation services [3]	Grant making & sector support [1]	2023	2022
	£000	£000	£000	£000	£000	£000
Income						
Donations	366,829	649,319	-	569	1,016,717	886,011
US fundraising programme income	-	25,678	-	-	25,678	77,481
Legacies	13,333	613	-	-	13,946	23,550
Government grants	-	-	-	75	75	789
	380,162	**675,610**	**-**	**644**	**1,056,416**	**987,831**
Fee income	-	-	22	-	22	11
Investment income	11,998	2,383	24	-	14,405	11,562
Total income	**392,160**	**677,993**	**46**	**644**	**1,070,843**	**999,404**
Expenditure on charitable activities						
Donations payable to charities	365,052	590,176	654	276	956,158	808,488
Direct costs	-	-	(136)	-	(136)	45
	365,052	**590,176**	**518**	**276**	**956,022**	**808,533**
US fundraising programme costs	-	21,328	-	-	21,328	61,718
Total expenditure	**365,052**	**611,504**	**518**	**276**	**977,350**	**870,251**
Net income/(expenditure) before net gains/(losses) on investments	**27,108**	**66,489**	**(472)**	**368**	**93,493**	**129,153**
Net gains/(losses) on financial investments	(7,532)	(3,310)	-	-	(10,842)	6,414
Net gains on other investments	-	-	-	-	-	660
Net income/(expenditure)	**19,576**	**63,179**	**(472)**	**368**	**82,651**	**136,227**

Terms and conditions vary between products. As a result, a portion of investment income on restricted funds awaiting charitable distribution is allocated to unrestricted funds (see note 6.1).

Notes:

1. Activities undertaken by CAF (the charity)
2. Activities undertaken by CAF America, CAF American Donor Fund and CAF Canada
3. Activities undertaken by CAF, CAF Bank Limited and CAF Financial Solutions Limited.

Notes to the financial statements

6. Income and donations received and charitable activities (continued)

6.5 CHARITY RESTRICTED FUNDS

	Growing Philanthropy			Serving Charities		Total	Total
	Major donors	Regular givers	Companies	CAF Venturesome	Grant making	2023	2022
	£000	£000	£000	£000	£000	£000	£000
Income							
Donations	185,611	106,314	82,250	-	569	374,744	412,930
Legacies	13,333	-	-	-	-	13,333	23,550
Government grants	-	-	-	-	75	75	789
	198,944	**106,314**	**82,250**	**-**	**644**	**388,152**	**437,269**
Fee income	-	-	-	22	-	22	11
Investment income	11,998	-	-	24	-	12,022	10,088
Total income	**210,942**	**106,314**	**82,250**	**46**	**644**	**400,196**	**447,368**
Expenditure on charitable activities							
Donations payable to charities	178,155	107,586	79,505	654	276	366,176	412,429
Direct costs	-	-	-	(136)	-	(136)	45
Total expenditure	**178,155**	**107,586**	**79,505**	**518**	**276**	**366,040**	**412,474**
Net income/(expenditure) before net gains/(losses) on investments	**32,787**	**(1,272)**	**2,745**	**(472)**	**368**	**34,156**	**34,894**
Net gains/(losses) on financial investments	(7,532)	-	-	-	-	(7,532)	8,145
Net gains on other investments	-	-	-	-	-	-	660
Net income/(expenditure)	**25,255**	**(1,272)**	**2,745**	**(472)**	**368**	**26,624**	**43,699**

Terms and conditions vary between products. As a result, a portion of investment income on restricted funds awaiting charitable distribution is allocated to unrestricted funds (see note 6.2).

7. Governance costs

Governance costs include the following amounts:

	Group		Charity	
	2023	2022	2023	2022
	£000	£000	£000	£000
Internal audit	335	204	116	96
Fees payable to the group external auditor, net of VAT:				
Audit of financial statements	676	570	435	356
Other services	29	87	-	78
Fees payable to component external auditor, net of VAT:				
Audit of financial statements	127	115	-	-
Trustees' indemnity insurance	50	72	36	64

8. Staff costs

	Charity		CAF America and subsidiaries		CAF Bank and other trading subsidiaries		Group	
	2023	2022	2023	2022	2023	2022	2023	2022
	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	16,457	13,468	7,122	4,740	7,392	5,915	30,971	24,123
Social security costs	1,759	1,333	436	324	733	558	2,928	2,215
Defined contribution scheme pension costs	1,574	1,271	525	311	500	417	2,599	1,999
Training and welfare	593	513	763	617	1	1	1,357	1,131
	20,383	**16,585**	**8,846**	**5,992**	**8,626**	**6,891**	**37,855**	**29,468**
Other pension costs (see note 31)	232	184	-	-	-	-	232	184
	20,615	**16,769**	**8,846**	**5,992**	**8,626**	**6,891**	**38,087**	**29,652**

Throughout this note, where employees of the charity are assigned to duties exclusively for one of CAF's subsidiaries, the associated staff costs and employee numbers are included within the figures for either 'CAF America and subsidiaries' or for 'CAF Bank and other trading subsidiaries'.

Included within salaries and wages are redundancy and termination costs totalling £45k for the group and £10k for the charity (2022: £209k for the group and £199k for the charity).

Notes to the financial statements

8. Staff costs (continued)

EMPLOYEE NUMBERS

The average number of employees during the year was:	Charity 2023 Number	Charity 2022 Number	CAF America and subsidiaries 2023 Number	CAF America and subsidiaries 2022 Number	CAF Bank and other trading subsidiaries 2023 Number	CAF Bank and other trading subsidiaries 2022 Number	Group 2023 Number	Group 2022 Number
Full-time and part-time employees	**391**	**355**	**90**	**74**	**169**	**141**	**650**	**570**
Full-time equivalent	**374**	**338**	**90**	**74**	**161**	**134**	**625**	**546**

Average number of full time equivalent employees analysed by function:	2023	2022
Major donors	98	87
Regular givers	58	51
Companies	123	112
Financial and donation services	46	41
CAF International network	9	8
Grantmaking and sector support	40	38
Governance	-	1
Charity	**374**	**338**
CAF America and subsidiaries	90	74
CAF Bank and other trading subsidiaries	161	134
Group	**625**	**546**

8. Staff costs (continued)

EMPLOYEE EMOLUMENTS

Emoluments include gross salary, taxable benefits and one-off end-of-contract payments such as redundancy, but exclude employer pension contributions.

The number of employees whose total emoluments exceeded £60,000 during the year is as follows:

	Charity 2023 Number	Charity 2022 Number	CAF America and subsidiaries 2023 Number	CAF America and subsidiaries 2022 Number	CAF Bank and other trading subsidiaries 2023 Number	CAF Bank and other trading subsidiaries 2022 Number	Group 2023 Number	Group 2022 Number
£60,001 - £70,000	26	14	12	3	8	3	46	20
£70,001 - £80,000	10	5	6	5	3	3	19	13
£80,001 - £90,000	7	4	-	1	2	-	9	5
£90,001 - £100,000	5	3	3	-	-	1	8	4
£100,001 - £110,000	-	-	6	1	-	-	6	1
£110,001 - £120,000	1	3	-	-	-	-	1	3
£120,001 - £130,000	3	2	-	1	-	-	3	3
£130,001 - £140,000	1	-	-	-	1	2	2	2
£140,001 - £150,000	1	1	-	-	1	1	2	2
£150,001 - £160,000	-	-	1	-	3	1	4	1
£170,001 - £180,000	1	-	-	-	-	-	1	-
£180,001 - £190,000	-	-	-	-	1	-	1	-
£190,001 - £200,000	-	-	1	-	-	-	1	-
£200,001 - £210,000	1	-	1	-	-	-	2	-
£210,001 - £220,000	-	1	-	-	-	-	-	1
£230,001 - £240,000	1	-	-	-	-	1	1	1
£250,001 - £260,000	-	1^	-	-	-	-	-	1
£260,001 - £270,000	-	-	-	-	1	-	1	-
£300,001 - £310,000	-	-	-	1*	-	-	-	1
£420,001 - £430,000	-	-	1*	-	-	-	1	-
	57	**34**	**31**	**12**	**20**	**12**	**108**	**58**

* The highest paid role in the years ended 30 April 2023 and 2022 for the group is the President and CEO of CAF America whose emoluments are paid in US dollars. The average exchange rate for the year was $1.202:£1 (2022: $1.356:£1)

^ The highest paid role in the year ended 30 April 2022 for the charity included a one-off end-of-contract payment and therefore does not reflect ongoing annual salary.

The Group Chief Executive received salary and benefits of £238k (2022: £216k) and employer pension contributions of £26k (2022: £16k).

Notes to the financial statements

8. Staff costs (continued)

PENSION CONTRIBUTIONS

Pension contributions and pension allowances paid in respect of the employees included in the preceding table are as follows:

	Charity		CAF America and subsidiaries		CAF Bank and other trading subsidiaries		Group	
	2023	2022	2023	2022	2023	2022	2023	2022
	Number	Number	Number	Number	Number	Number	Number	Number
Number of employees	**57**	**34**	**25**	**12**	**21**	**12**	**103**	**58**
	£000	£000	£000	£000	£000	£000	£000	£000
Aggregate value of contributions	**461**	**155**	**311**	**96**	**225**	**72**	**997**	**323**

Key management personnel

The key management personnel of the group are the members of the Executive Committee. Total salary and employee benefits for key management personnel during the year amounted to £1,683,289 (2022: £1,516,141) plus pension contributions and pension allowances of £125,915 (2022: £118,703). Employers' National Insurance contributions amounted to £195,422 (2022: £162,860). There were no payments to third parties for management services during the year (2022: £201,250).

Trustees remuneration

The Trustees receive no remuneration for their services, but may be reimbursed for out-of-pocket expenses in respect of attending meetings and carrying out duties on behalf of CAF. Expenses of £1,031 (2022: £nil) were reimbursed during the year.

9. Taxation

CAF is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is exempt from taxation in respect of income or capital gains received within categories covered by Part 10 of the Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Consequently, no tax charge has arisen in the current or preceding year for the charity.

A corporation tax charge for the year of £2,073k (2022: charge of £389k) arose for the group which is attributable to CAF Bank Limited.

	Group	
	2023	2022
	£000	£000
Tax expense:		
UK corporation tax	**2,073**	**389**
Reconciliation to tax expense		
Profit on ordinary activities before taxation at 19.5% (2022: 19%)	2,076	386
Disallowed expenditure	-	1
Adjustment in respect of prior years	(1)	-
Deferred tax - origination and reversal of timing differences	(47)	(35)
Deferred tax - impact of change in tax rate	45	37
Tax charge	**2,073**	**389**

Notes to the financial statements

10. Loans and advances to banks

	Unrestricted funds		Restricted funds		CAF Bank balances and donor client balances		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Group	£000	£000	£000	£000	£000	£000	£000	£000
On demand and short-term deposits	51,075	57,915	366,957	381,639	13,719	13,275	431,751	452,829
Remaining maturity of other loans and advances:								
Less than 6 months	-	-	136,795	230,050	-	-	136,795	230,050
Over 6 months to 1 year	-	-	85,381	70,025	-	-	85,381	70,025
Over 1 year to 5 years	-	-	65,000	25,000	-	-	65,000	25,000
	51,075	**57,915**	**654,133**	**706,714**	**13,719**	**13,275**	**718,927**	**777,904**

	Unrestricted funds		Restricted funds		Donor client balances		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Charity	£000	£000	£000	£000	£000	£000	£000	£000
On demand and short-term deposits	44,389	49,308	182,607	214,079	7,603	5,804	234,599	269,191
Remaining maturity of other loans and advances:								
Less than 6 months	-	-	113,838	230,050	-	-	113,838	230,050
Over 6 months to 1 year	-	-	85,381	70,025	-	-	85,381	70,025
Over 1 year to 5 years	-	-	65,000	25,000	-	-	65,000	25,000
	44,389	**49,308**	**446,826**	**539,154**	**7,603**	**5,804**	**498,818**	**594,266**

11. Loans and advances to customers

	Unrestricted funds		Restricted funds		CAF Bank balances and donor client balances		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	£000	£000	£000	£000	£000	£000	£000	£000
Concessionary loans:								
CAF Venturesome loans to charities	5	42	2,375	2,259	-	-	2,380	2,301
CAF Charitable Trust loans to charities	-	-	585	20,686	-	-	585	20,686
Charity	**5**	**42**	**2,960**	**22,945**	**-**	**-**	**2,965**	**22,987**
CAF Bank loans to charities and social purpose enterprises	-	-	-	-	177,736	161,854	177,736	161,854
CADF loans to charities	-	-	796	-	-	-	796	-
CAF Canada loans to charities	-	-	5,297	5,137	-	-	5,297	5,137
Group	**5**	**42**	**9,053**	**28,082**	**177,736**	**161,854**	**186,794**	**189,978**

11. Loans and advances to customers (continued)

	Group		Charity	
	2023	2022	2023	2022
Maturity	£000	£000	£000	£000
Amounts receivable in less than one year				
CAF Venturesome loans to charities	2,136	2,100	2,136	2,100
CAF Charitable Trust loans to charities	880	1,206	880	1,206
CAF Bank loans	1,410	7,543	-	-
CADF loans to charities	-	33	-	-
CAF Canada loan to charities	311	298	-	-
	4,737	**11,180**	**3,016**	**3,306**
Amounts receivable in one to five years				
CAF Venturesome loans to charities	2,515	2,809	2,515	2,809
CAF Charitable Trust loans to charities	405	20,180	405	20,180
CAF Bank loans	30,449	28,819	-	-
CADF loans to charities	796	-	-	-
CAF Canada loan to charities	2,156	1,486	-	-
	36,321	**53,294**	**2,920**	**22,989**
Amounts receivable in more than five years				
CAF Venturesome loans to charities	269	350	269	350
CAF Bank loans	149,250	126,570	-	-
CAF Canada loan to charities	2,830	3,353	-	-
	152,349	**130,273**	**269**	**350**
Less: Deferred income and provisions				
CAF Venturesome loans to charities	(2,540)	(2,958)	(2,540)	(2,958)
CAF Charitable Trust loans to charities	(700)	(700)	(700)	(700)
CAF Bank loans	(3,373)	(1,078)	-	-
CADF loans to charities	-	(33)	-	-
	(6,613)	**(4,769)**	**(3,240)**	**(3,658)**
Total loans	**186,794**	**189,978**	**2,965**	**22,987**

Notes to the financial statements

12. Debt securities

	Group				Charity			
	Book value		Market value		Book value		Market value	
	2023	2022	2023	2022	2023	2022	2023	2022
Restricted funds	£000	£000	£000	£000	£000	£000	£000	£000
Listed:								
Multilateral financial institutions	19,111	18,637	18,912	18,612	19,111	18,637	18,912	18,612
Fixed coupon corporate bonds	70,326	58,147	65,753	55,096	70,326	58,147	65,753	55,096
	89,437	**76,784**	**84,665**	**73,708**	**89,437**	**76,784**	**84,665**	**73,708**
Unlisted:								
Certificates of deposit	152,430	4,810	154,273	4,810	123,784	-	125,627	-
	152,430	**4,810**	**154,273**	**4,810**	**123,784**	**-**	**125,627**	**-**
	241,867	**81,594**	**238,938**	**78,518**	**213,221**	**76,784**	**210,292**	**73,708**
CAF Bank balances and donor client balances								
Listed:								
Multilateral financial institutions	670,370	679,925	638,973	663,350	-	-	-	-
Fixed coupon corporate bonds	23,498	23,723	21,129	22,508	-	-	-	-
Floating rate corporate bonds	48,232	63,497	48,477	63,978	-	-	-	-
	742,100	**767,145**	**708,579**	**749,836**	**-**	**-**	**-**	**-**
Unlisted:								
Certificates of deposit	10,000	10,000	10,082	9,922	-	-	-	-
	10,000	**10,000**	**10,082**	**9,922**	**-**	**-**	**-**	**-**
	752,100	**777,145**	**718,661**	**759,758**	**-**	**-**	**-**	**-**
Total debt securities	**993,967**	**858,739**	**957,599**	**838,276**	**213,221**	**76,784**	**210,292**	**73,708**

	Group		Charity	
	Book value		Book value	
	2023	2022	2023	2022
Maturity	£000	£000	£000	£000
Up to 6 months	128,240	62,791	31,108	20,643
6 months to 1 year	353,010	75,720	98,531	5,196
	481,250	**138,511**	**129,639**	**25,839**
1 year to 5 years	477,972	672,976	77,744	41,604
	959,222	**811,487**	**207,383**	**67,443**
5 years and over	34,745	47,252	5,838	9,341
Total debt securities	**993,967**	**858,739**	**213,221**	**76,784**
Unamortised premiums	**5,365**	**(5,778)**	**(1,365)**	**(3,294)**

In accordance with FRS 102 debt securities are measured at amortised cost using the effective interest method. The group's policy is to hold investment securities and loans and advances to customers to redemption or repayment at par. The impact of any movements in interest rates on fixed rate financial instruments is therefore not anticipated to affect the group's financial results.

12. Debt securities (continued)

	Cost	Amortisation	Book value
Group	£000	£000	£000
Restricted funds			
At 1 May 2022	84,072	(2,478)	81,594
Acquisitions	235,284	47	235,331
Disposals	(1,630)	25	(1,605)
Redemptions	(72,384)	1,784	(70,600)
Amortisation	-	(1,086)	(1,086)
Foreign exchange losses	(1,765)	(2)	(1,767)
At 30 April 2023	**243,577**	**(1,710)**	**241,867**
CAF Bank balances and donor client balances			
At 1 May 2022	779,046	(1,901)	777,145
Acquisitions	88,130	796	88,926
Redemptions	(112,243)	(560)	(112,803)
Amortisation	-	(1,168)	(1,168)
At 30 April 2023	**754,933**	**(2,833)**	**752,100**
Total	**998,510**	**(4,543)**	**993,967**

	Cost	Amortisation	Book value
Charity	£000	£000	£000
Restricted funds			
At 1 May 2022	79,239	(2,455)	76,784
Acquisitions	204,681	47	204,728
Disposals	(1,630)	25	(1,605)
Redemptions	(67,358)	1,758	(65,600)
Amortisation	-	(1,086)	(1,086)
At 30 April 2023	**214,932**	**(1,711)**	**213,221**

Notes to the financial statements

13. Financial investments

Restricted funds

The following tables show the carrying amounts of investments held by the group at fair value and represent restricted funds held for CAF Charitable Trusts, CAF America and CAF Canada Donor Advised Funds and CAF American Donor Fund Trusts (collectively 'Trust funds'). They do not include fair value information for other financial assets and liabilities held by the group which are not measured at fair value.

Nature of Trust funds

Trust funds are held pending onward donation suggestions from clients. Until such suggestions are received there is no constructive obligation or liability to pay a defined amount within a set time period. Donors typically hold a portion of their funds in cash in order to meet their short-term giving expectations and invest funds to meet medium to long-term philanthropic objectives. Donors plan donation suggestions by reference to the market values and liquidity profile of the assets held for their trust fund.

	Group		Charity	
	2023	2022	2023	2022
Restricted funds	£000	£000	£000	£000
At 1 May 2022	822,138	762,777	742,880	707,275
Additions	407,188	278,781	371,555	227,353
Disposal proceeds	(400,767)	(219,201)	(356,659)	(193,260)
Net investment gains/(losses)	(10,842)	6,414	(7,532)	8,145
Transfer to unrestricted financial investments	-	(6,633)	-	(6,633)
	817,717	**822,138**	**750,244**	**742,880**
Investment portfolio cash and settlements pending	19,049	23,625	8,558	13,089
At 30 April 2023	**836,766**	**845,763**	**758,802**	**755,969**
Historical cost of investments	**791,802**	**697,963**	**727,223**	**621,153**

13. Financial investments (continued)

Measurement of fair values

The group uses the following hierarchy to estimate the fair value of investments held for Trust funds:

Level 1: The quoted price for an identical asset in an active market.

Level 2: When quoted prices are unavailable, the fair value is taken as the price of a recent transaction for an identical asset. No investments were held in this category as at 30 April 2023 or 30 April 2022.

Level 3: If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, a valuation technique is used to estimate the fair value. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations. If the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed, the assets are valued at cost less impairment until a reliable measure of fair value becomes available.

	Level 1		Level 3		Total	
	2023	2022	2023	2022	2023	2022
Group	£000	£000	£000	£000	£000	£000
Represented by:						
Listed securities:						
UK Government fixed interest	12,802	7,208	-	-	12,802	7,208
Overseas Government fixed interest	5,234	2,295	-	-	5,234	2,295
Other fixed interest	14,049	7,181	-	-	14,049	7,181
UK equities	39,485	32,392	-	-	39,485	32,392
Overseas equities	58,779	54,825	-	-	58,779	54,825
CAF investment funds:						-
IFSL CAF Funds	116,797	110,206	-	-	116,797	110,206
CAF UK Equitrack Fund	-	41,991	-	-	-	41,991
Unit trusts and other pooled investments	539,836	525,725	-	-	539,836	525,725
Investment trusts	27,575	29,368	-	-	27,575	29,368
Unlisted investments:						
UK	-	-	3,160	10,947	3,160	10,947
	814,557	**811,191**	**3,160**	**10,947**	**817,717**	**822,138**
Investment portfolio cash and settlements pending	19,049	23,625	-	-	19,049	23,625
	833,606	**834,816**	**3,160**	**10,947**	**836,766**	**845,763**

Notes to the financial statements

13. Financial investments (continued)

	Level 1		Level 3		Total	
	2023	2022	2023	2022	2023	2022
Charity	£000	£000	£000	£000	£000	£000
Represented by:						
Listed securities:						
UK Government fixed interest	12,802	7,208	-	-	12,802	7,208
Overseas Government fixed interest	4,686	1,886	-	-	4,686	1,886
Other fixed interest	14,049	7,181	-	-	14,049	7,181
UK equities	39,012	31,897	-	-	39,012	31,897
Overseas equities	45,087	38,814	-	-	45,087	38,814
CAF investment funds:						
IFSL CAF Funds	116,797	110,206	-	-	116,797	110,206
CAF UK Equitrack Fund	-	41,991	-	-	-	41,991
Unit trusts and other pooled investments	487,517	463,833	-	-	487,517	463,833
Investment trusts	27,134	28,917	-	-	27,134	28,917
Unlisted investments:						
UK	-	-	3,160	10,947	3,160	10,947
	747,084	**731,933**	**3,160**	**10,947**	**750,244**	**742,880**
Investment portfolio cash and settlements pending	8,558	13,089	-	-	8,558	13,089
	755,642	**745,022**	**3,160**	**10,947**	**758,802**	**755,969**

14. Other investments

	Unrestricted funds		Restricted funds		Total	
	2023	2022	2023	2022	2023	2022
Group	£000	£000	£000	£000	£000	£000
Investment properties	-	650	8,350	4,600	8,350	5,250
Unlisted investments	3,990	3,490	812	520	4,802	4,010
Artwork	-	-	39	-	39	-
	3,990	**4,140**	**9,201**	**5,120**	**13,191**	**9,260**

	Unrestricted funds		Restricted funds		Total	
	2023	2022	2023	2022	2023	2022
Charity	£000	£000	£000	£000	£000	£000
Investment properties	-	650	4,600	4,600	4,600	5,250
Unlisted investments	3,990	3,490	812	520	4,802	4,010
	3,990	**4,140**	**5,412**	**5,120**	**9,402**	**9,260**

	Unrestricted funds	Restricted funds	Total
Group	£000	£000	£000
As at 1 May 2022	4,140	5,120	9,260
Additions	-	3,789	3,789
Disposal proceeds	(671)	-	(671)
Revaluation	536	-	536
Reclassification	(15)	292	277
At 30 April 2023	**3,990**	**9,201**	**13,191**

	Unrestricted funds	Restricted funds	Total
Charity	£000	£000	£000
As at 1 May 2022	4,140	5,120	9,260
Additions	-	-	-
Disposal proceeds	(671)	-	(671)
Revaluation	536	-	536
Reclassification	(15)	292	277
At 30 April 2023	**3,990**	**5,412**	**9,402**

For the two investment properties held in restricted funds in CAF, the valuations were carried out by an independent, qualified chartered surveyor, Berrys as at 30 April 2022 and assessed by management for any changes as at 30 April 2023.

A further property gifted to the CAF American Donor Fund just prior to the year end was also valued by Berrys at the time of gift.

Notes to the financial statements

15. Subsidiary undertakings

	Trading subsidiaries	Total
Charity	£000	£000
At 1 May 2022	41,925	41,925
Additions	275	275
At 30 April 2023	**42,200**	**42,200**

Details of the entities held as subsidiary undertakings are disclosed in note 2 of these financial statements.

16. Tangible fixed assets

	Long leasehold property & improvements	Other leasehold improve-ments	Furniture, fittings & computer equipment	Total
Group - unrestricted funds	£000	£000	£000	£000
Cost or valuation				
At 1 May 2022	5,325	576	2,670	8,571
Revaluation	(2,125)	-	-	(2,125)
At 30 April 2023	**3,200**	**576**	**2,670**	**6,446**
Depreciation				
At 1 May 2022	-	450	2,606	3,056
Charged in year	166	59	54	279
On revaluation	(166)	-	-	(166)
Foreign exchange movements	-	-	1	1
At 30 April 2023	**-**	**509**	**2,661**	**3,170**
Net book value				
At 30 April 2023	**3,200**	**67**	**9**	**3,276**
At 30 April 2022	**5,325**	**126**	**64**	**5,515**

16. Tangible fixed assets (continued)

	Long leasehold property & improvements	Other leasehold improvements	Furniture, fittings & computer equipment	Total
Charity - unrestricted funds	£000	£000	£000	£000
Cost or valuation				
At 1 May 2022	5,325	456	2,527	8,308
Revaluation	(2,125)	-	-	(2,125)
At 30 April 2023	**3,200**	**456**	**2,527**	**6,183**
Depreciation				
At 1 May 2022	-	393	2,491	2,884
Charged in year	166	46	36	248
On revaluation	(166)	-	-	(166)
At 30 April 2023	**-**	**439**	**2,527**	**2,966**
Net book value				
At 30 April 2023	**3,200**	**17**	**-**	**3,217**
At 30 April 2022	**5,325**	**63**	**36**	**5,424**

LONG LEASEHOLD PROPERTY

The long leasehold property consists of the lease to the year 2190 on the land and buildings occupied by CAF as its principal place of business. The property is held at valuation and was valued at 30 April 2023 by CBRE, Chartered Surveyors. The valuation was carried out in accordance with the guidelines of the Royal Institution of Chartered Surveyors. The open market value, on a vacant possession basis, at that date was estimated at £3.20m.

A revaluation in accordance with appropriate professional guidelines will be carried out when needed to ensure valuation is kept up-to-date. The historical cost carrying value of the property and improvements at the balance sheet date was £3.20m (2022: £3.35m).

Notes to the financial statements

17. Intangible fixed assets

	Total
Group - unrestricted funds	£000
Cost or valuation	
At 1 May 2022	4,676
Additions	1,657
At 30 April 2023	**6,333**
Amortisation	
At 1 May 2022	-
Charged in year	-
At 30 April 2023	**-**
Net book value	
At 30 April 2023	**6,333**
At 30 April 2022	**4,676**

Intangible fixed assets represent software development costs associated with the development of a banking system for CAF Bank Limited, which is currently expected to be available for use in late 2024. The development costs have been capitalised in accordance with FRS 102 Section 18, Intangible Assets other than Goodwill.

18. Other debtors

Balances falling due within one year.

	Unrestricted funds		Restricted funds		Total	
	2023	2022	2023	2022	2023	2022
Group	£000	£000	£000	£000	£000	£000
Income tax recoverable	-	-	10,362	11,742	10,362	11,742
Other debtors	5,162	1,865	941	1,072	6,103	2,937
	5,162	**1,865**	**11,303**	**12,814**	**16,465**	**14,679**

	Unrestricted funds		Restricted funds		Total	
	2023	2022	2023	2022	2023	2022
Charity	£000	£000	£000	£000	£000	£000
Amounts due from subsidiary undertakings	509	313	-	-	509	313
Income tax recoverable	-	-	8,400	10,195	8,400	10,195
Other debtors	1,946	1,601	940	1,009	2,886	2,610
	2,455	**1,914**	**9,340**	**11,204**	**11,795**	**13,118**

19. Prepayments and accrued income

Balances falling due within one year.

	Unrestricted funds		Restricted funds		CAF Bank balances and donor client balances		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Group	£000	£000	£000	£000	£000	£000	£000	£000
Prepayments	1,538	1,886	-	-	-	-	1,538	1,886
Accrued income	-	-						
Legacy income	1,356	34	15,476	23,362	-	-	16,832	23,396
Interest receivable	8,813	4,465	224	305	6,292	2,845	15,329	7,615
Other income	1,426	929	653	638	-	-	2,079	1,567
	13,133	**7,314**	**16,353**	**24,305**	**6,292**	**2,845**	**35,778**	**34,464**

	Unrestricted funds		Restricted funds		Total	
	2023	2022	2023	2022	2023	2022
Charity	£000	£000	£000	£000	£000	£000
Prepayments	1,321	700	-	-	1,321	700
Accrued income						
Legacy income	1,356	34	14,903	23,362	16,259	23,396
Interest receivable	8,220	4,459	214	259	8,434	4,718
Other income	1,320	719	653	638	1,973	1,357
	12,217	**5,912**	**15,770**	**24,259**	**27,987**	**30,171**

Notes to the financial statements

20. CAF Bank depositor balances

	CAF Bank balances and donor client balances	
	2023	2022
Group	£000	£000
Repayable on demand	1,492,177	1,492,078
Repayable within 30 days	12,689	15,558
	1,504,866	**1,507,636**

21. Donor client balances

The following represent donations to other charities which are being processed by CAF.

	At 1 May 2022	Amounts received from donors	Amounts received from CAF	Amounts paid to charities	Donations paid to CAF	At 30 April 2023
Group and charity	£000	£000	£000	£000	£000	£000
CAF Give As You Earn	5,104	63,877	1,348	(22,367)	(41,724)	6,238
CAF Donate	600	47,257	-	(46,966)	-	891
	5,704	**111,134**	**1,348**	**(69,333)**	**(41,724)**	**7,129**

	At 1 May 2021	Amounts received	Amounts received from CAF	Amounts paid to charities	Donations paid to CAF	At 30 April 2022
Group and charity	£000	£000	£000	£000	£000	£000
CAF Give As You Earn	4,155	65,222	1,271	(23,781)	(41,763)	5,104
CAF Donate	389	45,388	-	(45,177)	-	600
	4,544	**110,610**	**1,271**	**(68,958)**	**(41,763)**	**5,704**

22. Amounts due to beneficiary charities

	Restricted funds	
	2023	2022
Group	£000	£000
Payable within 1 year	14,983	18,375
Payable after more than 1 year	4,296	3,984
	19,279	**22,359**

	Restricted funds	
	2023	2022
Charity	£000	£000
Payable within 1 year	10,883	16,667
Payable after more than 1 year	4,296	3,984
	15,179	**20,651**

Amounts due to beneficiary charities represent constructive obligations, principally in respect of longer term donations.

23. Other creditors

Balances fall due within one year except where stated below.

	Unrestricted funds		Restricted funds		CAF Bank balances and donor client balances		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Group	£000	£000	£000	£000	£000	£000	£000	£000
Payable on acquisition of investments	-	-	413	25	-	-	413	25
Trade creditors	1,719	2,137	-	-	-	-	1,719	2,137
Tax and social security	959	1,483	-	-	-	-	959	1,483
Other creditors	1,813	5,159	4,984	3,553	474	100	7,271	8,812
	4,491	**8,779**	**5,397**	**3,578**	**474**	**100**	**10,362**	**12,457**

	Unrestricted funds		Restricted funds		Donor client balances		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Charity	£000	£000	£000	£000	£000	£000	£000	£000
Payable on acquisition of investments	-	-	413	25	-	-	413	25
Trade creditors	869	751	-	-	-	-	869	751
Tax and social security	959	866	-	-	-	-	959	866
Other creditors	104	1,060	4,984	3,553	474	100	5,562	4,713
	1,932	**2,677**	**5,397**	**3,578**	**474**	**100**	**7,803**	**6,355**

Included within other creditors are amounts totalling £1.0m (2022: £1.1m) repayable to seven (2022: seven) third party investors of CAF Venturesome. Amounts are repayable within three or six months from receipt of written instruction. These concessionary loans do not bear interest and amounts are repaid net of any losses which may be incurred as a result of onward lending by CAF Venturesome, on a concessionary basis to charities and social enterprises.

Notes to the financial statements

24. Repurchase agreements

In CAF Bank, repurchase agreements total £8,852k (2022: None). The corresponding carrying value of assets of £9,540k (2022: None) sold under sale and repurchase agreements is included within debt securities (note 12).

25. Long-term loans

	2026 Loan		2031 Loan		Total carrying value	
	2023	2022	2023	2022	2023	2022
Group and charity	£000	£000	£000	£000	£000	£000
Unrestricted funds						
At 1 May 2022	7,122	19,753	29,916	-	37,038	19,753
Loan advance	-	-	-	30,000	-	30,000
Capitalised costs	-	-	-	(524)	-	(524)
Amortisation of capitalised costs	20	209	46	16	66	225
Loan repayment	-	(12,810)	-	-	-	(12,810)
Interest payable for the year	368	768	1,077	424	1,445	1,192
Interest paid	(368)	(798)	(1,080)	-	(1,448)	(798)
At 30 April 2023	**7,142**	**7,122**	**29,959**	**29,916**	**37,101**	**37,038**

	2026 Loan		2031 Loan		Total carrying value	
	2023	2022	2023	2022	2023	2022
Payable	£000	£000	£000	£000	£000	£000
less than 3 months	-	-	421	424	421	424
3 months to 6 months	18	18	-	-	18	18
6 months to 1 year	-	-	-	-	-	-
	18	**18**	**421**	**424**	**439**	**442**
1 year to 5 years	7,124	7,104	-	-	7,124	7,104
	7,142	7,122	421	424	7,563	7,546
5 years and over	-	-	29,538	29,492	29,538	29,492
	7,142	**7,122**	**29,959**	**29,916**	**37,101**	**37,038**

25. Long-term loans (continued)

To support CAF's work to grow the impact of charitable donations from the donors we work with, in December 2021, RCB Bonds PLC (RCB) issued the CAF 3.5% bond due in 2031. RCB raised £30m from institutional and retail investors and the full amount has been loaned to CAF under the terms of a loan agreement between CAF and RCB. CAF retains the option to request the issue of further bonds. This may be bonds up to a maximum of a further £20m, with proceeds to be loaned by RCB to CAF.

In addition to supporting CAF's future growth and transformation plans, the proceeds arising in December 2021 were used in part to settle a tender offer under which CAF bought back £12.8m of the previously issued CAF 5% bonds due in 2026. These were issued by RCB in 2016 and raised £20m and the full amount raised was loaned to CAF under the terms of a loan agreement between CAF and RCB.

Loan payable 2031

The loan is repayable to RCB in full in December 2031. Interest is payable at a rate of 3.5%per annum.

Loan payable 2026

The loan is repayable to RCB in full in April 2026. Interest is payable at a rate of 5% per annum.

Associated costs

In respect of each of the above loans, bond-issue costs and other costs associated with the advance of the loans, including legal and accountancy fees, have been capitalised and are being amortised over the term of the relevant loan.

Notes to the financial statements

26. Statement of funds

	Notes	At 1 May 2022	Income and donations received	Expenditure on charitable activities	Transfers	Taxation and recognised gains & losses	At 30 April 2023
		£000	£000	£000	£000	£000	£000
Group							
Unrestricted funds	26.1	76,692	76,353	(69,285)	6,112	(5,821)	84,051
Restricted funds	26.2	1,679,750	1,070,843	(977,350)	(6,112)	(13,849)	1,753,282
		1,756,442	**1,147,196**	**(1,046,635)**	**-**	**(19,670)**	**1,837,333**
Charity							
Unrestricted funds	26.1	69,194	32,816	(36,607)	6,112	(3,701)	67,814
Restricted funds	26.2	1,411,206	400,196	(366,040)	(6,112)	(7,495)	1,431,755
		1,480,400	**433,012**	**(402,647)**	**-**	**(11,196)**	**1,499,569**

	Notes	At 1 May 2021	Income and donations received	Expenditure on charitable activities	Transfers	Taxation and recognised gains & losses	At 30 April 2022
		£000	£000	£000	£000	£000	£000
Group							
Unrestricted funds	26.1	68,481	44,871	(50,219)	13,578	(19)	76,692
Restricted funds	26.2	1,539,933	999,404	(870,251)	(13,578)	24,242	1,679,750
		1,608,414	**1,044,275**	**(920,470)**	**-**	**24,223**	**1,756,442**
Charity							
Unrestricted funds	26.1	64,048	19,916	(28,027)	13,578	(321)	69,194
Restricted funds	26.2	1,375,456	447,368	(412,474)	(13,578)	14,434	1,411,206
		1,439,504	**467,284**	**(440,501)**	**-**	**14,113**	**1,480,400**

26. Statement of funds (continued)

26.1 UNRESTRICTED FUNDS

	At 1 May 2022	Income and donations received	Expenditure on charitable activities	Transfers	Taxation and recognised gains & losses	At 30 April 2023
	£000	£000	£000	£000	£000	£000
Group						
General funds	74,711	76,353	(69,285)	6,182	(3,910)	84,051
Property revaluation reserve	1,981	-	-	(70)	(1,911)	-
	76,692	**76,353**	**(69,285)**	**6,112**	**(5,821)**	**84,051**
Charity						
General funds	67,213	32,816	(36,607)	6,182	(1,790)	67,814
Property revaluation reserve	1,981	-	-	(70)	(1,911)	-
	69,194	**32,816**	**(36,607)**	**6,112**	**(3,701)**	**67,814**

	At 1 May 2021	Income and donations received	Expenditure on charitable activities	Transfers	Taxation and recognised gains & losses	At 30 April 2022
	£000	£000	£000	£000	£000	£000
Group						
General funds	66,923	44,871	(50,219)	13,631	(495)	74,711
Property revaluation reserve	1,558	-	-	(53)	476	1,981
	68,481	**44,871**	**(50,219)**	**13,578**	**(19)**	**76,692**
Charity						
General funds	62,490	19,916	(28,027)	13,631	(797)	67,213
Property revaluation reserve	1,558	-	-	(53)	476	1,981
	64,048	**19,916**	**(28,027)**	**13,578**	**(321)**	**69,194**

General funds – comprise accumulated operating surpluses, income from investments, legacies and other gifts received.

Property revaluation reserve – represents the difference between the net book value and the historical cost of the long-leasehold property occupied by CAF as its head office.

Transfers from restricted funds to unrestricted funds – transfers from restricted funds include amounts from dormant donor and from funds for which the original donor or legator has provided no wishes for the distribution of funds upon their death. All transfers from restricted funds are applied for the general charitable purposes of CAF, in support of CAF's transformation plans.

Notes to the financial statements

26. Statement of funds (continued)

26.2 RESTRICTED FUNDS

Group	At 1 May 2022	Income and donations received	Expenditure on charitable activities	Transfers	Recognised gains & losses	At 30 April 2023
	£000	£000	£000	£000	£000	£000
Growing philanthropy						
Major donors						
CAF Charitable Trusts	1,209,687	210,743	(178,145)	(9,272)	(7,481)	1,225,532
Regular givers						
CAF Charity Accounts	101,467	68,621	(71,333)	5,308	-	104,063
CAF Give As You Earn Charity Accounts	40,313	37,693	(36,252)	(43)	-	41,711
	141,780	106,314	(107,585)	5,265	-	145,774
Companies						
CAF Company accounts	44,729	75,103	(79,321)	4,920	(14)	45,417
Charity	**1,396,196**	**392,160**	**(365,051)**	**913**	**(7,495)**	**1,416,723**
CAF America	135,814	559,828	(511,356)	(6,963)	(4,279)	173,044
CAF American Donor Fund	115,490	104,453	(86,066)	(188)	(1,236)	132,453
CAF Canada	17,240	13,712	(14,083)	-	(839)	16,030
CAF America and subsidiaries	**268,544**	**677,993**	**(611,505)**	**(7,151)**	**(6,354)**	**321,527**
Serving charities						
CAF Venturesome accounts	8,979	46	(518)	256	-	8,763
Financial & donation services	**8,979**	**46**	**(518)**	**256**	**-**	**8,763**
Community Match Challenge	471	75	(148)	(396)	-	2
CAF discretionary funds	5,293	15	(16)	667	-	5,959
Other funds	267	554	(112)	(401)	-	308
Grantmaking & sector support	**6,031**	**644**	**(276)**	**(130)**	**-**	**6,269**
	1,679,750	**1,070,843**	**(977,350)**	**(6,112)**	**(13,849)**	**1,753,282**

26. Statement of funds (continued)

26.2 RESTRICTED FUNDS (CONTINUED)

Charity	At 1 May 2022	Income and donations received	Expenditure on charitable activities	Transfers	Recognised gains & losses	At 30 April 2023
	£000	£000	£000	£000	£000	£000
Growing philanthropy						
Major donors						
CAF Charitable Trusts	1,209,687	210,942	(178,155)	(9,461)	(7,481)	1,225,532
Regular givers						
CAF Charity Accounts	101,467	68,621	(71,333)	5,308	-	104,063
CAF Give As You Earn Charity Accounts	40,313	37,693	(36,253)	(42)	-	41,711
	141,780	106,314	(107,586)	5,266	-	145,774
Companies						
CAF Company accounts	44,729	82,250	(79,505)	(2,043)	(14)	45,417
Serving charities						
CAF Venturesome						
Financial & donation services	8,979	46	(518)	256	-	8,763
Grantmaking						
Community Match Challenge	471	75	(148)	(396)	-	2
CAF discretionary funds	5,293	15	(16)	667	-	5,959
Other funds	267	554	(112)	(401)	-	308
	6,031	644	(276)	(130)	-	6,269
	1,411,206	**400,196**	**(366,040)**	**(6,112)**	**(7,495)**	**1,431,755**

Notes to the financial statements

26. Statement of funds (continued)

26.2 RESTRICTED FUNDS (CONTINUED)

Group	At 1 May 2021 £000	Income and donations received £000	Expenditure on charitable activities £000	Transfers £000	Recognised gains & losses £000	At 30 April 2022 £000
Growing philanthropy						
Major donors						
CAF Charitable Trusts	1,166,671	235,803	(196,306)	(10,921)	14,440	1,209,687
Regular givers						
CAF Charity Accounts	98,021	76,865	(74,755)	1,336	-	101,467
CAF Give As You Earn Charity Accounts	39,009	37,345	(35,644)	(397)	-	40,313
	137,030	114,210	(110,399)	939	-	141,780
Companies						
CAF Company accounts	57,388	86,344	(84,356)	(14,766)	119	44,729
Charity	**1,361,089**	**436,357**	**(391,061)**	**(24,748)**	**14,559**	**1,396,196**
CAF America	66,382	448,347	(380,883)	(5,756)	7,724	135,814
CAF American Donor Fund	87,088	94,580	(64,068)	(3,596)	1,486	115,490
CAF Canada	11,007	18,845	(13,210)	-	598	17,240
CAF America and subsidiaries	**164,477**	**561,772**	**(458,161)**	**(9,352)**	**9,808**	**268,544**
Serving charities						
CAF Venturesome accounts	8,767	35	(590)	892	(125)	8,979
Financial & donation services	**8,767**	**35**	**(590)**	**892**	**(125)**	**8,979**
CAF Russia grant programmes	**22**	**784**	**(806)**	**-**	**-**	**-**
CAF Network	**22**	**784**	**(806)**	**-**	**-**	**-**
CAF Coronavirus Emergency Fund	23	45	(68)	-	-	-
Community Match Challenge	-	-	(19,108)	19,579	-	471
CAF discretionary funds	5,187	2	(228)	332	-	5,293
Other funds	368	409	(229)	(281)	-	267
Grantmaking & sector support	**5,578**	**456**	**(19,633)**	**19,630**	**-**	**6,031**
	1,539,933	**999,404**	**(870,251)**	**(13,578)**	**24,242**	**1,679,750**

26. Statement of funds (continued)

26.2 RESTRICTED FUNDS (CONTINUED)

Charity	At 1 May 2021 £000	Income and donations received £000	Expenditure on charitable activities £000	Transfers £000	Recognised gains & losses £000	At 30 April 2022 £000
Growing philanthropy						
Major donors						
CAF Charitable Trusts	1,166,671	239,519	(196,616)	(14,327)	14,440	1,209,687
Regular givers						
CAF Charity Accounts	98,021	76,885	(74,779)	1,340	-	101,467
CAF Give As You Earn Charity Accounts	39,009	37,345	(35,644)	(397)	-	40,313
	137,030	114,230	(110,423)	943	-	141,780
Companies						
CAF company accounts	57,388	92,344	(84,406)	(20,716)	119	44,729
Serving charities						
CAF Venturesome						
CAF Venturesome accounts	8,767	35	(590)	892	(125)	8,979
CAF Network						
CAF Russia grant programmes	22	784	(806)	-	-	-
Grantmaking						
CAF Coronavirus Emergency Fund	23	45	(68)	-	-	-
Community Match Challenge	-	-	(19,108)	19,579	-	471
CAF discretionary funds	5,187	2	(228)	332	-	5,293
Other funds	368	409	(229)	(281)	-	267
	5,578	456	(19,633)	19,630	-	6,031
	1,375,456	**447,368**	**(412,474)**	**(13,578)**	**14,434**	**1,411,206**

Notes to the financial statements

26. Statement of funds (continued)

26.2 RESTRICTED FUNDS (CONTINUED)

Restricted funds comprise:

a. CAF Charitable Trusts - consist of capital gifted to CAF and the related investment income. The capital is held in accordance with CAF's investment policy for CAF Charitable Trusts and investment gains or losses are credited or charged to the funds. These funds may only be used to make payments to other charities as suggested by the donor

b. CAF Charity Accounts, CAF Company Accounts and CAF Give As You Earn Charity Accounts – represent amounts gifted to CAF by individual and corporate donors which are held in accounts until disbursed to charities as suggested by the donor

c. CAF Venturesome accounts – represent funds set aside by CAF donors to complement the funds assigned by the Trustees for CAF Venturesome

d. CAF America, CAF American Donor Fund and CAF Canada – represent undistributed donations received by each of these charities. The boards of these entities review, validate and approve donors' suggestions for distributions to charities worldwide

e. CAF discretionary funds – represent funds available to support the sector at Trustees' discretion

f. CAF Russia grant programmes - represent funds managed by CAF's former branch in Russia. CAF began the process of closing its branch in Russia in 2021 and it was formally closed in March 2022.

g. CAF Coronavirus Emergency Fund – represents funds set aside by and gifted to CAF by individual and corporate donors in response to the Coronavirus pandemic. Grants from the fund are awarded to small charities

h. Community Match Challenge – represent funds received by CAF from DCMS in 2020/21 and transferred from CAF Company accounts in 2021/22 in respect of the Community Match Challenge created in response to the Coronavirus pandemic. Grants from the fund were awarded to small charities

Transfers between restricted funds

Transfers between restricted funds occur where a donor gives funds into a range of restricted funds and subsequently requests a transfer between the funds.

27. Cash flow statement

27.1 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group		Charity	
	2023	2022	2023	2022
	£000	£000	£000	£000
Net income for the year	90,145	131,338	23,231	36,047
Adjustments for:				
Depreciation	279	315	248	277
(Gains)/losses on financial investments	10,842	(6,538)	7,532	(8,269)
Gains on other investments	(536)	(995)	(536)	(995)
Amortisation and other revaluations of debt securities	3,180	2,192	1,039	1,363
Amortisation of capitalised costs of borrowing	66	225	66	225
Non-cash transactions:				
In specie investment transfers and share gifts	(58,642)	(69,459)	(40,534)	(42,835)
Gift of property and other assets through legacies	(3,789)	-	-	-
Defined benefit pension plan expense	232	184	232	184
Interest on long-term loans	1,445	1,192	1,445	1,192
Investment income receivable on Trust Funds	(14,405)	(11,562)	(12,022)	(10,088)
Increase in Cash Ratio Deposit with Bank of England	(369)	(918)	-	-
(Increase)/decrease in loans and advances to customers	2,907	(42,087)	19,745	398
(Increase)/decrease in other assets and prepayments	(3,142)	(4,654)	3,462	(4,034)
Increase/(decrease) in amounts due to beneficiary charities	(3,080)	12,047	(5,472)	11,798
Increase/(decrease) in other liabilities and accruals	(365)	832	1,135	(3,904)
Increase in donor client balances	1,425	1,160	1,425	1,160
Increase/(decrease) in CAF Bank depositor balances	(2,770)	110,779	-	-
Cash from operations	**23,423**	**124,051**	**996**	**(17,481)**
Corporation tax paid	(830)	-	-	-
Net cash provided by/(used in) operating activities	**22,593**	**124,051**	**996**	**(17,481)**

Notes to the financial statements

27. Cash flow statement

27.2 ANALYSIS OF CHANGES IN NET DEBT

Group	At 1 May 2022	Cash flows	Foreign exchange movements	Other non-cash changes	At 30 April 2023
	£000	£000	£000	£000	£000
Total cash and cash equivalents	1,052,169	(253)	(3,271)	-	1,048,645
Loans falling due within one year	(442)	1,448	-	(1,445)	(439)
Loans falling due after more than one year	(36,596)	-	-	(66)	(36,662)
Cash and cash equivalents less debt	**1,015,131**	**1,195**	**(3,271)**	**(1,511)**	**1,011,544**

Charity	At 1 May 2022	Cash flows	Foreign exchange movements	Other non-cash changes	At 30 April 2023
	£000	£000	£000	£000	£000
Total cash and cash equivalents	269,191	(34,440)	(152)	-	234,599
Loans falling due within one year	(442)	1,448	-	(1,445)	(439)
Loans falling due after more than one year	(36,596)	-	-	(66)	(36,662)
Cash and cash equivalents less debt	**232,153**	**(32,992)**	**(152)**	**(1,511)**	**197,498**

Cash and cash equivalents represent cash in both the group and the charity. There are no overdrafts.

28. Operating lease commitments

At the balance sheet date the group and CAF had total commitments under noncancellable operating leases as set out below:

	Land & buildings		Other		Total	
Group	2023 £000	2022 £000	2023 £000	2022 £000	2023 £000	2022 £000
Operating lease payments falling due:						
Within one year	276	608	239	335	515	943
Between one and five years	1,015	984	-	193	1,015	1,177
After more than five years	16	171	-	-	16	171
	1,307	1,763	239	528	1,546	2,291

The amounts charged to the SOFA totalled £0.78m (2022: £0.71m) in respect of land and buildings and £0.38m (2022: £0.23m) in respect of other assets.

	Land & buildings		Other		Total	
Charity	2023 £000	2022 £000	2023 £000	2022 £000	2023 £000	2022 £000
Operating lease payments falling due:						
Within one year	45	383	239	335	284	718
Between one and five years	114	22	-	193	114	215
After more than five years	16	-	-	-	16	-
	175	405	239	528	414	933

The amounts charged to the SOFA totalled £0.43m (2022: £0.43m) in respect of land & buildings and £0.38m (2022: £0.23m) in respect of other assets. After the balance sheet date, CAF entered into a 10-year lease commitment for new office premises in London at an initial annual rent of £384k together with a 3-month extension on the existing London office lease of £114k.

Notes to the financial statements

29. Financial commitments and contingent liabilities

At the balance sheet date the group was committed to the following:

	2023	2022
	£000	£000
CAF Venturesome loans	1,860	1,797
CAF Venturesome grants	338	189
Charity	2,198	1,986
CAF Bank:		
Commitments to customers	62,156	35,297
Group	64,354	37,283

CAF Venturesome loans and grants to charities

At the balance sheet date CAF Venturesome was committed to provide concessionary loans and grants to charities, subject to certain conditions being met. No liability has been recorded in the balance sheet for these loans or grants. The commitments become due or expire within one year (if the charity no longer needs the funding).

CAF Bank commitments to customers

At the balance sheet date CAF Bank had commitments comprising amounts yet to be drawn under loan or overdraft agreements.

CAF contingent liabilities

A disagreement has arisen with a third party in respect of a long-standing contract. The third party has thus far declined to state why it disagrees with our position, we have agreed to a mediation process to resolve the dispute. Subject to the outcome of mediation in late 2023, there may be a possible outflow of unrestricted funds of a non-material value.

30. Contingent assets

At the balance sheet date, the charity had been notified of a number of legacies for which probate was not yet been granted or other factors indicated that these legacies should not be recognised as income. The aggregate value of those legacies was £7.89m for the group and £7.79m for the charity (2022: £8.45m for the group and £8.02m for the charity).

31. Pension obligations

During the year CAF participated in the following pensions.

a. Hargreaves Lansdown

The Hargreaves Lansdown scheme is a defined contribution self-invested group pension. New employees are enrolled into this scheme and from 1 May 2016 all current employees contributed to this scheme only. From 1 April 2019, upon auto-enrolment the employee contribution rate is currently 2.67% of basic salary and CAF contributes 5.33%. After three months employees are able to elect to increase their contribution rate to either 3% or 5.67% of basic salary, with CAF contributing 6% or 11.33% respectively.

b. The Charities Aid Foundation Pension Scheme

The Charities Aid Foundation Pension Scheme is a defined benefit scheme established on 15 September 2015 and is closed to new employees and further benefit accrual. The Charities Aid Foundation Pension Scheme was established solely to receive a transfer from the Growth Plan, a multi-employer section of The Pensions Trust in which CAF was a participating employer.

The most recent triennial valuation was performed by the scheme actuary as at 1 May 2022. The assets at the effective date were sufficient to cover around 103% of the scheme's technical provisions.

31. Pension obligations (continued)

Given that the funding position remains favourable, in January 2023 the Trustees of CAF agreed with the scheme trustees that a buyout with an insurer may be considered. Options for this are currently being investigated. The financial consequences of this cannot presently be determined. It is unlikely that the net defined benefit asset, as determined by the actuary as at 30 April 2023 in accordance with FRS 102, will be realised by CAF and the net defined benefit asset is no longer recognised in the balance sheet.

For the purposes of these financial statements and reporting in accordance with FRS 102 the scheme actuary has carried out calculations by projecting forwards the results of the triennial valuation of the scheme as at 1 May 2022, and then making appropriate adjustments for material known experience and for differences in assumptions.

The results of the actuary's estimate of the scheme's assets and liabilities at 30 April 2023, based on assumptions used for FRS 102 are as follows:

i) Amounts recognised in the balance sheet:

	2023	**2022**
	£000	£000
Present value of liabilities	(12,401)	(15,235)
Fair value of assets	13,724	17,418
Asset not recognised	(1,323)	-
Net defined benefit asset	**-**	**2,183**

ii) Amounts included in the SOFA under FRS 102:

	2023	**2022**
	£000	£000
Scheme expenses	295	219
Interest on asset	(63)	(35)
Total expense recognised in the SOFA	**232**	**184**

iii) Movement in the net defined benefit asset/liability:

	2023	**2022**
	£000	£000
Net defined benefit asset at 1 May 2022	2,183	1,819
Pension cost in SOFA	(232)	(184)
Actuarial gains/(losses)	(628)	548
Remeasurement of asset previously recognised	(1,323)	-
Net defined benefit asset at 30 April 2023	**-**	**2,183**

Notes to the financial statements

31. Pension obligations (continued)

iv) Movement in present value of the defined benefit obligation:

	2023	2022
	£000	£000
Defined benefit obligation at 1 May 2022	15,235	17,308
Interest on obligation	465	341
Actuarial (gains)/losses	(2,818)	(1,934)
Benefits paid	(481)	(480)
Defined benefit obligation at 30 April 2023	**12,401**	**15,235**

v) Movement in fair value of scheme assets:

	2023	2022
	£000	£000
Fair value of the scheme assets at 1 May 2022	17,418	19,127
Interest on scheme assets	528	376
Actuarial experience gains/(losses)	(3,446)	(1,386)
Scheme expenses	(295)	(219)
Benefits paid	(481)	(480)
Fair value of scheme assets at 30 April 2023	**13,724**	**17,418**
Actual return on Scheme assets	(2,918)	(1,010)

vi) Major categories of the scheme assets as a percentage of total assets are as follows:

	2023	2022
	Allocation	Allocation
Equities	7%	13%
Corporate bonds	34%	24%
Government bonds	44%	42%
Cash	2%	2%
Property	0%	6%
Annuity policies	13%	13%
	100%	**100%**

The scheme does not invest directly in property occupied by the employer or in financial securities issued by the employer.

31. Pension obligations (continued)

vii) Principal assumptions at the balance sheet date:

	2023	2022
Discount rate	4.8% pa	3.1% pa
Inflation measured by Retail Price Index (RPI)	3.1% pa	3.6% pa
Inflation measured by Consumer Price Index (CPI)	2.7% pa	3.1% pa
Pension increases in deferment	0.0% pa	0.0% pa
Pension increases in payment:		
CPI capped at 5% pa	2.7% pa	3.1% pa
CPI capped at 2.5% pa	2.1% pa	2.4% pa
Exchange of pension for cash on retirement	50% of members assumed to exchange 25% of their pension sum for a cash sum	50% of members assumed to exchange 25% of their pension sum for a cash sum
Base mortality table	90% of rates implied by S3PXA	90% of rates implied by S3PXA
Mortality projection basis	CMI (Core) 2021 projection with a long-term rate of improvement of 1.5% p.a. for males and 1.0% p.a. for females	CMI (Core) 2021 projection with a long-term rate of improvement of 1.5% p.a. for males and 1.0% p.a. for females
Life expectancy of a male currently aged 65	88.0 yrs	87.9 yrs
Life expectancy of a male currently aged 45	89.6 yrs	89.5 yrs
Life expectancy of a female currently aged 65	89.9 yrs	89.9 yrs
Life expectancy of a female currently aged 45	91.1 yrs	91.0 yrs

Notes to the financial statements

32. Transactions with related parties

Other than the matters detailed below, none of the Trustees nor any connected persons had a material or beneficial interest in any contract or undertaking with CAF, other than in the ordinary course of business, nor in the shares of its subsidiary companies.

Donations passing through group entities within restricted funds are initiated by donor suggestion. They are, therefore, excluded from disclosure within this note.

During the year, a grant was awarded to CAF by CAF American Donor Fund of £800k (2022: £nil) and was received in full as at 30 April 2023.

In addition to the recharge of direct staff costs processed through the CAF payroll, CAF invoiced the following amount to its subsidiaries in respect of staff whose duties are partially attributable to these subsidiaries as well as management charges relating to the occupancy of premises and use of systems equipment.

CAF American Donor Fund	£956k (2022: £41k)
CAF Bank Limited	£4,014k (2022: £1,698k)
CAF Financial Solutions Limited	£440k (2022: £300k)

Amounts due to CAF at the balance sheet date from its subsidiaries were:

CAF American Donor Fund	£114k (2022: £52k)
CAF Bank Limited	£982k (2022: £675k)
CAF Financial Solutions Limited	£28k (2022: £361k)

33. Post balance sheet events

There have been no events since the balance sheet date that are required to be adjusted for, or to be disclosed other than those disclosed in note 28.

34. CAF Bank financial instruments and risk management

CAF Bank is a wholly owned subsidiary of CAF and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

The group's risk management framework and principal risks, including those applicable to CAF Bank, are set out in the Risk Management Report within the Trustees' Report. CAF Bank's exposure to its principal risks, which are those associated with holding financial instruments, is further described below:

34.1 CREDIT RISK

The following tables set out CAF Bank's principal financial instruments from which credit risk arises.

Treasury assets by class:	2023		2022	
	Book Value	Market Value	Book Value	Market Value
	£000	£000	£000	£000
Listed:				
Multilateral financial institutions	670,370	638,973	679,925	663,350
Fixed coupon corporate bonds	23,498	21,129	23,723	22,508
Floating rate corporate bonds	48,232	48,477	63,497	63,978
	742,100	708,579	767,145	749,836
Unlisted:				
Certificates of deposit	10,000	10,082	10,000	9,922
Debt securities	752,100	718,661	777,145	759,758
Balances at Bank of England	620,476	620,476	602,553	602,553
Loans and advances to banks	6,116	6,116	7,471	7,471
	1,378,692	1,345,253	1,387,169	1,369,782

Treasury assets by credit rating:	2023		2022	
	Book Value		Book Value	
Category (Fitch equivalent credit rating)	£000	% of Book	£000	% of Book
Balances at Bank of England	620,476	45.00%	602,553	43.44%
AAA	732,614	53.13%	740,515	53.38%
AA+	9,486	0.69%	26,631	1.92%
AA-	3,979	0.29%	5,401	0.39%
A+	2,137	0.16%	2,069	0.15%
A	10,000	0.73%	10,000	0.72%
	1,378,692	**100.00%**	**1,387,169**	**100.00%**

Notes to the financial statements

34. CAF Bank financial instruments and risk management (continued)

Treasury assets by exposure value:

	2023	2022
Multilateral financial institutions	49%	49%
Bank of England	45%	44%
Financial & non-financial institutions up to £10m	3%	6%
Financial & non-financial institutions £10m - £20m	3%	1%
	100%	100%

Lending

CAF Bank's policies include maximum exposure values, and limits to manage concentration risk by sector. Exposure to geographical area is monitored. At 30 April 2023, the largest loan was £8.7m (2022: £7.0m). The maximum aggregate exposures to any one sector (social housing) and geographical area were 58% and 35% respectively (2022: 60% and 31% respectively).

Loans, overdrafts and BACS facilities are subject to regular monitoring of loan performance and individual annual review. Administration of the loan book is outsourced to BCM Mortgage Services Ltd who provide regular management information on a loan by loan and aggregated basis. A provision of £1,065k has been made at 30 April 2023 reflecting losses that may have been incurred but not yet identified (2022: £902k) and £586k has been provided for specific loan provisions (2022: £176k). No overdrafts were written off during the year (2022: none).

One loan was in arrears at 30 April 2023 (2022: one).

Secured and unsecured lending

	2023	2022
	£000	£000
Gross loans and advances to customers	181,108	162,932
Contingent liabilities and commitments	48,888	22,608
	229,996	**185,540**
Amounts included within the above:		
Secured on property	229,996	185,540
Unsecured:		
Loans	-	-
Overdrafts	-	-
	229,996	**185,540**

As at 30 April 2023 the average loan to value ratio across the lending portfolio was 53% (2022: 53%).

34. CAF Bank financial instruments and risk management (continued)

34.2 LIQUIDITY AND FUNDING RISK

CAF Bank holds liquidity buffer eligible assets of £1.29bn (2022: £1.28bn), excluding assets pledged as security under repurchase agreements. Liquidity buffer assets comprise amounts held in the Bank of England Reserve Account and investments in Multilateral Development Banks, UK Gilts and Treasury Bills.

34.3 MARKET AND INTEREST RATE RISK

The following tables set out details of the maturity and duration of financial instruments held by CAF Bank.

Non-maturity (on-demand) deposits are behaviourally adjusted as follows:

Current accounts

£0 - £249,999	2 - 3 years
£250,000 - £999,999	1 - 2 years
Over £1m	6 - 12 months

Assets and liabilities analysed by interest rate pricing time periods:

At 30 April 2023	Next day	Up to 3 months	3 months to 6 months	6 months to 1 year	1 year to 5 years	Over 5 years	Other items	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Assets								
Balances at Bank of England	616,894	3,582	-	-	-	-	-	620,476
Loans and advances to banks	6,116	-	-	-	-	-	-	6,116
Loans and advances to customers	146,145	-	-	1,894	28,075	1,620	-	177,734
Debt securities	-	262,043	25,042	144,864	290,564	28,907	680	752,100
Prepayments and accrued income	-	-	-	-	-	-	8,775	8,775
Intangible fixed assets	-	-	-	-	-	-	6,333	6,333
	769,155	**265,625**	**25,042**	**146,758**	**318,639**	**30,527**	**15,788**	**1,571,534**
Liabilities								
Customer accounts	756,945	-	-	135,992	612,480	-	9	1,505,426
Other liabilities	8,852	-	-	-	-	-	5,783	14,635
Shareholders' funds	-	-	-	-	-	-	51,473	51,473
	765,797	**-**	**-**	**135,992**	**612,480**	**-**	**57,265**	**1,571,534**
Interest rate sensitivity gap	**3,358**	**265,625**	**25,042**	**10,766**	**(293,841)**	**30,527**	**(41,477)**	**-**
Impact of 2% change in interest rates	**-**	**(649)**	**(174)**	**(147)**	**6,416**	**(2,650)**	**-**	**2,796**

Notes to the financial statements

34. CAF Bank financial instruments and risk management (continued)

Assets and liabilities analysed by interest rate pricing time periods (continued):

At 30 April 2022	Next day	Up to 3 months	3 months to 6 months	6 months to 1 year	1 year to 5 years	Over 5 years	Other items	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Assets								
Balances at Bank of England	599,340	3,213	-	-	-	-	-	602,553
Loans and advances to banks	7,471	-	-	-	-	-	-	7,471
Loans and advances to customers	145,065	-	-	4,662	10,680	-	-	160,407
Debt securities	-	266,297	-	65,911	406,503	37,911	523	777,145
Prepayments and accrued income	-	-	-	-	-	-	3,792	3,792
Intangible fixed assets	-	-	-	-	-	-	4,676	4,676
	751,876	**269,510**	**-**	**70,573**	**417,183**	**37,911**	**8,991**	**1,556,044**
Liabilities								
Customer accounts	800,165	-	-	108,571	600,196	-	5	1,508,937
Other liabilities	-	-	-	-	-	-	4,178	4,178
Shareholders' funds	-	-	-	-	-	-	42,929	42,929
	800,165	**-**	**-**	**108,571**	**600,196**	**-**	**47,112**	**1,556,044**
Interest rate sensitivity gap	**(48,289)**	**269,510**	**-**	**(37,998)**	**(183,013)**	**37,911**	**(38,121)**	**-**
Impact of 2% change in interest rates	**-**	**(553)**	**-**	**546**	**4,329**	**(3,496)**	**-**	**826**

34. CAF Bank financial instruments and risk management (continued)

34.4 CAPITAL MANAGEMENT

CAF Bank aims at all times to maintain an adequate level of capital to support the development of its business and to meet regulatory capital requirements.

Business and capital plans are drawn up annually covering a three year period and approved by CAF Bank's Board. The plans ensure that adequate levels of capital are maintained by CAF Bank to support its strategy. This is integrated with CAF Bank's annual planning process.

The capital plan takes the following into account:

- current and anticipated future regulatory capital requirements;
- increases in demand for capital due to business development, including planned lending growth;
- potential demand for capital from market shocks or stresses;
- available supply of capital and capital raising options;
- achieving a minimum required leverage ratio; and
- internal controls and governance for managing CAF Bank's risk, operations and capital.

CAF Bank undertakes a detailed capital adequacy assessment to support its capital requirements. Each material risk is assessed, relevant mitigants considered, and appropriate levels of capital determined. The capital adequacy assessment is a key part of CAF Bank's risk and planning framework and a minimum capital requirement is assessed and agreed with the PRA. CAF Bank's internal capital adequacy assessment is regularly updated.

CAF Bank's capital resources comprise:

	2023	2022
	£000	£000
Ordinary share capital	40,319	29,350
Distributable reserves	-	1,000
Additional tier 1 capital	-	11,000
Profit and loss account	11,154	1,579
	51,473	**42,929**

BOARD OF TRUSTEES

Chair
The Hon Sir James Leigh-Pemberton, CVO

Cyrus Ardalan

Sabine Everaet

Meredith Niles

Roger Perkin FCA

Owen Valentine Pringle

Janet Pope

The Rt Hon Sir Ernest Ryder TD DL

David Shalders

Dr Priya Singh, Chair NCVO

Susannah Storey CB (resigned 8 February 2023)

Robert Vogtle (appointed 25 January 2023)

Michael Ashley FCA (appointed 1 February 2023)

EXECUTIVE COMMITTEE AT THE DATE OF SIGNING

Group Chief Executive
Neil Heslop, OBE

Group Chief Financial Officer
Liz Rylatt FCA

Group Chief Operating Officer
Ian Cohen

Group Marketing Officer
Nora Sakaan

Managing Director of Giving and Impact
Mark Greer

CEO, CAF Bank and CAF Financial Solutions Limited
Alison Taylor

CEO, CAF America and CAF Canada
Ted Hart

Group People Officer
David Jessop

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP, Statutory Auditor
7 More London Riverside
London
SE1 2RT

Mazars LLP, Internal Auditor
30 Old Bailey
London
EC4M 7AU

PRINCIPAL BANKERS

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London
WC1V 7PS

Charities Aid Foundation
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Kings Hill
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Kent ME19 4TA

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E: enquiries@cafonline.org
W: www.cafonline.org
Registered charity number 268369



Image: Tall Ships Youth Trust

CAF
Charities Aid Foundation

Registered charity number 268369

CONTACT US
Visit www.cafonline.org to find out more

THE CHARITIES AID FOUNDATION

England & Wales - Charity number 268369

Accounts

TRUSTEES' REPORT
and financial statements for
the year ended 30 April 2022







Making A Difference

Where it matters, when it matters.

CAF
Charities Aid Foundation

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WHO WE ARE: OUR PURPOSE

CAF exists to accelerate progress in society towards a fair and sustainable future for all.

The Charities Aid Foundation is a leading charity operating in the UK and internationally. Our work connects and enables the vital organisations, institutions and individuals working to ensure that everyone has a stake in the future. We believe that the power of lasting change lies across sectors and borders, in the hearts, minds and hands of those driven to make a difference.

CAF delivers on our purpose in a variety of ways:

- Charities Aid Foundation operates in the United Kingdom, the United States of America and Canada and, together, we work with companies and private donors to help them to give more.
- We are regulatory experts, we ensure that funds reach charities and social enterprises as quickly and safely as possible, with our respected charity validation we specialise in effective cross-border giving.
- We partner with donors and government to achieve maximum impact, including through large-scale grantmaking programmes.
- We advise donors on the best options to support the causes they care about.
- Companies turn to us to offer employee giving plans and programmes to support their communities and their chosen charities.
- We help charities to do more life-changing work with lasting benefits by providing them with funding and finance solutions including banking, loans, investments, fundraising tools and social investment.
- We lead an international network of like-minded charitable organisations; we collaborate across sectors and borders to inspire innovation, share best practice and improve cross-border giving in support of civil society.
- We act as a voice of the charitable sector with government, policymakers, subject experts and others who share our goals so that we can deliver the supportive legal, fiscal and regulatory groundwork that donors, charities and social enterprises need.

CHAIR'S REPORT

"Through extraordinary times, we have been witness to immense acts of generosity, compassion and determination to effect positive change on the part of those who choose to work with us."



The Charities Aid Foundation delivers vital services for charities in the UK and across the globe, and this Trustees' Report serves as a vivid reminder of the importance, and urgency, of the work undertaken by CAF.

Throughout this year, our team at CAF has worked alongside an inspirational group of individuals, businesses and sector partners as together we have continued our response to the ongoing effects on charities and their beneficiaries of the Covid-19 pandemic. Last summer, we made a huge effort to support the people of Afghanistan, who are facing the worrying new reality of widespread hunger and desperate poverty. By the autumn, our donors were responding to the climate emergency laid bare at COP26 in Glasgow, and 2021 ended with the emergence of intense pressure being felt by society's most vulnerable, and the charities supporting them, amid the surge of inflation and the rising cost of living.

In late February, the devastation and unfolding humanitarian crisis in Ukraine prompted a donor response unlike any that our team has seen before. As charities rallied to organise the delivery of vast amounts of emergency aid, donors responded with a determined desire to help. As I write, CAF donors in the UK alone have contributed more than £7.8 million to the Disasters Emergency Committee (DEC) appeal for Ukraine, while donations made through CAF America have surpassed $33 million or £24 million.

The response of donors to this exceptional range of challenges has been remarkable. Over the past year, CAF has seen the funds that have come into our stewardship surpass £1 billion, tracking just above the record-setting amount that reached us in the previous year in response to the pandemic. Through extraordinary times, we have been witness to immense acts of generosity, compassion and determination to effect positive change on the part of the many donors, both businesses and private individuals, who choose to work with us to deliver their giving ambitions.

We remain enormously grateful for their trust in partnering with CAF and their commitment to causes spanning environmental threats, girls' and women's health and education, humanitarian relief, medical research, animal welfare and the arts. With our deep expertise in social investment, we have also worked with an increasing number of donors who want to invest in social enterprises to support the growth of ventures rooted in the principles of sustainability. The charities and social enterprises that receive those funds are the leaders in delivering for their communities near and far and it has been our privilege to help them achieve their impressive impact over the past year.

£1bn+

Funds entrusted to CAF's stewardship

£876m

Funds sent to charities around the world

"The CAF team has facilitated cross-border giving to 135 countries, providing a way for donors to give safely, with the peace of mind that their funding is reaching the intended causes."

In the UK, that work has included the second phase of the CAF Resilience Fund, an innovative £40 million partnership between the Department for Digital, Culture, Media and Sport, the UK's insurance and long-term savings industry through the Covid-19 Support Fund, and CAF, in supporting people and communities most affected by Covid-19.

The first phase, delivered at the height of the pandemic, offered immediate grants to ensure the survival of UK charities coping with the increased demands on their services at a time when income from fundraising events had all but collapsed during successive lockdowns. The final, £20 million phase, is about securing the future of the charities that work with communities – both people and places – most affected by the pandemic's legacy.

The three priority areas identified by CAF for this support are Black, Asian and minority ethnic-led organisations, charities supporting people with disabilities and charities working to improve the skills and life chances of young adults. The Resilience Fund grants have helped these charities in a range of ways, including offering bespoke advice to bring added robustness to their work and the strengthening of governance, a key requirement for locally-led organisations to be able to flourish.

Internationally, CAF has facilitated cross-border giving to 135 countries, providing a way for donors to give safely, with the peace of mind that their funding is reaching the intended causes. Our CAF Network of like-minded independent organisations around the world has been modernised and we continue to rely on these strategic partnerships for their good counsel and support as we together seek new ways to grow cross-border giving.

In total, thanks to the generosity of our donors, CAF has paid out more than £876 million across the world this year, enabling donors to achieve their ambitions and assuring vital income to more than 100,000 charities.

CAF Bank, our wholly-owned bank dedicated to serving the needs of small and mid-sized charities and social enterprises in the UK, has once again provided outstanding service to more than 14,700 clients, offering flexible and targeted lending so that they may finance their ambitions. At the same time, in the background, the team is building a new banking platform to ensure that our services are delivered as flexibly and efficiently as possible. This work was recognised when the team was awarded the Best Charities Bank of the Year award by the Charity Times, being chosen over high street banks and reinforcing the importance of a bank that shares the ethos and purpose of our charity partners.

Our Executive team, led by Neil Heslop, OBE, has welcomed a new CFO and COO who bring a wealth of experience to the group. We are delighted that they have chosen to join us and look forward to working with them as we deliver our 'Together Building Opportunity' strategy. This strategy involves significant change for, and investment by, the organisation as we move to modernise our operating platform and ways of working. Our purpose is to ensure that CAF is equipped to respond flexibly and efficiently, both now and in the future, to the rapidly evolving demands of the donors and charities we exist to serve.

All of these activities are only possible because of the dedication of every one of my colleagues at CAF. The Trustees are immensely grateful to the entire team for its hard work and commitment to doing all we can to achieve our purpose. I would also like to pay tribute to my fellow Trustees for their energetic support, insights and wise counsel. The evidence of the past year suggests that our services are needed more than ever, and I look forward to what lies ahead for this unique international organisation, which is committed to supporting those working to accelerate progress in society towards a fair and sustainable future for all.



Sir James Leigh-Pemberton, CVO
Chair of Trustees



£7.8m

UK donations to the Disasters Emergency Committee (DEC) Ukraine appeal



$33m (£24m)

CAF America donations to Ukraine humanitarian relief

CHIEF EXECUTIVE'S INTRODUCTION

"The charities we serve face many pressures and I am pleased that the teams at CAF have responded with vigour and determination to achieve the very best for all of the people and causes that we exist to support."



It has been another remarkable year for all of us working on behalf of charities and donors, with critical humanitarian relief efforts in Ukraine making headlines that a year ago were dominated by the Covid-19 pandemic. The shocks of the last two years have reasserted our organisation's relevance to social progress, providing momentum for the Charities Aid Foundation to significantly grow the difference we make.

The charities we serve face many great pressures and I am pleased to report that the teams at CAF have responded with vigour and determination to achieve the very best for all of the people and causes that we exist to support, be they nearby or oceans away.

We have done this in a variety of innovative ways. We have worked as a trusted partner to complex, modern businesses as they seek to deliver maximum impact through their giving programmes. We increasingly hear the voices of employees and customers reflected in these conversations as businesses engage their workforce and clients to help them ground their philanthropy in a wider purpose. These are conversations that we will see more of in the coming years and our teams offer valuable guidance in devising the best solutions for those that partner with us. For example, our partnership with Deutsche Bank in the creation of the Ocean Resilience Philanthropy Fund responds to the urgent need for action on climate change by galvanising an international effort from employees and clients alike.

For individual philanthropists, we have worked closely with them to secure giving solutions that match their values, including the increased interest in providing philanthropic investments for social enterprises. This is an area of our work that we are keen to expand to meet that rising interest, particularly from a new generation of donors who are looking to put their own stamp on the causes they support. As a pioneer in social investments, CAF brings high potential opportunities to this donor community and we are excited to see the enthusiasm for this work take flight.

Our work with the Covid-19 Support Fund from the UK's insurance and long-term savings industry in partnership with the Government's Community Match Challenge has created a model for what exceptional grantmaking can achieve. It has reinforced CAF's convening role in delivering strategic scale to donors from both the private and public sectors. Our guidance is grounded in our unique insight into the underlying needs of charities and our ability to provide a meeting place for donors and charities in order to tailor a giving programme and multiply the impact that our donors' generosity will achieve.







Charities Aid Foundation Group

"For the charities that work with CAF, we continue to evolve the value of our range of services, including tailor-made investment options and the introduction of better ESG funds."

The resulting CAF Resilience Fund has ensured that the charities supported will be both effective and resilient in the short and long term. The cause areas prioritised by this innovative public, private and third sector initiative reflect the need to redress the imbalance in the communities left most vulnerable by the pandemic. We now seek to bring our grantmaking expertise to more partnerships in the year ahead, providing companies and Government with an efficient and highly-effective solution to their ambition to grant funds safely to charities in the UK and around the world.

For the charities that work with CAF, we continue to evolve the value of our range of services, including tailor-made investment options and, most recently, the introduction of better ESG funds to best meet the needs of charities looking to invest for the future of their organisations and our planet. This work is the result of many months of in-depth research to find a partner who shares our vision for the charities we serve and in abrdn we are confident that we have found a solution that places our charity partners' needs at the very heart of service design.

CAF Bank continues to champion UK charities and support their banking needs, including delivering competitive lending from an organisation that shares their values and positions them to become more resilient. With planned upgrades to our systems well underway, CAF Bank will soon be able to extend its reach even further in support of the charities at the heart of community strengthening across the country.

Internationally, we continue to work to enable innovative giving across sectors and borders and have modernised our valued relationships with like-minded charities across the world to support one another to achieve even more. Our teams have especially strengthened the direct relationships between recipient charities and potential donors in the UK, the US and Canada, where we have our own presence on the ground. CAF connects charities around the world with donors in the UK, the US and Canada, and helps foster a greater understanding of their work, encouraging individuals and organisations to give more by gaining deeper insight into the impact being achieved. With stronger direct ties, donors will be better able to see the impact of their generosity and increasingly view these relationships as true partnerships that can mature and flourish.

In the coming year we will further strengthen our relationships with wider civil society and those in public life so that we can bring our unique voice, and our position at the intersection of donors and charities, to the conversations about how we all ensure no communities are left behind in these most extraordinary of times.

To achieve our 'Together Building Opportunity' strategy to become a truly global platform for safe charitable giving everywhere, there is much work ahead. We recognise as a priority the need to measure, capture and explain our full ESG profile and articulate more fully our own path to net-zero. Our digital transformation has begun in earnest with our teams taking the necessary steps to modernise CAF so we can better serve in connecting those who give with the charities that realise the social progress that their generosity seeks to achieve.

None of this work would be possible without CAF's dedicated Trustees and 500-strong workforce who share a united vision that, together with our donors and charity partners, we can grow giving in all its forms. I thank them all for their hard work in ensuring that we fulfil our purpose and make a difference where and when it matters most in pursuit of a fair and sustainable future for all.



Neil Heslop, OBE
Chief Executive



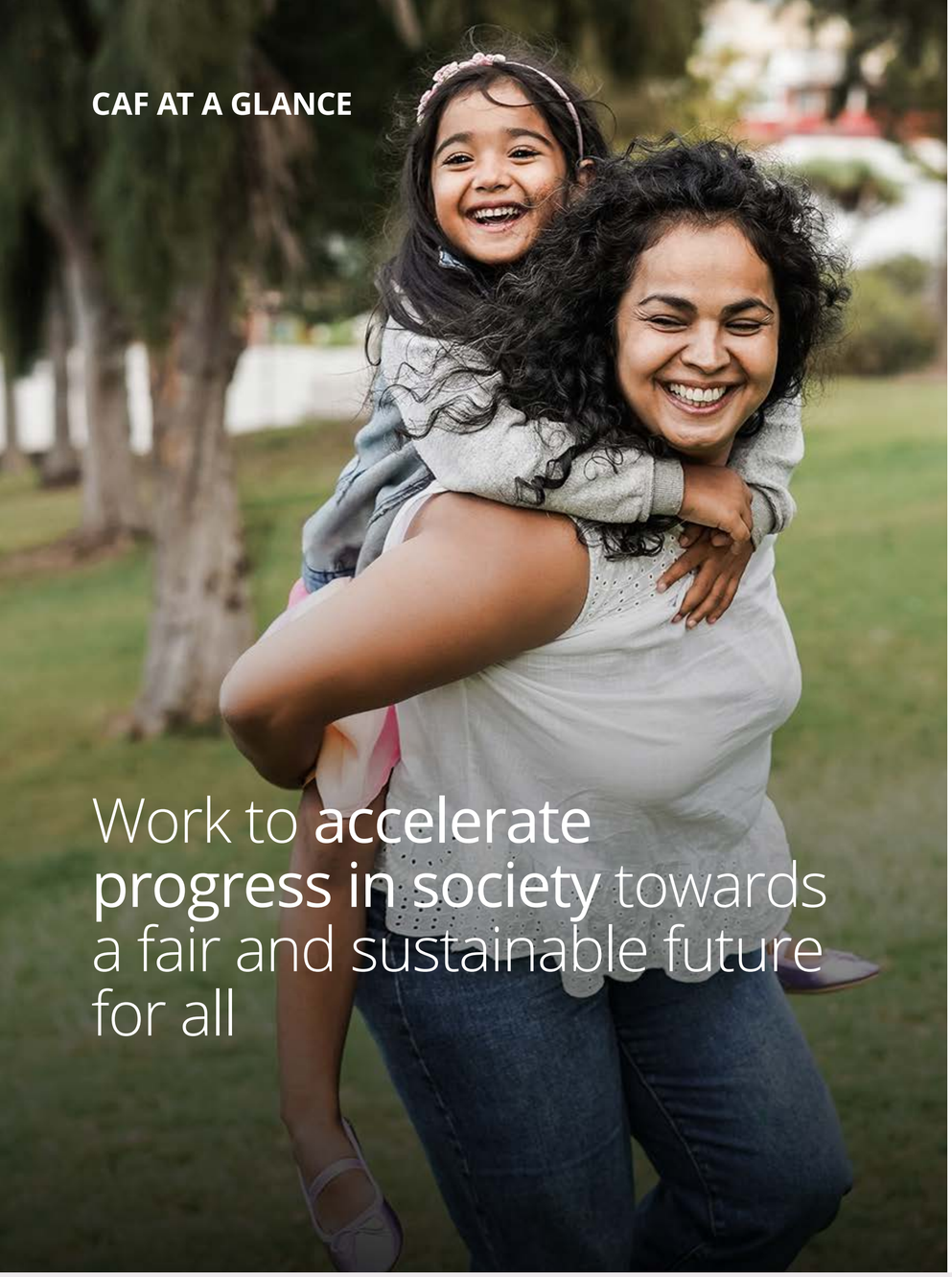
210,000

Customer enquiries handled by the CAF team during the year



"Excellent customer service - very helpful advice given on the telephone and the website is easy to navigate."

CAF customer feedback



CAF AT A GLANCE

Work to **accelerate progress in society** towards a fair and sustainable future for all

For our donors

Flexible giving: Donor Advised Funds in the United Kingdom and United States.

CAF Charitable Trust: A way for donors to give cash, shares or other assets to us. We add Gift Aid, then hold or invest the funds for the future until donors ask us to send their donations to charitable causes around the world.

CAF International: This team works to build partnerships with exceptional charities across the world, to streamline and grow grantmaking across borders.

CAF Charitable Legacy Service: An easy way for people to leave a gift in their will, to benefit as many charities as they like.

CAF Give As You Earn: A way for employees to give directly from their pay, before tax is deducted. We send the money to the charities they choose, or hold it in a CAF Charity Account or CAF Charitable Trust until the employee is ready to give.

CAF Charity Account: A way for people to support charitable causes around the world. They donate regularly to us, we add Gift Aid, and hold the money until the donor is ready to give.

CAF Company Account: A way for companies to fund charitable causes around the world; they donate to us and we do the rest.

Payroll Giving Services: Our payroll giving service, the UK's largest, is a convenient way for employers to help their employees to give.

Corporate Advisory Services: Our grantmaking advice service, where we support companies to put their purpose into practice and realise their own giving goals.

For our charities and partners

Grantmaking: We work with businesses and organisations to design grant schemes that support charities.

Charity banking: CAF Bank, our specialist bank for charities and social enterprises, is 100% owned by us.

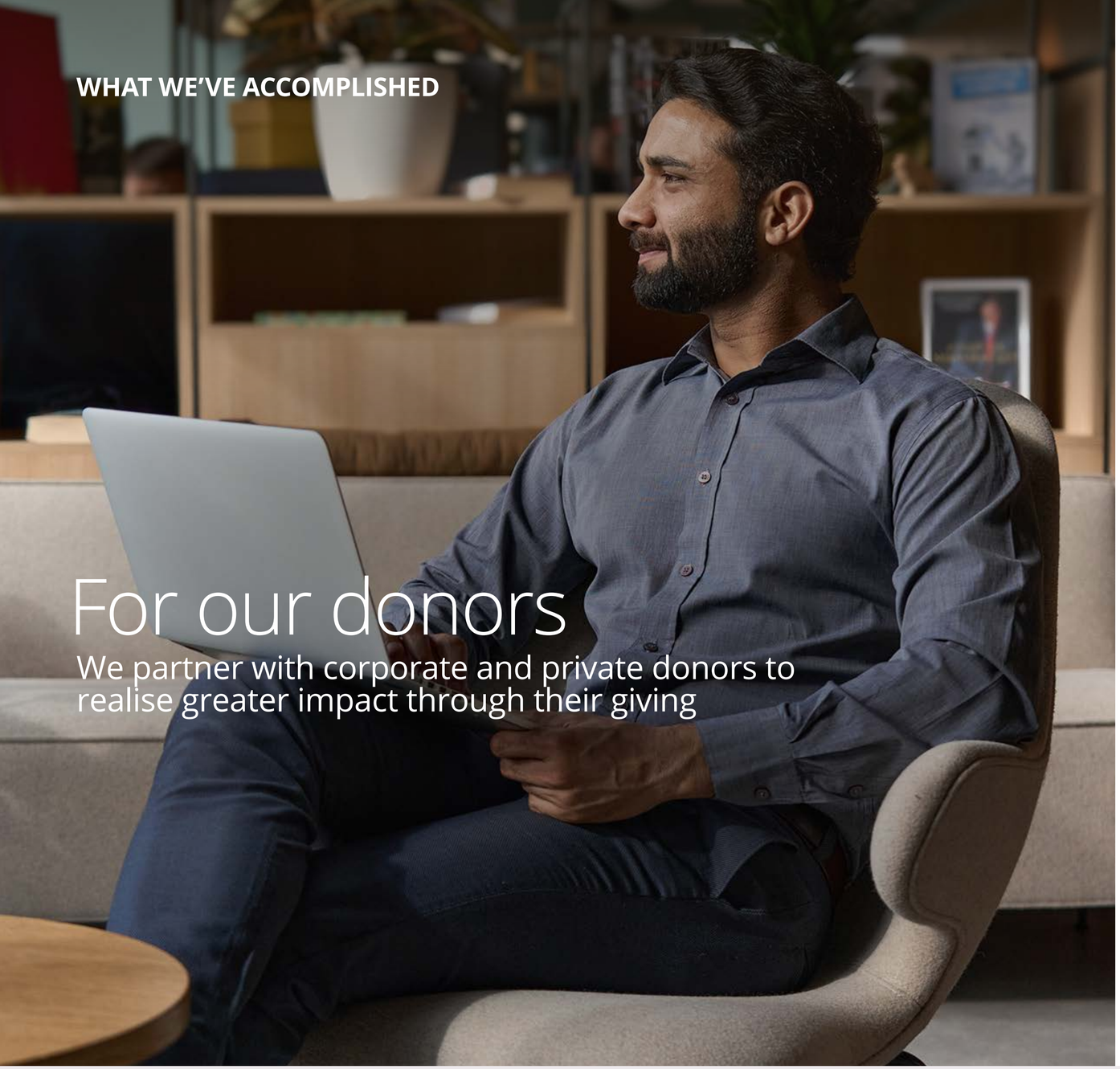
Savings and investments: Our savings accounts and investment options designed for charities.

Loans and borrowing: Our loans to fund charity projects. These loans are secured against the charity's assets. We offer loans from CAF Bank, or mixed loans and grants from CAF Venturesome, our social investment arm.

Fundraising tools: CAF Donate helps charities raise funds online – then manage their online, post, and phone donations in one place.

Strategic consultancy: We support charities to become resilient, using our experience and expertise to help them make a bigger impact.

Research, policy and public affairs: This work, including thought leadership and research, helps inform and shape the environment for civil society, in the UK and around the world, and produces the World Giving Index and the UK Giving report each year.



For our donors

We partner with corporate and private donors to realise greater impact through their giving

Throughout another year of international upheaval, climate worries and ongoing pandemic-induced shortfalls, donors choosing to work with CAF meant we were able to support charities in 135 countries.

It was a year in which CAF once again joined forces with businesses, individuals, impact investors and government to deliver for the people and causes making a difference and achieving measurable change on the ground.

The result of these collective efforts was to ensure that CAF was able to deliver for charities and the people and causes they support to make a difference where it mattered, when it mattered.

Private clients

CAF assists our individual donors with expert advice for their giving plans across the UK and internationally and offers Donor Advised Fund Services. This past year has seen a wide-ranging, data-driven review of our product range in order to reduce duplication and administrative burden and to ensure we have the best possible solutions for our donors.

DONATIONS DISTRIBUTED TO CHARITIES FROM CAF'S PRIVATE CLIENTS INCREASED BY MORE THAN 26%. DONATIONS AND LEGACIES FROM CAF PRIVATE CLIENTS INCREASED IN 2021/22.

£229.5m

Donations into Charitable Trusts and legacies: 2021/22
(2020/21: £222.9m)
(including from group entities)

£196.6m

Donations paid from CAF Charitable Trusts: 2021/22
(2020/21: £155.6m)



CASE STUDIES

LONDON, UK

The Next Generation of eco-donors

CAF once again partnered with The Sunday Times to produce the Giving List of the most generous donors in the UK. This piece of research aims to inspire giving, share some of the innovative approaches being taken by high net-worth donors and also demonstrate the good that can come from wealth generation. This year's report focused on the giving choices of a new generation of donors, specifically on their determination to play their part in tackling climate change, with eco-giving becoming more prominent than ever before in the publication's 21-year history. CAF Chief Executive Neil Heslop was interviewed by The Sunday Times for insight into the giving trends CAF is seeing among younger major donors, be it supporting social justice, human rights or funding charities working to influence both the public and Government on the policy changes necessary to tackle fossil fuel dependency.

The Meads Trust – thoughtful and considered environmental philanthropy

CAF has worked closely with The Meads Trust over several years and in addition to managing their charitable trust, CAF has helped them to further develop their philanthropic strategy and recommend organisations for support. To date, The Meads Trust has granted more than £1.8m through CAF, and recently pledged a further £1.3m.

This year, CAF reviewed The Meads Trust's philanthropic strategy and helped them to fulfil their desire to better understand and tackle issues affecting the environment. To make effective recommendations, CAF extensively researched the leadership of each organisation, their strategic priorities, finances and reserves, and considered the impact a potential grant could have.

Following the proposal, The Meads Trust pledged £1.3m to environmental causes around the world. This includes £200,000 to four international charities - Global Greengrants Fund, Coalition for Rainforests Nations, Clean Air Task Force, which enables programmes in new geographies, and Information Technology and Innovation Fund for its Centre for Clean Energy Innovation. In the UK, The Meads Trust has also chosen to grant £200,000 to The Woodland Trust to expand woodland tree cover, and £100,000 each to the Campaign for Better Transport, Repowering, and Sustainability First, focused on youth involvement in environmental projects.

"We have found CAF's support invaluable — not only in running the Trust for us but in helping us to clarify our philanthropic objectives and find appropriate recipients for our donations."

The Meads Trust

CAF America

CAF America marked 30 years of supporting charitable giving in 2022. Since being founded by CAF in 1992 as the organisation's first overseas subsidiary, the drumbeat of growth from generous donors in America has continued unabated, resulting in an accumulated $3.8 billion sent to charities in 135 countries over that time. Since its inception CAF America has helped support a remarkable 380,000 charities around the world. In the last year alone, American donors have once again responded at pace to the need both at home and overseas with CAF America receiving charitable funds into its stewardship of £386.4 million ($521.8 million). This was, once again, a record year for donors in America to turn to CAF to deliver safe, effective and regulatory-compliant giving, representing a year-on-year increase of donations into CAF America of £95.9 million ($137.2 million), or more than 33%.

CAF America continues to offer donors and charities the added value of both experience and insight, providing sector-leading research reports and informative podcasts to capture the challenges facing charities around the world, while demonstrating the impact of their collective generosity by capturing the breadth of work carried out by recipient charities. CAF America has told the stories of disaster relief for earthquake ravaged Haiti, non-profits working to increase the number of women in political leadership and organisations helping businesses to bring transparency and accountability to their environmental footprints.

DONATIONS TO CAF AMERICA UP 33%

£386.4m

Donations in
(2020/21: £290.5m)
(including from group entities)

£325.2m

Donation paid to charities
(2020/21: £297.8m)



CASE STUDY

UNITED STATES

Corporate America delivers rapid aid to Ukrainians

Corporate Aid for Ukraine (CAU) was created in March 2022 in response to the crisis in Ukraine. It partnered with CAF America to create a donor-advised fund to collect donations from around the world. Businesses and individuals from the US and globally can donate safely and effectively to contribute to relief efforts. CAU exists to meet the immediate needs of Ukrainians in the country, and refugees, providing food, medicine and shelter. Donations are focused on Polish organisations working on the front line, which are often small, targeted and can put funds to work within days.

"With CAF America's leadership in international donor-advised giving, AmCham Poland's on-the-ground infrastructure, and support from leaders like AmCham Honorary Chairman and US Ambassador to Poland Mark Brzezinski, we were able to jumpstart the creation of the CAU Fund in under a week, providing the funding vehicle needed to power high-return response efforts. The Fund serves as a valuable supplement to ongoing international humanitarian efforts, enabling donations to have a tangible, positive impact quickly and effectively."

John P. Lynch, Founder, Corporate Aid for Ukraine

The CAF American Donor Fund (CADF)

The CAF American Donor Fund also marked a significant milestone over the past 12 months, recording more than $1 billion donated via this specialised solution for dual UK and US taxpayers since it was created in 2000.

Thanks to dedicated experts who bring a deep understanding of the challenges and opportunities of those with a strong foothold in both countries, we have been able to not only ensure a smooth and effective giving plan for our clients, but to increase the amount of donations reaching charities around the world. The number of clients we work with has grown from 487 to 544, while the value of their donations grew to £93.9 million from £82.6 million the previous year.

The CAF American Donor Fund has demonstrated the value of a knowledgeable team, which brings a clear view of the regulatory landscape of both the Internal Revenue Service (IRS) and Her Majesty's Revenue and Customs (HMRC) in helping to provide the very best service to achieve seamless cross-border giving. CAF's ability to receive non-cash gifts, including complex shares, property and artworks has been especially welcomed by an increasing number of donors. CADF received a record number of share gifts last year, as this method of giving grew in popularity. In order to meet the needs of more clients, we have recently opened an office in New York in response to the growing interest in what donors can achieve when working with CADF.

£93.9m

Donations to CADF
(2020/21: £82.6m)
(including from group entities)

1,343

Total grants made
(2020/21: 1,352)

£67.8m

Total grants paid
(2020/21: £73.7m)



CASE STUDY

LONDON, UK

The Karshan Gift – Sharing a lifetime of collecting modern art

London's Courtauld Gallery has been graced with a distinguished collection of modern drawings thanks to a donation in 2020/21 by Linda Karshan in memory of her late husband Howard, a prominent collector. The couple lived between London and New York in 2021 and the CAF American Donor Fund was able to facilitate the donation of a carefully chosen group of 25 works on paper by leading artists of the modern and post-war period. Linda described the Courtauld Gallery as a "natural home" for highlights of a collection that were an integral part of their lives for more than half a century.

"It's not often in one's life one can accomplish something of such lasting significance. This gift will remain a highlight of my philanthropic activities."

Linda Karshan

CAF Canada

The picture of CAF Canada continues to be one of growth and innovation. CAF Canada saw a 26% increase in donations received, building on nine years of successful double-digit growth.

DONATIONS TO CAF CANADA UP 26%

£18.7m

Donations in
(2020/21: £14.9m)

£13.2m

Donation paid to charities
(2020/21: £16m)

Companies

The businesses that choose to work with CAF have once again reminded us of the value of modern, motivated corporate leadership – people who are attuned to their workforce, their communities and their customers and are determined to make a lasting difference. Following an extraordinary period of corporate generosity in 2020/21 in response to the pandemic, giving among our 2,000-plus business clients remained robust throughout the past year, as companies sought to build upon the groundwork that had been laid. The number of clients working with us who have given more than £1 million over the past year has grown by 27%.

Valued workforce input

The diversity of CAF's corporate giving work has also grown this year, as companies seek our advice and support to achieve their giving goals, increasingly influenced by the valued input from their workforce. As the economy shifted and the pandemic receded, companies working with CAF increasingly expressed a desire to ensure their grantmaking reflects not just a desire to be charitable, but also matches the motivations of the people who work for them and helps them achieve their success. The outcome has been thoughtful giving programmes that span communities and continents and provide true insight into the desire of companies of all sizes to reflect their values in every aspect of their organisation.

DONATIONS DIRECTED TO CAUSES AROUND THE WORLD

£84.4m

(2020/21: £138.4m)

CASE STUDY

LONDON, UK

Johnson Matthey 'Science and Me' – inspiring tomorrow's scientists

Johnson Matthey, a leader in sustainable technologies, applying cutting-edge science and chemistry to creative solutions, turned to CAF with a desire to invest with care in communities around the world.



CAF challenged Johnson Matthey's initial thinking about what impact looks like and worked with the team to find a project that reflected their vision. The result is Science and Me, a global community impact programme that empowers diverse learners to think positively about careers in the sciences.

Using a £1 million fund created as part of their 2020 Covid-19 commitments, Science and Me runs science education projects in communities with local partners through a grant scheme. It is still early days, but in its first full year, the programme hopes to grant £500,000 to improve access to science education.

"CAF is helping Johnson Matthey inspire the next generation of diverse scientists, engineers and technologists through Science and Me. We learned from CAF's research that there are common issues across geographical borders, but each country has their own unique problems to overcome."

Anna Newsum, Community Investment Officer, Johnson Matthey

Regular Givers and Give as You Earn

Throughout the pandemic and during the invasion of Ukraine, the businesses we work with and their employees have turned to payroll giving for a straightforward way to make either single or ongoing tax-efficient donations to charities delivering for those in need on the ground. Be it directly through Give As You Earn Charity Accounts, or through dedicated Staff Charity Funds, the impetus to give continues to grow. Donations in March 2022 reached almost £8 million, as employees responded to the Disasters Emergency Committee (DEC) appeal and others, and companies moved swiftly to match their employees' efforts.

DONATIONS PAID TO CHARITIES FROM CAF CHARITY ACCOUNTS

£74.8m

Gift Aid funded
(2020/21: £79.5m)

£35.6m

GAYE funded
(2020/21: £34.6m)

£110.4m

Totals
(2020/21: £114.1m)





For charities

We enable charities to do more life-changing work with lasting benefits for all

Members of the team at Humraaz, working to support women victims, survivors and families affected by domestic abuse

Our work in service to charities lies at the heart of CAF's purpose. Without the tools and resources that they need to thrive, charities would not be able to fulfil their own missions and the people and causes that they help would pay a hefty price. This past year has seen us sharpen our focus in ensuring charities are equipped with the services and products they need – not just today, but for the fast-changing world in which they operate. Our ongoing policy and public affairs work is grounded in the needs of charities and we continue to act as both champion and advocate for our charity partners.

CAF Financial Solutions ("CFSL")

In our provision of financial services for charities, CAF is determined to ensure that the values and needs of organisations of all sizes are met. That is why much of the past year has been spent working with our subsidiary CFSL and its investment partners IFSL and abrdn to develop a suite of solutions grounded in the principles of ESG (Environment, Social and Governance). Introduced in May 2022, the culmination of this work is an investment option that aims to meet charitable investors' competing needs for robust investment returns, cost efficiency and investing integrity.

abrdn has been investing for charities and donors for more than 20 years and through these new funds we have brought together the global investment capability of abrdn with the charity expertise of CAF. ESG is highly important to CAF and abrdn, as both believe investing responsibly is key to delivering sustainable, long-term returns, as well as helping to address the challenges offered by the world today.

The CAF Charity Deposit Platform, offering competitive interest for charities looking to grow their reserves, reached £166.7 million by 30 April 2022 and by early June 2022 had grown further to £178.7 million. Charity customers are, after an unprecedented period of record-low interest rates, seeing the added benefits of the ability to diversify where their cash deposits are held and this competitive service enables them to maintain the security of their funds while taking advantage of recent interest rate rises.

CAF Charity Advisory and Grantmaking Programmes

Once again this year, CAF's grantmaking has served as a standard bearer for what good can look like and what impact can be achieved with informed, considered partnerships. The team's continued work in delivering diverse and complex grant programmes to meet the giving ambitions of our business clients has translated into impact on the ground in the UK and around the world.

CAF Resilience Fund – partnership in action

The CAF Resilience Fund, created through an innovative partnership brought together by CAF, the Covid-19 Support Fund from the UK's insurance and long-term savings industry and the Department for Digital, Culture, Media and Sport (DCMS)'s Community Match Challenge, set out to support the people and communities hardest hit by the Covid-19 pandemic. The first phase, launched in November 2020, distributed almost £20 million of emergency funding to help 642 organisations survive and deliver rapid relief from the impact of the pandemic. Phase two, launched in the summer of 2021, provided grants and tailored support to 102 organisations to help charities both adapt and thrive, delivering vital local services whilst also building their own organisational resilience. This phase actively sought to support three areas:

- **Support people living with a disability**
- **Work with Black, Asian and minority ethnic communities**
- **Encourage young adult reskilling for those aged 16 to 35 years**

Minister for Tourism, Sport, Commonwealth Games, Heritage, and Civil Society:

"The Government is committed to supporting communities who have been hit hardest by the pandemic.

I'm grateful to the Charities Aid Foundation for their fantastic work distributing Community Match Challenge funding and supporting organisations carrying out critical work.

I look forward to seeing how the second round of the CAF Resilience Fund helps build a strong future for these important organisations."

Yvonne Braun, Executive Lead for the Covid-19 Support Fund and Director of Policy, Long-Term Savings and Protection at the Association of British Insurers (ABI), said:

"Since the start of the pandemic, charities and communities throughout the UK have come together to support those most in need. We are thrilled that through the partnership between the Covid-19 Support Fund, CAF and the DCMS Community Match Challenge, that the insurance and long-term savings industry has been able to support the work of these charities so that they can continue their vital work."

Resilience Fund



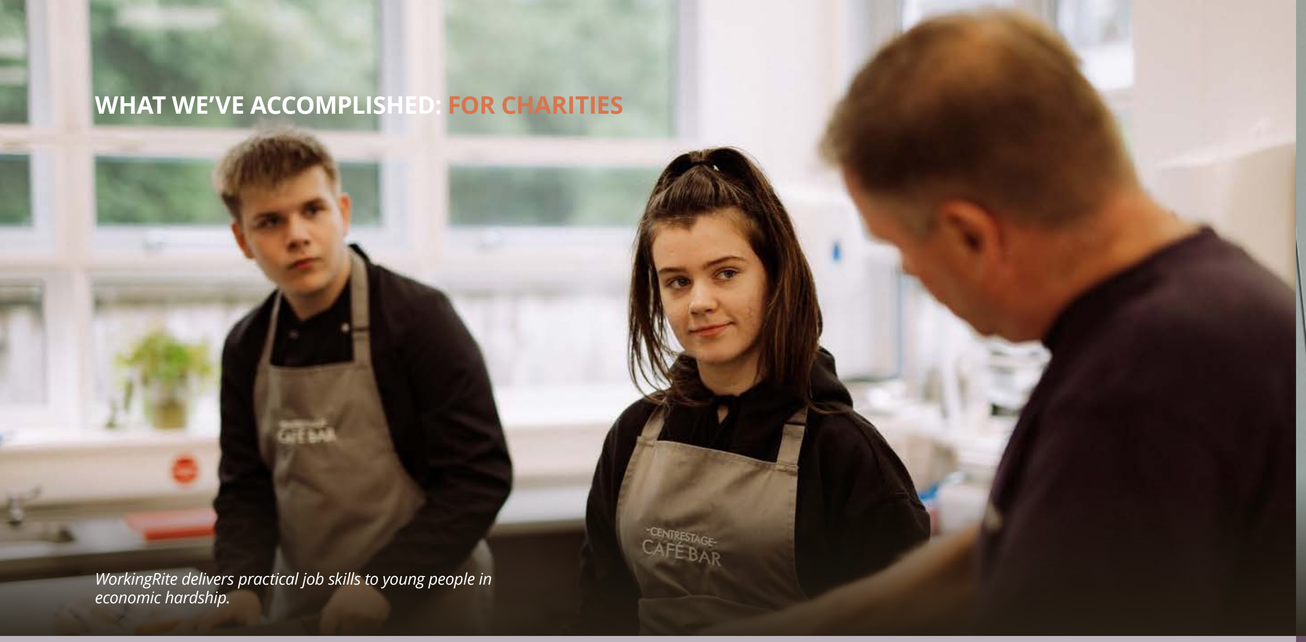
Members of the Humraaz team

CASE STUDY

BLACKBURN, UK

Supporting victims from diverse ethnic backgrounds

Humraaz is a Blackburn-based charity led by Black and minoritised ethnic women that supports victims, survivors and families affected by domestic and sexual abuse and violence, including honour-based violence. Serving some of society's most vulnerable and marginalised women, a £50,000 CAF Resilience Fund grant ensured this vital service was able to help more women find refuge, advocacy and support in several languages and built the charity's own resilience to ensure that they can continue to be there when it matters most.



WorkingRite delivers practical job skills to young people in economic hardship.



MS-UK, a national charity formed in 1993 helping people with Multiple Sclerosis.

CASE STUDY

SCOTLAND, UK

Scotland's young people lifted into work

WorkingRite delivers practical job skills to young people in economic hardship who often find themselves furthest away from the job market. A £150k CAF Resilience Fund grant came at a time when demand for help was on the rise and the charity was committed to supporting often marginalised young people into work 'earlier, deeper and longer' in order to ensure their newly-acquired skills and experience were not fleeting. For many, the weekly training allowance of £55 provided groceries for their entire family while also delivering valuable skills training that will help deliver long-term employment and enhanced life chances.

CASE STUDY

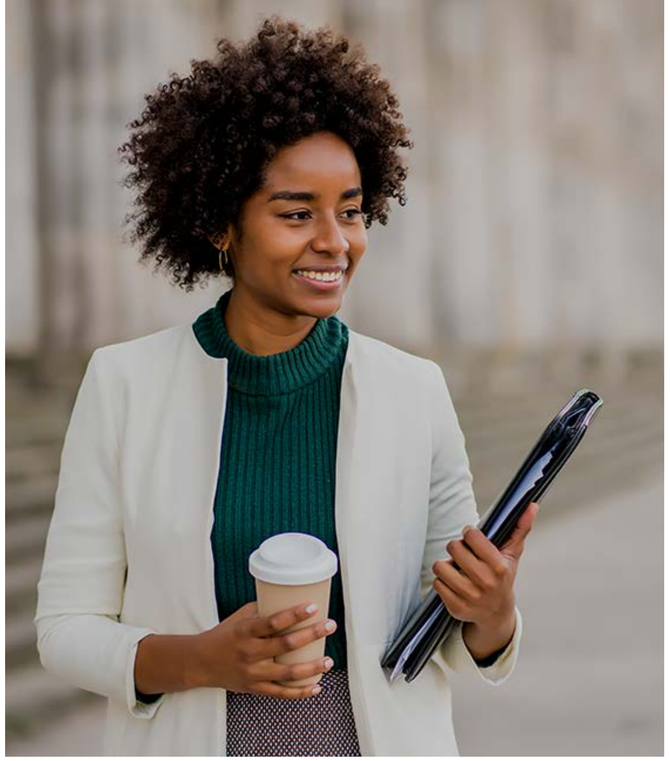
UNITED KINGDOM

Happier, healthier lives for MS community

People across the UK diagnosed with multiple sclerosis (MS) have been severely impacted by the pandemic. With many taking immunity-supressing drugs in order to manage this complex life-changing condition, as the rest of the country began its return to normality, many were left isolated and fearful and saw their condition worsen. MS-UK responded with a fresh determination to support their mental and physical wellbeing and a CAF Resilience Fund grant of £173k meant they were able to fund both their helpline and counselling service, offering support ranging from accessing financial help to online exercise classes to improve mobility, as well as peer groups and support to cope with mental health challenges.

Venturesome

CAF donors, in particular the next generation, are increasingly asking how they can direct their charitable donations towards funding social enterprises – giving fledgling organisations much-need investment in order to grow sustainably. For many donors, social investments are their chosen route to demonstrating impact in their charitable giving. CAF Venturesome, with 20 years working in this area, has been there throughout to offer expertise, guidance and new opportunities for donors, as well as practical support for those enterprises, including through blended finance options.



SOCIAL INVESTMENTS AND CAF

94 funders

CAF private clients, corporate foundations and grantmaking trusts

£3.0m

worth of social investments made to 31 organisations
(2020/21: 27 worth £3.1m)

£10.5m

worth of social investment loans received by 111 social organisations
(2021: £5.6m)

£277.5k

worth of grants made to 15 organisations as part of blended finance packages

CASE STUDY

SOUTH YORKSHIRE, UK

Bringing energy-saving tech to low-income households



Energise Barnsley is an environmental community benefit society that delivers community-owned renewable energy and energy efficiency and supply projects for low-income households and community buildings across the area.

Having previously turned to CAF in 2016 for support in launching the £790,000 Barnsley Solar Bond – into which CAF Venturesome invested £150,000 – Energise Barnsley returned to CAF Venturesome in 2021 in order to refinance its previous bond and build on its existing work.

CAF Venturesome rolled over the original £150,000 into a new series, recognising that the already meaningful environmental and social value of this innovative project is ever more important given the energy crisis.

Energise Barnsley's work not only contributes to reduced CO2 levels, but also helps to protect low-income homes from energy price volatility through energy-saving and low-carbon technologies.

"We are delighted to have the continued support of CAF Venturesome, investing alongside our community bond holders, into our community solar bonds."

David Malsom, Director, Energise Barnsley

CAF Bank

CAF Bank continues to be a leading light for UK charities, delivering values-based banking, dedicated customer service and competitive and highly personalised lending for our charity and social enterprise customers. The transformation of our banking services is underway in order to improve what we can offer to our clients and to position CAF Bank to be able to assist even more organisations in the future. The collective effort of this dedicated team was rewarded with the Charity Times Best Charities Bank award in 2021.

£1.5bn
Deposits

(2021: £1.4bn)

£185m
Total committed loans and advances to customers
(2021: £164m)



CASE STUDY

MILTON KEYNES, UK

Helping young people make a step-change in their lives

YMCA Milton Keynes is the only provider of supported housing dedicated to the needs of young adults in the city. The charity decided that a redevelopment was the most cost-effective route to deliver its future vision – to create a modern campus offering high-quality, affordable homes for young people.

Grant funding from Homes England, the local authority, the charity's fundraising appeal and a £4.4 million loan from CAF Bank, raised the funds required to complete the build and furnish the campus. The state-of-the-art campus opened in 2020 and is now home for up to 242 young adults, including young people who are homeless, those with complex needs and others seeking affordable accommodation.

As well as offering a safe place to live, YMCA MK wants to help residents make a step-change in their lives, to aim high and face the future with confidence. Social enterprises operating on site offer opportunities for residents to gain work experience, build confidence and develop new skills, as well as generating income for the charity.

"Ever since we took out the loan, CAF Bank have been interested in the project's progress and understanding of the challenges we faced occupying the new facility and dealing with the pandemic. We would thoroughly recommend CAF Bank to anyone."

Simon Green, Chief Executive, YMCA Milton Keynes

CASE STUDIES

DURHAM, UK

Putting tenants first

Durham Aged Mineworkers' Homes Association (DAMHA) is one of the largest almshouse charities in the country. The Association owns around 1,700 homes, mostly bungalows, on 130 sites in 80 towns and villages in the North East of England. Located mainly in the former coalfield communities of County Durham, these provide retirement housing for more than 2,000 people.

DAMHA's relationship with CAF Bank began when it switched its banking in 2014. CAF Bank's support grew to provide a £2 million secured loan in 2015 and a second loan facility in 2019.

"We were looking for a bank which could provide a personal service and ensure we were not lost just because we are a smaller organisation. CAF Bank offered good terms and stable long-term loans," explains Paul Mullis, Chief Executive, reflecting on the decision to select CAF Bank as DAMHA's preferred lender for loan finance.



"CAF Bank provides a personal, friendly and individualised service and we are really happy with the partnership we have with them," he says.

With CAF Bank's support, DAMHA has completed three affordable housing projects, a 24-home development in the town of Consett, a 19-home scheme in the town of Houghton-le-Spring, and a 13-home development in the village of Philadelphia. The Ashdale Road scheme in Consett has been shortlisted for an Inside Housing Development Award.

SCOTLAND, UK

Affordable homes in regenerated areas

Since 2016, CAF Bank has worked with Clydebank Housing Association, which was established by local residents in 1985 to modernise run down tenements in the town centre.



This has included the regeneration of the derelict site of a former cinema to develop La Scala Apartments, providing 44 one and two-bedroom flats at affordable rents, including four wheelchair-adapted homes. The project was supported by £3.1 million in grant funding from the Scottish Government and a £2 million loan from CAF Bank.

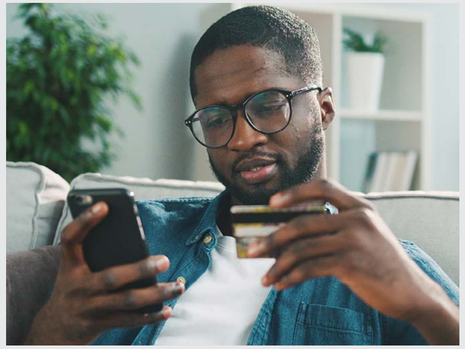
For its next project, CAF Bank provided Clydebank Housing Association with a £2.1 million loan to help fund its acquisition of 37 flats for social rent, scheduled for completion in 2022 as part of the development of 146 affordable homes at Queens Quay in Clydebank.

The development is part of a £250 million regeneration project to transform a former shipyard into a vibrant waterside community, combining new housing, retail and leisure facilities, offices and a state-of-the-art health centre – serviced by a water-sourced heating system.

Kevin Stewart, MSP, commented: "This new development will provide people with safe, warm, accessible homes and also deliver a boost to the area with additional social and economic benefits for the local community."

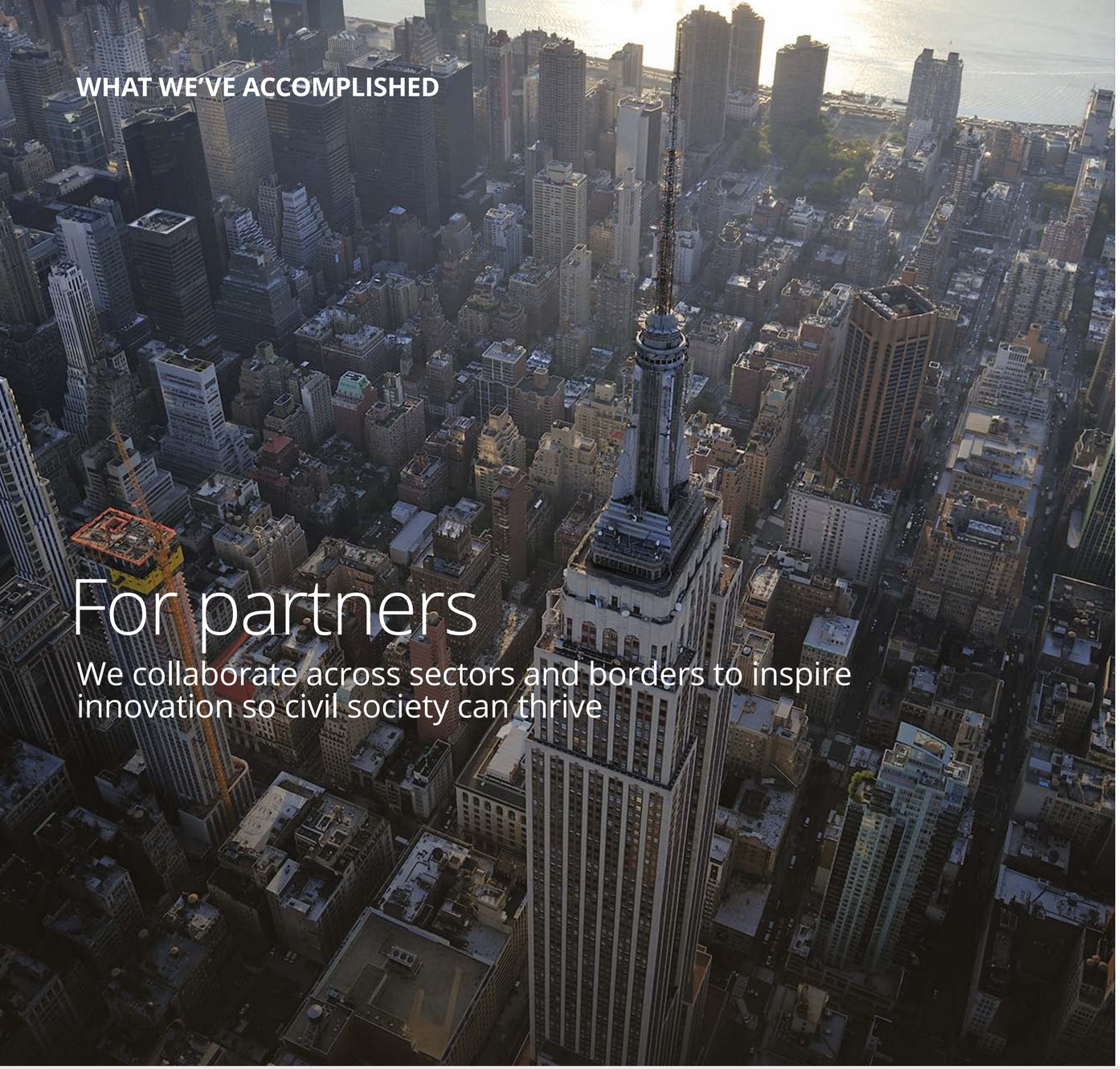
Fundraising tools: CAF Donate

Through CAF Donate, we continue to help UK-based charities with their shift to digital fundraising, complete with Gift Aid services to remove the administrative burden, enabling them to spend more time delivering for their beneficiaries.



£45.4m

Donations in to charities
(2020/21: £44m)



For partners

We collaborate across sectors and borders to inspire innovation so civil society can thrive

CAF International

Through expanding cross-border giving, CAF works to ensure donors anywhere in the world are able to effectively give funds to verified charities working in every corner of the planet. We know that collaboration is critical if philanthropy is to be a bridge-builder, helping to overcome some of the inequalities facing society, be they racial, economic, gender or disability based, or wider political and health inequalities.

In the past year, our efforts have included strengthening our relationships with like-minded organisations that share our determination to help donors and charities come together to achieve even more. We have worked closely with our European philanthropy partners, including Transnational Giving Europe (TGE). Covering 19 countries, TGE enables donors – both businesses and individuals – who are resident in one of the participating countries to financially support non-profit organisations in other Member States. It allows those donors to benefit directly from the tax advantages provided for in the legislation of their country of residence.

We have also worked with the newly-formed Philea group which was created through the merger of the European Foundation Centre (EFC) and the Donors and Foundations Network in Europe (Dafne) and we continue to work with the Wings network to secure effective routes to giving across borders and to navigate changes in the flow of funds across borders following the UK's departure from the EU.

With our CAF Network of like-minded international partners further afield, including India, Brazil and South Africa, we have identified how our shared values can help each of us to achieve more. From peer-to-peer learning to sharing the latest updates on relevant regulatory and legal changes, we are identifying barriers to giving across borders and devising workable solutions in order to meet the needs of our donors and our charity partners.



CASE STUDY

MALDIVES

Deutsche Bank Ocean Resilience Philanthropy Fund donors unite in ocean conservation

The Deutsche Bank Ocean Resilience Philanthropy Fund was launched at COP26 in Glasgow in November 2021 to provide donors with a path to support ocean conservation. Deutsche Bank committed an initial $300,000 USD to the fund, which will support projects that restore, conserve and strengthen vulnerable marine ecosystems. Administered by CAF and open to donations from philanthropists around the world, the fund encourages collaboration with scientific experts on innovative projects, by focusing on advancing nature-based solutions. Its goal is to reach $5 million within five years.

The Fund's first initiative is the Future Climate Coral Bank, a research project led by the Maldives Coral Institute to identify coral species that are resilient to climate change and conserve them in a living gene bank.

Deutsche Bank Global Head of the International Private Bank and CEO for Europe, the Middle East and Africa, Claudio de Sanctis said: "With the establishment of our Ocean Resilience Philanthropy Fund, we are excited to give clients the opportunity to help secure a better, more sustainable future for one of the world's most precious resources, our oceans."



Charity support

CAF continues to produce sector-leading research that informs Government, business and our donors about the state of charitable giving in the UK and internationally. This work also informs the wider public dialogue and is sought after by leading media outlets across the world.

The CAF World Giving Index, carried out in partnership with Gallup, is relied upon by governments and policymakers globally to deliver insight into the giving behaviours of the general public and it remains the only universal measure of generosity produced each year.

The UK Giving report into household giving has captured domestic response in times of immense change and has tracked donor behaviour throughout the pandemic and the war in Ukraine. Charity leaders, media and Government have all sought these insights on a regular basis to inform their work. The research team also worked with the Lilly Family School of Philanthropy at Indiana University to examine new methods of crowdfunding and the changing digital donor landscape. Our annual survey of UK charity leaders, Charity Landscape, has provided a high-level view of the impact of not just the pandemic, but the growing cost of living crisis on charities' ability to operate.

Our policy and public affairs team continues to advocate for charities and donors through a focused programme of work aimed at improving the safe and effective flow of cross-border donations, ensuring that the Government's levelling-up agenda is inclusive of the voices and unique needs of charities – and that charities are equipped with the tools they need to remain resilient in the face of considerable changes and pressures. The team works alongside colleagues at the Beacon Collective, ProBono Economics, the National Council of Voluntary Organisations (NCVO) and the Chartered Institute of Fundraising among others, in order to elevate the case for a favourable climate for charities. Our media team has worked to ensure CAF's capacity to deliver safe, effective giving solutions reaches donors and the professional adviser community that supports high-level philanthropy. Demonstrating the impact of considered, supported donations has been instrumental in ensuring that the generosity levels first seen during the early days of the pandemic have remained high and for many donors, a refreshed relationship with their chosen causes increasingly reflects a mature partnership.

SUSTAINABILITY



Our commitment to the charities and donors we serve is rooted in the reason we exist: to accelerate progress in society towards a fair and sustainable future for all.

That sustainable future is one in which we, as an organisation, play our role to the greatest extent possible. We help charities across the globe to grow, we achieve maximum impact for donors with every penny, pound or dollar donated through our charity, and we ensure the people who choose to be part of our team have a safe and supportive place to work. Last year, the combined impact of our work meant CAF was able to distribute more than £876 million to charities in 135 countries.

That is just the beginning of our story.

When we speak of sustainability, as an organisation our work is reflected in the principles of Environmental, Social and Governance (ESG) and our commitment to the charities and donors that we serve. This includes our determination to look inward, improve how we operate as an organisation and ensure that Charities Aid Foundation stays true to our guiding values – to act with integrity, move forward together and shape the changed world that we all want to see.

£876m

Funds distributed to charities around the world

135

Number of countries where CAF distributed grants

Environment

- Donors working with CAF's specialist advisory teams are looking to achieve lasting impact with their philanthropic capital through the funding of innovative environmental projects around the world. These include funding a coalition working to protect rainforests; support for an independent research centre for the development of organic food production and land management solutions to key global issues including climate change, soil and biodiversity conservation, and food security; marine habitat protection; and funding for a new research centre providing open-source climate transition analysis, helping both the economy and society move to a low-carbon sustainable economic model.
- CAF is committed to achieving net zero in our own operations and we are ambitious in our desire to accelerate this work – where we can move faster, we will, and work is underway to measure our emissions to make sure we are on the right path.
- CAF is reviewing investments to minimise indirect exposure to activities that do not align with our ESG ambitions and will look to phase out any of these holdings upon maturity and transition to ESG-focused or greener alternatives.
- Through CAF Bank we are increasing the provision of banking services, including lending, to help UK-based charities operate and expand their vital services. We have incorporated ESG criteria into our lending policy so that we can help charities with projects such as building or refurbishing their premises to reduce emissions.
- Venturesome is increasing the investment of philanthropic capital in the social enterprises and community organisations working to deliver a fairer, sustainable world.

Social

- CAF's charitable status is based on our purpose to deliver public benefit and all of our work revolves around delivering on these principles.
- To further the delivery of public benefit, we will continue to expand our work directly, linking donations made through CAF to the United Nations Sustainable Development Goals (SDGs). Through this, we play our part in ensuring these critical global measures of progress are captured and help to achieve the intended benefit.
- We are working to further reduce our gender pay gap and to grow the diversity of our workforce to create an organisation that is representative of the communities we serve.
- CAF's Board of Trustees is 45% female and our Executive team is 43% female – and diversity is an essential part of CAF's recruitment policies when it comes to attracting new board members and senior leaders.
- CAF is part of the Investors in People (IIP) programme and was awarded Silver accreditation in 2021.
- Our Executive Committee leads an ambitious employee engagement programme with regular townhall meetings focusing on different aspects of our work each month, interspersed with well-received informal drop-in sessions for smaller group discussions.
- Internally, our Environment and Wellness Collective, a group of dedicated employees with diverse skills drawn from across our charity, advises the Executive team on internal policy to ensure CAF is proactively delivering on our commitments.
- Our procurement policies are reviewed to ensure our suppliers share our commitments, embrace the circular economy where possible and are treated fairly and with professionalism.
- We support our employees through a range of measures including a trained team of Mental Health First Aiders, paid volunteering time and matching charitable donations made through CAF Give As You Earn, the UK's largest payroll giving scheme.
- As we adjust following the Covid-19 pandemic, we have embarked on a comprehensive project to ensure our working practices and our work spaces reflect our changed world and offer our employees the flexibility they need, while enabling us to continue to fully deliver for the charities we exist to support. We have also recently extended our annual leave provision to ensure our hard-working teams have the time they need to recharge and spend time away from their work.
- Our commitment to the people who choose to work with us has been strengthened with the introduction of an enhanced benefits package, including maternity and paternity pay and a wage review to address the increased cost of living.
- We have a Slavery and Human Trafficking Policy in place, which sets out our approach to this crime and how we aim to eliminate it from our supply chains.



Governance

- CAF's Trustees and Executive Committee are accomplished leaders drawn from financial services, the third sector, the civil service, higher education, and multinational corporations. Their expert scrutiny and strategic direction informs everything we do, including ensuring our compliance and reporting protocols are fully fit for purpose and that our people feel empowered to raise any concerns about internal practice. They set an impressive level of robust, transparent governance that is upheld throughout the organisation.
- All of our governance structures, including the make-up of committees, have been subject of a robust, Trustee-led review.
- Our elected internal Employee Council constructively represents the views of our workforce, offering valuable support to fellow employees and insights to senior leadership.
- Workforce training is constantly reviewed to ensure everyone at CAF is fully aware of their own responsibilities to the organisation and to our donors and charity partners. CAF provides training and development opportunities to ensure everyone who chooses to work with us can grow their careers.
- We have introduced a refreshed whistleblowing policy to ensure employees at all levels of our organisation have both the information and the means necessary to raise any concerns.

FINANCIAL REVIEW

CAF has emerged from the pandemic with strong donor support amid a changing economic backdrop and higher interest rates, which have had a positive effect on our investment and interest income. We continue to increase our fee income and ensure our product line meets the evolving needs of our customers. Our digital transformation continues and after an initial scoping period to determine both requirements and costing, we are in the scoping stage for necessary IT upgrades. We remain vigilant in ensuring our systems are secure and resilient and that we continue to meet all of our regulatory requirements. To support CAF's work to grow the impact of charitable donations from the donors we work with, in late 2021, CAF raised £30 million from institutional and retail investors through a 3.5% bond issue with special purpose issuer RCB Bonds PLC. In addition to supporting CAF's future growth and transformation plans, the proceeds were used in part to settle a tender offer under which CAF bought back £12.8m worth of 5% bonds due in 2026 that were issued in 2016.

The Charities Aid Foundation's accounts are consolidated and therefore include the income, costs and balance sheets of its charitable and trading subsidiaries in the US, Canada and the UK. The principal subsidiaries are CAF Bank, CAF America and the CAF American Donor Fund. The principal sources of unrestricted income are fees earned for services and products provided together with interest on loans and income earned from financial assets. Restricted income consists principally of donations to donor accounts in the Charity and CAF America and legacies. The group balance sheet consists primarily of the unrestricted and restricted charitable funds of the Charity and of its subsidiaries together with donor client balances where the Charity is acting as agent and CAF Bank depositor balances.

	Donations, legacies, grants & investment income received		Donations payable to charities	
	2021/22 £m	2020/21 £m	2021/22 £m	2020/21 £m
Restricted funds per Group Statement of Financial Activities (SOFA)	999.4	965.0	808.5	802.4
Less: US fundraising programme costs	(61.7)	(73.8)	-	-
	937.7	891.2	808.5	802.4
Donor client balances (note 21 to the Financial Statements)	110.6	114.4	69.0	73.1
less: CAF Give As You Earn receipts transferred to restricted funds and included in the Group SOFA	(41.8)	(43.0)	(1.3)	(1.4)
Net donor client balances	68.8	71.4	67.7	71.7
Total	1,006.5	962.6	876.2	874.1

Restricted funds and donor client balances

Donations received by us and subsequently paid to charities represent the principal movements in our restricted and donor client balances. The restricted funds principally relate to the services we provide to donors through CAF Charitable Trusts, CAF Charity Accounts, CAF Company Accounts, CAF America and CAF American Donor Fund. Donor client balances consist of donations received by us and subsequently paid to other charities through CAF Give As You Earn and CAF Donate.

We have illustrated earlier in this report how the generosity of donors using our services in the UK and US enabled receipts from donors, coupled with income on investments held in donors' giving funds, to exceed £1 billion.

At 30 April 2022, restricted funds held in respect of our services, offering donors flexibility to make donations at a later date and to maintain philanthropic capital, increased to £1,679.8m (2021: £1,539.9m). Restricted funds benefited from the high level of receipts, both in the UK and US and from the addition of investment income of £11.6m (2021: £10.9m). In addition, market movements during the year resulted in an increase of £6.4m in the value of our financial investments (2021: £131.1m), which had an aggregate market value of £845.8m at 30 April 2022 (2021: £772.5m). Our financial investments are principally investments held for CAF Charitable Trusts, typically a portion of the funds are also held in cash to meet donors' short-term giving, with the financial investments held to fulfil medium- to long-term objectives.

Our donor client balances, which reflect donations in the course of processing for CAF Give As You Earn and CAF Donate stood at £5.7m (2021: £4.5m).

CAF Bank depositor balances and lending

CAF Bank continues to be underpinned by a strong and stable base of deposits provided by its charity customers and a robust liquidity position. At 30 April 2022, CAF Bank depositor balances had increased by 8% to £1.5bn (2021: £1.4bn). Approximately 92% of CAF Bank's assets are highly liquid, with liquidity buffer eligible assets of £1,279m at 30 April 2022 (£1,174m at 30 April 2021).

CAF Bank's lending continued to grow during 2021/22. At 30 April 2022, the value of total committed loans and advances to customers stood at £185m (2021: £164m). The pipeline of sanctioned loans stood at £58m at 30 April 2022 (2021: £24m), providing a strong base for further growth in lending.

Given the ongoing economic uncertainty and the cost of living crisis, CAF Bank has continued to monitor and analyse closely the collective and specific loan provisions. Despite this, the quality of its loan book remains strong, resulting in modest loan loss provision. The collective provision was determined as £0.9m at 30 April 2022 (£0.8m at 30 April 2021). The economic rebound following the lifting of Covid-19 restrictions has resulted in the specific provisions reducing to £0.2m at 30 April 2022 (£1.4m at 30 April 2021).

Unrestricted funds

At 30 April 2022, group unrestricted funds stood at £76.7m (2021: £68.5m), an increase of £8.2m (2021: £1.5m).

Total income increased to £44.9m (2021: £43.5m). We continue to increase our focus on fee income in order to ensure an appropriate mix of income sources and this is reflected in an increase in fees to £23.7m (2021: £21.5m) during the year. CAF and the group continue to be impacted by low interest rates. Total expenditure of £50.2m (2021: £45.5m) includes additional expenditure on our growth and transformation plans.

Transfers from restricted funds during the year included £10.2m from CAF Charitable Trusts including one of £6.9m where, the trusts upon which the funds were held by CAF had failed. In accordance with terms and conditions, £3.2m (2021: £2.3m) was transferred from CAF Charity Accounts that were closed. These and other funds transferred from restricted funds have been applied for the general charitable purposes of CAF. This is in support of our transformation plans.

As described earlier, CAF raised £30m through a 3.5% bond issue in late 2021 to support future growth and transformation plans. The proceeds were used in part to buy back £12.8m worth of 5% bonds issued in 2016 and repayable in 2026, for which CAF paid a premium of £1.7m, which is reflected in the SOFA as a cost of loan restructuring.

Reserves policy

CAF's policy is to maintain, but not exceed, an appropriate level of reserves to support the activities of the group, taking into account the risks to which the group is exposed, existing and projected future levels of income and expenditure, and the capital requirements of its regulated subsidiaries.

The policy and determination of the required level of reserves are set in accordance with Charity Commission guidelines and are reviewed at least annually by Trustees.

In determining the appropriate level of reserves, Trustees consider the nature of the group's activities and the risks inherent in our financially-based activities including credit risk, liquidity risk and interest rate risk, along with other risks to which CAF and the group are exposed.

They also consider future capital requirements and changes in our operating environment, including regulatory changes, which may also impact the level of retained reserves or the levels of reserves we are required to maintain in the future.

Our objective is to remain strong, keep our fees competitive and take mitigating action where it is possible, so we can offer the maximum support to the charities and donors we serve. We, therefore, continue to take a prudent approach to the levels of reserves maintained.

As the economy faces the dual headwinds of a stark cost of living increase and a highly competitive labour market, the Trustees continue to closely monitor the situation and to work with the Executive Committee to respond as required to these pressures. CAF is now in the second year of its four-year strategy and a three-year business plan has been approved by Trustees as the Executive Committee leads the teams delivering a modern and agile service for both our donor and charity customers.

Group unrestricted funds, which also represent our reserves, stood at £76.7m (2021: £68.5m). This level of reserves at 30 April 2022 is considered to be sufficient to support the ongoing activities and development of the group.

CAF investment policies and performance

CAF adopts investment policies appropriate to the nature of the funds for which the investments are held. The policies include consideration of liquidity requirements, credit and interest rate risk, yield and diversification. The Investment Advisory Committee reviews our investment policies and performance on behalf of the Trustees.

We continue to be cautious with regard to funds over which we have discretion in the current financial climate, placing funds primarily on deposit with UK banks.

Unrestricted funds – Treasury assets

The Charity's unrestricted funds are used to support the operating activities of the Charities Aid Foundation. During 2021/22 unrestricted funds continued to be invested primarily in term deposits with UK banks but may from time-to-time be invested in gilts, supranational bonds and investment-grade corporate bonds, and include the long-leasehold property in Kent, used for the Charity's activities.

Restricted funds

Investments are held for restricted funds as follows:

Financial investments – Trust funds

Investments held for major donors in CAF Charitable Trusts, CAF America Donor Advised Funds, CAF American Donor Fund Trusts and CAF Canada Donor Advised Funds (collectively 'Trust funds') are aligned with the charitable objectives of our donors. This portfolio consists of a broad range of investments often held over the longer term, comprising pooled investment funds, equities, bonds and cash deposits, held directly or managed by third-party fund managers. Performance is measured against benchmarks taking into account the objectives of the donor, where this has been agreed.

Other restricted funds – Treasury assets

Other restricted funds principally comprise balances held pending onward donation to other charities. During 2021/22 funds continued to be invested primarily in term deposits with banks, gilts, other supranational bonds and a portfolio of investment-grade corporate bonds. Our policy is to hold bonds to maturity.

As at 30 April 2022 our Treasury asset portfolio yield was 0.8035% (2021: 0.8843%), compared with a benchmark of SONIA of 0.6906% (2021: 0.0486%). We experienced a reduction in rates available as deposits matured.

Investment policies of subsidiaries are determined and managed by their respective boards.

Going concern

In order to assess the appropriateness of the going concern assumption basis, the Trustees have considered the group's financial position, liquidity, unrestricted reserves and forecasts for the foreseeable future, taking into account the principal risks to which the group is exposed and the ongoing cost of living rises and geo-political uncertainties. The Trustees have considered the impact of a severe economic outcome on CAF and its subsidiaries and the effectiveness of management actions that might be taken to mitigate the impact of this stress. Trustees have also considered the circumstances under which the operations of CAF and its subsidiaries would be unable to continue. After taking into account the current level of the group's cash and reserves and the financial performance of the group since 30 April 2022, the Trustees have concluded that the risk of this situation occurring is remote.

Accordingly, and after making appropriate enquiries, the Trustees have a reasonable expectation that the group will be able to continue in operation and meet its liabilities as they fall due for at least 12 months from the date of signing this report. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Structure, Governance and Management

The Charities Aid Foundation is a registered charity (number 268369) and is governed by a Declaration of Trust dated 2 October 1974 (as amended from time to time). The Board of Trustees, together with the executive, are set out at the end of this document.

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CAF Trustees

The Board of Trustees is the body responsible for the management of CAF and is required to consist of:

- Not fewer than eight Trustees appointed by resolution of the Trustees; and
- the Chair of NCVO (National Council for Voluntary Organisations)

The Board meets at least five times a year. All Trustees are non-executive and none of them receive remuneration from CAF. Trustees are appointed to hold office for a term of three years. Except for the Chair of NCVO, no Trustee may hold office for more than three consecutive terms. All newly appointed Trustees are required to undertake an induction programme delivered by the Company Secretary and Executive Director of People and Purpose.

The induction is in two parts and across two dedicated sessions. The first of these focuses upon governance, the role of trustee and its responsibilities. The second focuses upon the organisation, how it is designed, the business plan, key themes and performance measures. From 2022 a newly designed Board effectiveness framework is being implemented. This is designed around a three-year programme broken down into the themes of key knowledge on the duties related to governance in year one, the assessment of Board skills, knowledge and experience in year two and a formal external audit and validation in year three.

The Trustees delegate management responsibilities to the Chief Executive and also delegate certain functions to the sub-committees described below. Each sub-committee has specific terms of reference and a chairman appointed by the Trustees. Trustees strengthen the sub-committees by co-opting experts in the relevant field. This delegation is controlled by requiring regular reporting from the Chief Executive and the sub-committees to the Board of Trustees.

Board of Trustees
Meeting attendance

	1 May 2021 to 30 April 2022	
	Meetings attended	Maximum
Sir James Leigh-Pemberton (Chair)	6	6
Cyrus Ardalan (Chair, Investment Advisory Committee)	6	6
Roger Perkin (Vice-chair and Chair, Audit, Risk & Compliance Committee)	5	6
Janet Pope (Chair, CAF Bank Ltd)	5	6
Sir Ernest Ryder	6	6
David Shalders	5	6
Dr Priya Singh (Chair, NCVO)	5	6
Susannah Storey	3	6
Matt Hammerstein (resigned 29 September 2021)	3	3
Tiina Lee (resigned 28 April 2022)	3	6
Sabine Everaet (appointed 28 April 2022)	-	-
Meredith Niles (appointed 28 April 2022)	-	-
Owen Valentine Pringle (appointed 28 April 2022)	-	-

CAF Trustees (continued)

Sir James Leigh-Pemberton, CVO – Chair

Sir James is Non-Executive Chairman of RIT Capital Partners and Deputy Chairman of UK Government Investments, and Trustee of the Royal Collection Trust and The Alnwick Garden Trust.

Cyrus Ardalan – Chair, Investment Advisory Committee

Cyrus is currently Chairman of Citigroup Global Markets, OakNorth Bank and a senior adviser at Alvarez and Marsal. He was Vice Chairman of Barclays, the International Finance Facility for Immunisation supporting GAVI, the Vaccine Alliance, and Chairman of the International Capital Markets Association.

Roger Perkin – Vice-chair and Chair, Audit Risk and Compliance Committee

Roger was for many years a partner at Ernst & Young and now serves on the boards of Hargreaves Lansdown and AIB UK, and as a Trustee of Chiddingstone Castle.

Janet Pope – Chair, CAF Bank Ltd

Janet is Director, Sustainable Business and Chief of Staff, Lloyds Banking Group plc, with responsibility for Inclusion and Diversity, Responsible Business and Sustainable Business. She is also a member of the Financial Services Culture Board and Chair of Governors at Camden School for Girls and a board member of the Banking Standards Board.

Sir Ernest Ryder

Sir Ernest was until recently a Lord Justice of Appeal, and Senior President of Tribunals for the UK. He is Master of Pembroke College, University of Oxford, and a Trustee of the Nuffield Foundation.

David Shalders

David is the Chief Operating Officer and Head of Integration at the London Stock Exchange Group. Prior to this he was Group Operations and Technology Director at Willis Towers Watson.

Dr Priya Singh

Priya is chair of the National Council for Voluntary Organisations (NCVO). She has a background in general practice, specialising in medical law, ethics and patient safety.

Susannah Storey

Susannah is Director General for the Digital and Media Group in the Department for Digital, Culture, Media and Sport. Prior to this she was Director General for the Economic Partnership at the Department for Exiting the European Union. Before becoming a civil servant she worked in investment banking at Citigroup.

Matt Hammerstein

Matt is currently CEO of Barclays Bank UK, covering Retail Banking, Investments and Wealth UK, Business Banking and Barclaycard UK. He also sits on the board of UK Finance and CAF America.

Tiina Lee

Tiina is the Chief Executive Officer, UK & Ireland for Deutsche Bank. She is responsible for all Deutsche's activities in the region and is a leading advocate on diversity & inclusion. She also serves on the board of trustees of Donmar Warehouse Projects.

Sabine Everaet

Sabine is Independent Non-Executive Director at ING Belgium and Strategic Partner at Oraxys, a Private Equity fund specialised in environmental growth capital. She is a Senior Adviser to multiple companies.

Meredith Niles

Meredith is an experienced charity professional, having most recently served as Executive Director of Fundraising and Engagement at Marie Curie. Meredith also serves as Chair of the SOFII Foundation and as a trustee of Plan International UK and the Trust for London.

Owen Valentine Pringle

Owen is a member of the Leadership Team and a Partner of Leaders' Quest, a leadership development practice that supports executive teams with the alignment of profit with purpose. Previously, he was Chief of Staff at ActionAid International's global secretariat. Owen was recognised by the Financial Times in its inaugural list of the 100 most influential BAME leaders in technology.

Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee consists of Trustees and co-opted members with relevant expertise. The committee meets with senior management and external and internal auditors at least four times a year. The committee's purpose is to review and make recommendations on the following on behalf of the Trustees:

- Internal control and risk management systems
- Effectiveness of internal audit
- CAF's relationship with its external auditors
- Procedures for compliance with anti-money laundering legislation and CAF's other regulatory obligations
- Annual report and accounts
- The arrangements by which staff may, in confidence, raise concerns about possible improprieties in financial reporting or other matters.

Investment Advisory Committee

The Investment Advisory Committee is a panel of independent investment experts chaired by a Trustee. The committee meets with senior management at least four times a year. The purpose of the committee is to advise the Trustees on investment matters regarding CAF's funds as well as the funds held in CAF Charitable Trusts or as agent. This is undertaken in the context of our long-range strategic plans, operational activities and Charity Commission guidelines. The committee monitors compliance with agreed investment policies and performance benchmarks. It also monitors compliance with procedures relating to investments, as well as providing other advice on an ad hoc basis.

Nomination, Remuneration and Culture Committee

The Nomination, Remuneration and Culture Committee advises the Trustees on the appointment of CAF's Trustees and of the co-opted members and advisers to the boards and committees of the CAF group. The committee also makes recommendations regarding the remuneration of members of the Executive Committee of CAF (who form the key management personnel of the group) and other senior members of staff, and reviews and agrees the basis for the general pay award to staff. Remuneration and salaries are assessed and reviewed against market rates using third-party data. The committee also reviews the general terms and conditions of employment of our staff including the provision of pension arrangements. The committee meets at least three times a year.

CAF's partners

The Charities Aid Foundation group consists of CAF and its subsidiaries in the UK, CAF America, the CAF American Donor Fund and CAF Canada.

The wider CAF Network, formerly known as the Global Alliance, includes organisations around the world that exist to support charities. These valued international colleagues collaborate with CAF and one another to support our work to accelerate social progress around the world. This network of like-minded not-for-profit organisations maintains strong working relationships with the Charities Aid Foundation group and includes Good2Give (Australia), CAF India, IDIS (Brazil), BCause (Bulgaria), CAF Southern Africa, and TUSEV (Turkiye).

CAF also holds relationships with Europe-based philanthropy organisations, including the newly-formed Philea and Transnational Giving Europe, which assists in facilitating cross-border giving into Member States who are part of the group.

Additionally, in order to deliver its mission and to comply with the regulatory requirements for the provision of banking and investment solutions to charities, in the UK CAF has created and holds mixed-motive investments in a number of wholly-owned subsidiaries, the largest of which is CAF Bank. These investments further CAF's charitable mission, as well as providing a financial return. CAF's Board of Trustees receives updates from the boards of each entity that is a member of the CAF group.

Full details of the CAF group are set out in note 2 to the financial statements.

Public benefit and society

CAF's purpose (as set out in the Declaration of Trust) is to raise money and hold funds 'for the benefit of such charitable institutions or such charitable purposes as the Trustees shall think fit'. The work we do in pursuit of our mission is illustrated throughout this report. CAF contributes to the public benefit and society by creating value for other charities and helping to shape the charitable sector.

CAF has paid due regard to the Charity Commission's general guidance on public benefit when reviewing its aims and objectives and in planning its future activities.

Stakeholder engagement

We recognise and promote the importance of strong relationships with our stakeholders across all of our activities, and we are committed to productive, long-term relationships. Throughout this report we have described how we engage with our donors, charity customers, government and colleagues in the sector and our employees. Below we give examples of engagement with other stakeholders.

Suppliers

We recognise that our suppliers are crucial to our success and we understand the importance of maintaining strong lines of communication. Many perform critical outsourced functions and are subject to regular formal review. We engage with suppliers regularly throughout the year and feedback is communicated and monitored.

Regulators

It is within our culture of fairness and transparency to promote high standards of conduct within CAF and with all external parties. In particular, when holding funds and customer deposits, safety, soundness and adherence to all relevant aspects of regulation is key to us.

We maintain close awareness of this through engagement with regulators. This engagement is supported by interactions with industry bodies, specialist advisers, regulatory seminars, online forums and round table events. This has allowed us to remain informed on increasing regulatory requirements and to ensure we operate to the standard required.

Fundraising

There have been no UK fundraising activities undertaken in the current or preceding year. CAF America works in partnership with US professional fundraising organisations. CAF America receives 100% of the donations collected, which it then grants, minus costs and fees paid to the fundraising organisations, to third-party beneficiary charities.

Risk Management

Responsible and effective risk management is central to CAF's ethos, and is embedded as part of our strategy in support of our purpose to accelerate progress in society towards a fair and sustainable future for all. The CAF risk management strategy, including related risk appetites, is reflective of CAF objectives in support of each part of the group and reflects our commitment, as a charity, to making a positive and lasting difference for the charities, donors, beneficiaries and partners with whom we work.

Risk is overseen by CAF Trustees, Executive Boards and Senior Management whilst being supported by an embedded risk management culture which is an accountability of every CAF colleague.

Risk Management Framework

The group operates a risk management framework that provides oversight and accountability for the management of risk across all risk types and at all levels of the group. The framework supports prudent risk management and decision making, aligned to our objectives, and is designed to ensure risk is managed within clearly defined parameters.

The control environment aligns to the risk management framework and is supported by a related set of policies, procedures and controls which supports responsible decision making, within the appetite of the group, as set by the Trustees and supported through CAF Executive Board Committees, which include: the CAF Executive Committee, CAF Bank Board, CAF America Board, CAF American Donor Fund (CADF) Board and CAF Financial Solutions Limited (CFSL) Board. CAF Executive Board Committees have dedicated supporting risk committees, including the CAF Audit Risk and Compliance Committee, CAF Bank Executive Risk Committee, the CAF America Finance, Audit and Risk Committee and CFSL Executive Risk Committee.

The Risk Management Framework operates using the 'three lines of defence' principle, separating risk ownership from risk oversight and assurance, with governance provided by formal committees.

Further information can be found on the CAF Bank Risk Management Framework in the CAF Bank annual report, aligned with the Financial Conduct Authority and Prudential Regulation Authority.

Developments in the charity sector have seen increased media, public and regulator interest in the operation of charities. The Trustees and senior management remain focused on those risks that could adversely affect our reputation and ensure that all activities are carried out in a respectful and open manner.

Business Continuity

CAF maintains Business Continuity Plans and has ensured our planning remains robust as we moved large numbers of our workforce towards a hybrid working environment in the post-Covid era, while ensuring all systems and personnel are equipped and supported.

All risks have been assessed for the actual or known potential impacts of a longer-term shift to hybrid working and have been reported, as appropriate, to relevant committees.

Principal risks and their mitigation

The principal risks evaluated across the group:

Non-financial risks

- Reputation
- Strategy and mission
- Regulatory
- Operational
- Cyber
- Financial crime

Financial risks

- Capital
- Credit
- Liquidity and funding
- Market and interest rate

NON-FINANCIAL RISKS

Risk		Mitigation
REPUTATION	CAF's brand and reputation are critical in our endeavours to attract and retain our customers, in support of the CAF mission. CAF's objective is to enhance our standing with stakeholders, underpinned by a consistent application of the rules that govern the application and use of the CAF brand. CAF understands the importance of having clear and consistent positions on the issues facing the charitable sector, donors, corporate givers, and Government. The risks to the group of reputational damage include a reduction in revenue, increases in operating costs, and a loss of market position.	We take active steps to manage our brand. This work includes the monitoring of social media sentiment, the tracking and reporting of media mentions and the analysis of customer feedback. We use our written policies and procedures to ensure that customer feedback and complaints are managed in line with prevailing best practice and regulation. CAF conducts risk-based screening and negative media reviews for donors and beneficiaries during onboarding and due diligence processes to mitigate risks of financial crime and to avoid actual or potential reputational risks that may arise. We maintain a crisis communications plan to address any negative reputational concerns. Internally, our human resources team supports managers to understand and act upon risks that could arise from employee relations. Through regular training and ongoing compliance oversight, we ensure that our people are equipped to support our efforts to protect our reputation. The CAF Network, our global network, which includes independent partners, requires members to adhere to CAF's brand guidelines.

NON-FINANCIAL RISKS

Risk		Mitigation
STRATEGY AND MISSION	CAF's objective is to deliver on its Together Building Opportunity plan for the future whilst ensuring CAF fulfils its obligation and great potential to grow the organisation's impact sustainably, managing costs and providing a positive customer experience. Below are the main risks to this objective: Strategic risks are those that arise from the decisions taken concerning the group's objectives and ability to meet those objectives. This can include decisions taken in relation to developing products and services, changes in the technological environment and longer-term sources of finance to support planned strategic growth. Changes in the financial markets in light of rising inflation, related higher interest rates and related economic downturn risks have the potential to have a significant impact on our strategic plans and are subject to modelling. Modelling for other economic scenarios in the medium and longer term are also subject to consideration. Changes in our operating environment, including regulatory changes, may also impact the level of our retained reserves or the levels of reserves we are required to maintain in the future.	A detailed approach is taken to budget-setting and development of financial plans and these are reviewed and approved by the Trustees and the relevant boards. Regular detailed financial monitoring is carried out and actions are taken to mitigate against any budget pressures, including effective cost management measures. Our strategic planning includes the modelling of a range of potential future scenarios in respect of changes in the group's operating environment, through which we identify opportunities to further our strategic goals, or to mitigate any negative impact arising from the change in the operating environment. Our planning processes include comparison of projected reserves against the level of reserves required to support our ongoing operations and planned strategic growth. We continue to assess and monitor risks associated with the UK's withdrawal from the EU, including the future of EU and other funding for charitable work, the longer-term sustainability of corporate social responsibility programmes, the future of tax relief arrangements for donations into or out of the EU, and the future of London as a global hub for philanthropy.

NON-FINANCIAL RISKS

Risk		Mitigation
REGULATORY	CAF's objective is to deal with all our regulators in an open and co-operative way and to deliver on our commitments. Regulatory risk is defined as the risk to earnings and reputation associated with a failure to comply with regulatory requirements and expectations. The group aims to comply with all relevant regulatory requirements to minimise the risk of financial loss, maintain its high reputation and avoid regulatory sanction. CAF is regulated by the Charity Commission for England and Wales and is required to comply with HM Revenue & Customs tax legislation. CAF is responsible for ensuring that the charitable funds it receives, administers and distributes are managed in compliance with charity law and the tax legislation relevant to charitable giving and expenditure. CAF is registered with the Financial Conduct Authority (FCA) for anti-money laundering purposes. CAF Bank is authorised by the Prudential Regulation Authority (PRA) and regulated by the FCA and PRA. CAF Financial Solutions Ltd (CFSL) is regulated by the FCA. CAF America is regulated by the US Internal Revenue Service and must also comply with State regulations for registered charities and data privacy protections. CAF Canada is regulated by the Canada Revenue Agency and must comply with provincial regulations in the provinces where it is registered. Where the CAF group undertakes cross-border grantmaking, the local regulations of the receiving country are considered. CAF group adheres to UK, US and EU Financial Sanctions obligations including those defined by the Office of Financial Sanctions Implementation (OFSI) and The Office of Foreign Assets Control (OFAC) of the US Department of the Treasury.	Compliance with regulatory requirements and expectations commences at board level for each group entity. It is cascaded down through the senior management teams and is embedded across all areas of operation and subject to second line of defence oversight by Risk, Compliance and Financial Crime teams. Regular reporting to our Audit, Risk and Compliance Committee (ARCC) includes risks arising out of our charitable activity, operations, including related risk, compliance and financial crime control related matters and internal mitigating controls. The ARCC reviews and monitors the adequacy of internal controls and reports to the Board of Trustees on significant risks, any identified weaknesses in controls and progress of actions for addressing any such identified weaknesses. Data protection and information governance policies are in place and are reviewed to ensure our internal processes are robust and comply with relevant legislative, regulatory or contractual requirements including the UK General Data Protection Regulation and Data Protection Act. Data governance training is compulsory for all staff and has been designed to ensure awareness of our duty to protect data and support implementation of our internal policies and procedures on data protection and information governance. The group is committed to ensuring that the appropriate resource is made available to adhere to regulatory requirements. CAF America, CAF Canada and CADF maintain grantmaking and Project Distribution protocols that are reviewed regularly by legal counsel to ensure compliance with regulatory requirements. The CAF America Finance and Compliance team is responsible for ensuring appropriate filings are completed with the US Internal Revenue Service, Canada Revenue Agency, and each US state as necessary. Quarterly compliance reports ensure that these regulatory filings are documented and submitted on time. The CAF Network will be underpinned by agreements with CAF that require each of our independent partners to adhere with relevant legislation. Whilst these partners do not form part of the CAF group, we strive for each member of the CAF Network to maintain the highest standards of regulatory compliance and due diligence.

NON-FINANCIAL RISKS

Risk		Mitigation
OPERATIONAL	Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.	The group continually develops its systems and controls in the context of the scale and complexity of CAF operations, to manage and mitigate the likelihood of failure associated with operational risks. Policies, practices and controls are in place to govern our operational risks. These are reviewed for effectiveness on an ongoing basis. CAF Bank uses the Basic Indicator Approach (Capital Requirements Regulation (CRR) Pillar 1) and considerations of its maximum scenario based operational loss (CRR Pillar 2) to assess operational risk capital requirements. Our people are the key to our success, so we invest significantly in learning and development. We carry out surveys of our staff and we develop and implement action plans to address key issues. We have introduced a number of new wellbeing tools to support our people. We carry out comprehensive reviews of our business continuity arrangements and plans and perform ongoing resilience testing of key business-critical activities. Operational risk presented by third-party suppliers is addressed by our procurement process, which ensures a strict framework for engaging third parties including a thorough risk assessment and regular service reviews.
CYBER	Cyber threats are escalating from an increasingly sophisticated criminal community and we continue to invest in strengthening defences for both the group and its customers and in developing emergency response plans.	We continue to respond to the need to ensure resilience, to layer up security measures and to build capacity as our operating model and volumes develop. We regularly monitor and test controls to ensure they are operating effectively. A key part of these controls is awareness throughout the organisation of how cyber attacks occur and the defences we have in place to counteract these. All UK staff are required to complete IT security training, which is designed to ensure awareness of our duty to protect our systems and the data they hold. CAF America and CAF Canada IT systems are reviewed and supported by an external firm to ensure they are protected from cyber attacks.

NON-FINANCIAL RISKS

Risk		Mitigation
FINANCIAL CRIME	There is a risk of both CAF and its customers being a target of financial crime, which may lead to reputational damage, financial loss or regulatory censure.	The CAF group risk management framework and related policies define requirements relating to the management and mitigation of financial crime related risks including anti-money laundering, fraud, counter-terrorist financing, counter-tax evasion facilitation, anti-bribery, anti-corruption and sanctions. These policies are designed to support CAF adherence to the obligations and requirements as applicable, determined by UK, EU, US and Canadian legislation, regulations and industry best practice guidelines for both the charity and financial services sectors and reflects our commitment and intent to both detect and disrupt financial crime. The group's systems and controls are designed to combat financial crime and the group-wide transformation plans will continue to drive an agenda for ongoing targeting of financial crime related risks, aligned with both our regulatory and social responsibilities.

Financial risks

Through such services as the CAF Charity Account, CAF Company Account and CAF Charitable Trust, the group's activities include the receipt, investment and onward distribution of charitable funds. Activities also include banking services, such as deposit taking and lending, provided by CAF Bank. Consequently, the group holds a significant level of financial instruments and has a corresponding exposure to the associated financial risks.

Details of the financial instruments held by CAF Bank are set out in note 33 to the financial statements, together with descriptions of the management of each category of financial risk.

FINANCIAL RISKS

Risk		Mitigation
CAPITAL	CAF defines capital risk as risk that the group (or its entities) do not have the amount and/or quality of reserves or capital needed to meet the requirement of the relevant reserves policy or the minimum regulatory requirements or to support planned strategic growth.	Relevant policies are reviewed and approved by the ARCC. Capital requirements are funded by reserves in line with policy. Our planning processes include comparison of projected reserves against the minimum level of reserves required to support our operations and planned growth. We continue to focus to maximise income opportunities and cost management in order to minimise the impact on reserves. For CAF Bank, capital risk is measured, monitored and reported daily against limits approved by the CAF Bank Board within CAF Bank's Capital Policy and monitored at CAF Bank's Asset and Liability Committee (ALCo) and Executive Risk Committee. CAF Bank undertakes regular stress testing of its capital adequacy.

FINANCIAL RISKS

Risk		Mitigation
CREDIT	Credit risk is the risk of financial loss arising from a borrower or counterparty failing to meet their financial obligations to repay the group in accordance with agreed terms. Credit risk arises primarily from investing funds with treasury counterparties and lending to charities.	*Treasury assets* Treasury policies are reviewed and approved by the CAF Investment Advisory Committee (IAC) and criteria is set, which includes credit rating and counterparty lending limits and country limits. Subject to minimum credit ratings, maximum terms, and maximum counterparty limits, funds may be invested in the following: • UK gilts and multilateral development banks • Other single sovereign-backed Sterling denominated bonds • Financial and non-financial corporate bonds (fixed and floating rate) • Bank deposits, including in the money market. For CAF Bank, Treasury counterparties are reviewed and approved in accordance with policies and criteria approved by the CAF Bank Board. The Bank sets criteria, which include credit rating, counterparty lending limits, group exposures, and country exposure limits. The Bank uses the Standardised Approach to assess capital required for credit risk, with risk weightings based on the lower of the two highest of Fitch, S&P and Moody's ratings in accordance with the credit quality assessment scale. *Financial investments held for Trust funds* CAF Charitable Trusts, CAF America Donor Advised Funds, CADF Trusts and CAF Canada Donor Advised Funds (collectively 'Trust funds') are invested in accordance with policies approved by the CAF IAC, on behalf of CAF's and CADF's Trustees, and by the boards of CAF America and CAF Canada. Donors typically hold a proportion of their funds in cash in order to meet their short-term giving expectations and invest funds to meet their medium to long-term philanthropic objectives. Donors plan donations by reference to the market values and liquidity profile of the assets held for their Trust fund. Cash held for Trust funds by investment managers pending investment is subject to the FCA's client money rules. CAF Venturesome's programme-related investments enable charities to lever their operations and deliver more social impact. All loans are subject to regular monitoring of loan performance. Provisions are assessed for evidence of impairment at both specific and collective level and where appropriate, includes consideration of the impact of a reduction in property values of various degrees of severity.

FINANCIAL RISKS

Risk		Mitigation
LIQUIDITY AND FUNDING RISK	Liquidity risk is the risk that a group entity does not have sufficient financial resources to meet its obligations as they fall due, or where it can secure them only at excessive cost. Liquidity risk arises from mismatches in the timing of cash flow. Funding risk arises when the liquidity needed to fund illiquid asset positions cannot be obtained at the expected terms and when required.	*Treasury assets* The liquidity position is monitored by the CAF IAC. On a day-to-day basis the liquidity profile of CAF's assets is compared with the historical behavioural of CAF's payments to beneficiary charities. CAF's liquidity policy requires a minimum percentage of total balances, together with a minimum percentage of individual large balances to be available within 24 hours, and in turn, a minimum percentage of total balances to be available within six months. No more than 50% of balances may be invested in term deposits or other non-marketable investments with a term in excess of 12 months. CAF Bank Liquidity risk is measured, monitored and reported daily against intra-day triggers and limits approved by the CAF Bank Board within the Bank's Liquidity Policy. The liquidity position is monitored by relevant CAF Executive Committees. The Bank undertakes regular stress testing of its liquidity position and behavioural analysis of its liabilities and assets. *Financial investments held for Trust funds* Trust funds are invested at the discretion of donors in accordance with investment policies that require investments to be highly liquid. Investments by donors take into account anticipated liquidity requirements to fund donations. Should additional liquidity be required to fund donations, investments are disposed. In the event of a shortfall in anticipated proceeds, the value of the donation would be reduced.
MARKET AND INTEREST RATE RISK	Market and interest rate risk is the risk from adverse movements in external markets, e.g. interest rate movements, changes in investment values or currency movements that will reduce income or the value of assets. This includes interest rate risk in CAF Bank's banking book – book, which is the risk arising from a mismatch between the duration of assets and liabilities.	*Treasury assets* CAF, including CAF Bank, does not undertake proprietary trading activities. Investments are usually held to maturity and valued at cost with any premium or discount amortised over the remaining term (the effective interest method). Market and interest rate risk is measured by monitoring mismatches between assets and liabilities assessed on a behavioural basis, which may result from movements in market interest rates over a specified time period within limits approved by the CAF IAC and for CAF Bank within Board-approved limits. *Financial investments held for Trust funds* Trust funds are invested to fund long-term philanthropic goals of donors. The value of investments determines the value of funds available to make donations. Accordingly, a movement in equity markets or interest rates may affect the value of Trust funds held by the group, but does not impact the level of unrestricted funds.

Statement of Trustees' responsibilities in respect of the Trustees' Report and the financial statements

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the group and the charity and of the incoming resources and application of resources of the group and the charity for that period.

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

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Trustees' report on pages 2 to [43] was approved by the Board of Trustees on

28 July 2022 and signed on their behalf



Sir James Leigh-Pemberton, CVO
Chair of Trustees

Independent auditor's report to the Trustees of the Charities Aid Foundation

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Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of The Charities Aid Foundation (the 'Charity') and its subsidiaries (the 'Group'):

- give a true and fair view of the state of the Group's and of the Charity's affairs as at 30 April 2022 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the Charities Act 2011 and the trust deed.

We have audited the financial statements which comprise:

- the Group and Charity Statement of Financial Activities;
- the Group and Charity balance sheets;
- the Group and Charity cash flow statement;
- the related notes 1 to 33.

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).

2. 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 Group and of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Recognition of income from legacies; • Recognition of donation income from new major donors; • Recognition of donations paid to new overseas beneficiaries and grants payable; and • Loan impairment provisions in CAF Bank Limited. Within this report, key audit matters are identified as follows: (!) Newly identified Increased level of risk Similar level of risk Decreased level of risk
Materiality	The materiality that we used for the Group financial statements was £10,000,000 which was determined on the basis of 1% of total income.
Scoping	Our audit scope included the audit of the Group's significant components namely the Charity, CAF Bank Limited, CAF America, Southampton Row Trust Limited and CAF Canada. We also scoped in CAF Financial Solutions Limited and CAF Investments Limited to meet local statutory reporting requirements. All scoped in components account for 99% of funds as at 30 April 2022 (2021: 99% of funds as at 30 April 2021).
Significant changes in our approach	There have been no significant changes in our audit approach for this year.

4. Conclusions relating to going concern

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

Our evaluation of the Trustees' assessment of the Group's and Charity's ability to continue to adopt the going concern basis of accounting included:

- We obtained and evaluated management's assessment of going concern including their assessment of the sufficiency of reserves for going concern purposes. This included evaluating the key assumptions regarding fee income and interest income in management's going concern model, assessing the forecast for all cash outflows and re-casting and checking the arithmetic accuracy of the cashflow forecast;
- We performed an independent reverse stress test using the approach set out in The Charity Commission's guidance paper entitled "Managing a charity's finances: planning, managing difficulties and insolvency" ("CC12") where the Group ceases to be a going concern should unrestricted reserves reach £nil in order to determine at what point the going concern assumption would not be appropriate and to consider the likelihood of that scenario taking place; and
- We evaluated loan covenant compliance as applicable to retail bonds in issue, including the impact and likelihood of this being breached over the going concern assessment period.

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 Group's and Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1 Recognition and completedness of income from legacies

Key audit matter description	For the year ended 30 April 2022, the Group's legacy income was £24.7 million (2021: £21.8 million). There is a high degree of management judgement involved in the recognition of income from legacies which have been accrued at the year end. These judgements include assessing the entitlement, probability and measurement of the income. Accordingly, consistent with the prior year, we consider there to be an increased risk of misstatement due to error or fraud in respect of legacy income. Refer to the accounting policies in note 1.4(a) and note 6 of the financial statements on pages 51 and 65.
How the scope of our audit responded to the key audit matter	We obtained an understanding of relevant controls over the recognition of legacy income. We tested a sample of legacies to assess whether income was recognised when the Group became entitled to the income, receipt of the income was probable and the amount of the income could be estimated reliably. Where legacies were received, we agreed a sample of cash receipts to bank statement. Where legacy income was subject to conditions, we assessed the fulfilment of those conditions and, where relevant, the deferral or non-recognition of the legacies.
Key observations	Based on the procedures performed and evidence obtained, we considered management's assumptions in recognising legacies to be reasonable.

5.2 Recognition of income from new major donors

Key audit matter description	During the year income from new major donors was £61.3m (2021: £12.5m). We consider the risk of misstatement due to error or fraud to be higher where donations are received from new major donors given the lack of track record and the need to perform due diligence procedures in the current period to substantiate the source of funds. Refer to the accounting policies in note 1.4(a) and note 6 of the financial statements on pages 51 and 65.
How the scope of our audit responded to the key audit matter	We obtained an understanding of relevant controls over the recognition of donations from new major donors. We tested a sample of donations from new major donors to assess whether the income was recognised when the Group became entitled to the income, receipt of the income was probable and the amount of the income could be reliably estimated. Also, that validation and due diligence processes had been performed in accordance with the Group's policies. Where donations from new major donors had been received, we agreed a sample of cash receipts to bank statements and due diligence checks. We tested the completeness of new major donations during the period by reference to client lists and supporting client files.
Key observations	Based on the procedures performed and evidence obtained, we considered management's recognition of donation income from major donations to be appropriate.

5.3 Recognition of donations paid to new overseas beneficiaries and grants payable

Key audit matter description	Donations paid to charities £791.6m (2021: £811.5m) are charged to the Statement of Financial Activities when both the Group and beneficiary charities are notified in the normal course of business of an unconditional obligation to transfer funds. Donations paid to new overseas beneficiaries amounted to £10.3m (2021: £15.1m). There is a higher degree of risk of misstatement associated with donations paid to new overseas beneficiaries as overseas not-for-profit entities are not necessarily subject to the levels of regulatory oversight applied to similar entities in the UK and new overseas beneficiaries require detailed due diligence to be undertaken. Grants payable £22.3m (2021: £10.3m) are payments where the beneficiary charity has been formally notified in writing of the award. This notification gives the beneficiary a reasonable expectation that they will receive the grant. The recognition of grants payable involves judgement to assess the obligation, probability and value of each grant. Refer to the accounting policies in note 1.5 and note 6 of the financial statements on pages 52 and 65.
How the scope of our audit responded to the key audit matter	We obtained an understanding of relevant controls over the recognition of donations paid to new overseas beneficiaries and grants. We obtained source documentation for a sample of donations paid to new overseas beneficiaries to assess whether the awards had been communicated by the donor to the Charity and subsequently to the beneficiary charity. We tested a sample of overseas beneficiaries to assess that validation and due diligence processes had been performed in accordance with the Group's policies. We tested the completeness of donation expenditure to new overseas beneficiaries by agreeing a sample of cheques, instructions from clients and cash disbursements to expenditure listings. Where grants, particularly multi-year grants, are subject to the beneficiary charity fulfilling conditions, we assessed the fulfilment of those conditions and, where relevant, the deferral of the grants.
Key observations	Based on the procedures performed and evidence obtained, we considered management's expenditure recognition to be reasonable in respect of grants and donations paid to new beneficiaries overseas.

5.4 Valuation of loan impairment provisions in CAF Bank Limited

Key audit matter description	The value of CAF Bank's loan book grew in the current year to £162m as at 30 April 2022 (2021: £124m) driven by an increase in charitable lending. Loan balances comprise lending to charities and to finance property developments for social purpose organisations. Loans are assessed during the year and at each reporting date to determine whether there is evidence of impairment. The process for establishing impairment provisions for loan balances involves management judgement to both identify potential impairment triggers and to estimate the amount of impairment losses. The economy showed signs of recovery from the impact of the COVID-19 pandemic, with government vaccine programmes and fiscal policy support bolstering the economy. However, inflation and the cost of living crisis continues to cause economic uncertainty. This represented an area of judgement and estimation for management. The Company is also required to provide for loan losses that may have been incurred but not reported (IBNR). The IBNR provision is modelled using market data for probability of default (PD) and loss given default (LGD) which is adjusted by management to reflect the credit risk in the CAF Bank loan book. The impairment provision as at 30 April 2022 was £1,078k (2021: £2,178k), of which £902k (2021: £802k) relates to the IBNR provision and £176k (2021: £1,376k) relates to provisions for individually assessed loans. Refer to the accounting policies in note 1.15 and note 11 of the financial statements on pages 55 and 71.
How the scope of our audit responded to the key audit matter	We obtained an understanding of the relevant controls relating to both IBNR and individual loan impairment provisioning. We tested a sample of performing loans to assess whether there was objective evidence that impairment had arisen and not been identified. We reperformed the IBNR model calculation and challenged a sample of model inputs to assess completeness and accuracy of data. We challenged the key assumptions applied to estimate the IBNR impairment provision by comparing the assumptions to historical data and industry information. We challenged the calculation of the individual provision balances by testing the appropriateness of key inputs and mathematical accuracy of the calculation.
Key observations	Based on the procedures performed and evidence obtained, we found the Group's assumptions, judgements and approach to estimating loan impairment provision to be reasonable and therefore considered the level of provision to be appropriate.

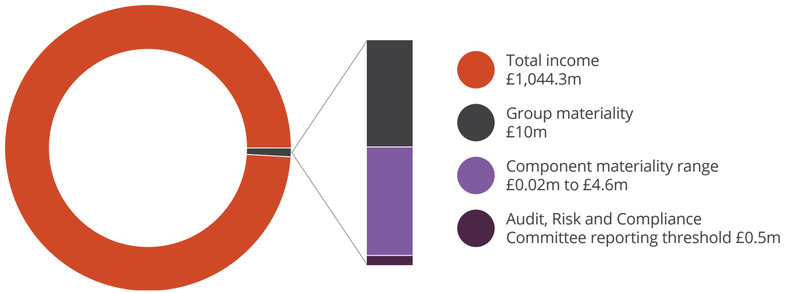
6. Our application of materiality

6.1 Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Charity financial statements
Materiality	£10m (2021: £10m)	£4.6m (2021: £5.4m)
Basis for determining materiality	1% of total income (2021: 1%)	1% of total income (2021: 1%)
Rationale for the benchmark applied	We consider total income to be an appropriate benchmark as it is a key measure of the performance of the Group, being a not-for-profit organisation.	We consider total income to be an appropriate benchmark as it is a key measure of the performance of the Charity, being a not-for-profit organisation.



6.2 Performance Materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	70% (2021: 70%) of group materiality	70% (2021: 70%) of charity materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: • Our risk assessment, including our assessment of the overall control environment; and • Our past experience of the audit, which has indicated a low number of corrected and uncorrected misstatements identified in prior periods.	

6.3 Error reporting threshold

We agreed with the Audit, Risk and Compliance Committee that we would report to the Committee all audit differences in excess of £500k (2021: £500k), set at 5% of materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit, Risk and Compliance Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1 Identification and scoping of components

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the balances within each component and the risks of material misstatement at the Group level.

Our Group audit scope included full scope audits of the Charity, CAF Bank Limited, CAF Financial Solutions Limited, CAF Investments Limited, Southampton Row Trust Limited, CAF Canada and CAF America. These components account for 99% of funds as at 30 April 2022 and their audits were performed at lower levels of materiality set by the Group audit team ranging between £0.02m and £4.6m. There are separate component teams in respect of CAF UK, CAF Bank Limited, CAF Canada and CAF America.

7.2 Our consideration of the control environment

With the involvement of our IT specialists we obtained an understanding of relevant general IT controls within the Group's key financial systems. We did not take control reliance approach in our audit.

7.3 Working with other component auditors

During the year, we held discussions with each component auditor to enable us to direct and supervise the planning and risk assessment process in addition to overseeing their detailed audit procedures.

At the Group level, we tested the consolidation process and carried out analytical procedures to confirm that there were no significant risks of material misstatement in the aggregated financial information of components not subject to audit or an audit of specified account balances.

8. Other information

The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Trustees' Report.

Our opinion on the financial statements does not cover the other information and, 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 course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

9. Responsibilities of Trustees

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

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

10. Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11 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 design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1 Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for bonus levels and performance targets;
- the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error that was approved by the Board;
- results of our enquiries of management and the Audit, Risk and Compliance Committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including significant component audit teams, pensions and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: recognition of income from legacies; recognition of income from new major donors; recognition of donations paid to new beneficiaries overseas and grants payable and loan impairment provisions in CAF Bank Limited.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included Charities Act, Charities (Accounts and Reports) Regulations 2008, UK Companies Act, pensions legislation, tax legislation and the relevant provisions of the trust deed.

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 may be fundamental to the group's ability to operate or to avoid a material penalty. These included the Anti-Bribery and Corruption Act, the Equality Act, compliance with the requirements of the Charity Commission, Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA) Regulations and Disclosure Requirements.

11.2 Audit response to risks identified

As a result of performing the above, we identified the recognition of income from legacies, recognition of income from new major donors, recognition of donations paid to new beneficiaries overseas and grants payable and loan impairment provisions in CAF Bank Limited as key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit, Risk and Compliance Committee and internal legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with the PRA, FCA, HMRC and The Charity Commission; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

Report on other legal and regulatory requirements

12 Matters on which we are required to report by exception

12.1 Adequacy of explanations received and accounting records

Under the Charities (Accounts and Reports) Regulations 2008 we are required to report in respect of the following matters if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept by the Charity; or
- the Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

13 Other matters

13.1 Auditor tenure

Following the recommendation of the Audit, Risk and Compliance Committee, we were appointed by the Audit, Risk and Compliance Committee on 16 September 2016 to audit the financial statements for the year ended 30 April 2017 and subsequent financial periods.

Our total uninterrupted period of engagement is six years, covering the year of our appointment through to the year ended 30 April 2022.

13.2 Consistency of the audit report with the additional report to the Audit, Risk and Compliance Committee

Our audit opinion is consistent with the additional report to the Audit, Risk and Compliance Committee we are required to provide in accordance with ISAs (UK).

14 Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Manbhinder Rana FCA

For and on behalf of Deloitte LLP
Statutory Auditor
London

4 August 2022

Deloitte LLP is eligible for appointment as auditor for the charity by virtue of its eligibility for appointment as audit of a company under section 1212 of the Companies Act 2006.

GROUP STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 30 April 2022

	Notes	Unrestricted funds 2022 £000	Unrestricted funds 2021* £000	Restricted funds 2022 £000	Restricted funds 2021* £000	Total 2022 £000	Total 2021* £000
Income							
Donations		4,537	5,694	886,011	820,323	890,548	826,017
US Fundraising programme income		–	–	77,481	91,174	77,481	91,174
Legacies		1,119	125	23,550	21,685	24,669	21,810
UK Government grants	4	–	–	789	20,904	789	20,904
		5,656	5,819	987,831	954,086	993,487	959,905
Charitable activities:							
Fee income		23,688	21,491	11	20	23,699	21,511
CAF Bank net interest income		10,641	9,796	–	–	10,641	9,796
Investment income	5	4,886	6,393	11,562	10,875	16,448	17,268
Total income	6	44,871	43,499	999,404	964,981	1,044,275	1,008,480
Expenditure							
Charitable activities:							
Donations payable to charities		298	65	808,488	802,440	808,786	802,505
Other expenditure on charitable activities		49,921	45,429	45	107	49,966	45,536
		50,219	45,494	808,533	802,547	858,752	848,041
US Fundraising programme costs		–	–	61,718	73,757	61,718	73,757
Total expenditure	6	50,219	45,494	870,251	876,304	920,470	921,798
Net income/(expenditure) before net gains on investments		(5,348)	(1,995)	129,153	88,677	123,805	86,682
Net gains/(losses) on financial investments		124	(192)	6,414	131,111	6,538	130,919
Net gains on other investments		335	–	660	–	995	–
Net income/(expenditure)	6	(4,889)	(2,187)	136,227	219,788	131,338	217,601
Transfers between funds	25	13,578	3,156	(13,578)	(3,156)	–	–
Net movement in funds before other recognised gains/(losses)		8,689	969	122,649	216,632	131,338	217,601
Other recognised gains/(losses)							
Gain on revaluation of tangible fixed assets	16	476	–	–	–	476	–
Gain/(losses) on foreign exchange		227	(330)	17,168	(8,943)	17,395	(9,273)
Long-term loan re-financing:							
Premium paid on bonds purchased and cancelled	24	(1,729)	–	–	–	(1,729)	–
Defined benefit pension plan acturial gains	30	548	835	–	–	548	835
Net movement in funds		8,211	1,474	139,817	207,689	148,028	209,163
Reconciliation of funds							
Total funds brought forward		68,481	67,007	1,539,933	1,332,244	1,608,414	1,399,251
Total funds carried forward	25	76,692	68,481	1,679,750	1,539,933	1,756,442	1,608,414

The notes on pages 51 to 100 form an integral part of these financial statements.

* The comparatives for 2021 reflect a reclassification in respect of foreign exchange losses arising on fund balances and on the translation of group entities' results on consolidation. Donations payable to charities in restricted funds have decreased by £8,943k to £802,440k; other expenditure on charitable activities within unrestricted funds have decreased by £330k to £45,429k and losses on foreign exchange have increased by £9,273k.

CHARITY STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 30 April 2022

	Notes	Unrestricted funds		Restricted funds		Total	
		2022 £000	2021* £000	2022 £000	2021* £000	2022 £000	2021* £000
Income							
Donations		3,443	5,225	412,930	468,258	416,373	473,483
Legacies		1,119	125	23,550	21,685	24,669	21,810
UK Government grants	4	–	–	789	20,904	789	20,904
		4,562	5,350	437,269	510,847	441,831	516,197
Charitable activities:							
Fee income		10,599	9,890	11	20	10,610	9,910
Investment income	5	4,755	7,157	10,088	9,881	14,843	17,038
Total income	6	19,916	22,397	447,368	520,748	467,284	543,145
Expenditure							
Charitable activities:							
Donations payable to charities		298	65	412,429	433,512	412,727	433,577
Other expenditure on charitable activities		27,729	25,704	45	107	27,774	25,811
Total expenditure	6	28,027	25,769	412,474	433,619	440,501	459,388
Net expenditure before net gains/(losses) on investments		(8,111)	(3,372)	34,894	87,129	26,783	83,757
Net gains/(losses) on financial investments		124	(192)	8,145	123,446	8,269	123,254
Net gains on other investments		335	–	660	–	995	–
Net income/(expenditure)	6	(7,652)	(3,564)	43,699	210,575	36,047	207,011
Transfers between funds	25	13,578	3,156	(13,578)	(3,156)	–	–
Net movement in funds before other recognised gains/(losses)		5,926	(408)	30,121	207,419	36,047	207,011
Other recognised gains/(losses)							
Gain on revaluation of tangible fixed assets	16	476	–	–	–	476	–
Gain/(losses) on foreign exchange		(75)	(4)	5,629	(2,265)	5,554	(2,269)
Long-term loan re-financing:							
Premium paid on bonds purchased and cancelled	24	(1,729)	–	–	–	(1,729)	–
Defined benefit pension plan acturial gains	30	548	835	–	–	548	835
Net movement in funds		5,146	423	35,750	205,154	40,896	205,577
Reconciliation of funds							
Total funds brought forward		64,048	63,625	1,375,456	1,170,302	1,439,504	1,233,927
Total funds carried forward	25	69,194	64,048	1,411,206	1,375,456	1,480,400	1,439,504

The notes on pages 51 to 100 form an integral part of these financial statements

*The comparatives for 2021 reflect a reclassification in respect of foreign exchange losses arising on fund balances. Donations payable to charities in restricted funds have decreased by £2,265k to £433,512k; other expenditure on charitable activities within unrestricted funds have decreased by £4k to £25,704k and losses on foreign exchange have increased by £2,269k.

GROUP BALANCE SHEET

As at 30 April 2022

	Notes	Unrestricted funds 2022 £000	Unrestricted funds 2021 £000	Restricted funds 2022 £000	Restricted funds 2021 £000	CAF Bank balances and donor client balances 2022 £000	CAF Bank balances and donor client balances 2021 £000	Total 2022 £000	Total 2021 £000
Assets									
Balances at Bank of England		41,413	41,317	1,301	1,289	559,839	375,151	602,553	417,757
Loans and advances to banks									
Repayable on demand	10	57,915	29,933	381,639	321,912	13,275	12,632	452,829	364,477
Other	10	–	–	325,075	323,576	–	–	325,075	323,576
Loans and advances to customers	11	42	346	28,082	23,039	161,854	124,506	189,978	147,891
Debt securities	12	–	–	81,594	79,800	777,145	885,876	858,739	965,676
Financial investments	13	–	2,421	845,763	772,539	–	–	845,763	774,960
Other investments	14	4,140	3,961	5,120	4,325	–	–	9,260	8,286
Tangible fixed assets	16	5,515	5,353	–	–	–	–	5,515	5,353
Intangible fixed assets	17	4,676	1,194	–	–	–	–	4,676	1,194
Other debtors	18	1,865	1,732	12,814	11,168	–	–	14,679	12,900
Prepayments and accrued income	19	7,314	7,584	24,305	20,667	2,845	3,443	34,464	31,694
Pension scheme asset	30	2,183	1,819	–	–	–	–	2,183	1,819
Total assets		125,063	95,660	1,705,693	1,558,315	1,514,958	1,401,608	3,345,714	3,055,583
Liabilities									
CAF Bank depositor balances	20	–	–	–	–	1,507,636	1,396,857	1,507,636	1,396,857
CAF Give As You Earn and CAF Donate balances	21	–	–	–	–	5,704	4,544	5,704	4,544
Due to beneficiary charities	22	–	–	22,359	10,312	–	–	22,359	10,312
Other creditors	23	8,779	4,855	3,578	7,918	100	192	12,457	12,965
Accruals and deferred income		2,118	2,568	6	152	1,518	15	3,642	2,735
Provision for corporation tax		436	3	–	–	–	–	436	3
Long-term loan	24	37,038	19,753	–	–	–	–	37,038	19,753
Total liabilities		48,371	27,179	25,943	18,382	1,514,958	1,401,608	1,589,272	1,447,169
Funds	25	76,692	68,481	1,679,750	1,539,933	–	–	1,756,442	1,608,414
Total liabilities and charitable funds		125,063	95,660	1,705,693	1,558,315	1,514,958	1,401,608	3,345,714	3,055,583

The notes on pages 51 to 100 form an integral part of these financial statements.

Approved by the Trustees and authorised for issue on 4 August 2022 and signed on their behalf by





Roger Perkin FCA

Trustee

Liz Rylatt FCA

Group Chief Financial Officer

CHARITY BALANCE SHEET

As at 30 April 2022

	Notes	Unrestricted funds		Restricted funds		Donor client balances		Total	
		2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
Assets									
Loans and advances to banks									
Repayable on demand	10	49,308	23,368	214,079	218,125	5,804	4,736	269,191	246,229
Other	10	-	-	325,075	323,576	-	-	325,075	323,576
Loans and advances to customers	11	42	346	22,945	23,039	-	-	22,987	23,385
Debt securities	12	-	-	76,784	78,135	-	-	76,784	78,135
Financial investments	13	-	2,421	755,969	714,511	-	-	755,969	716,932
Other investments	14	4,140	3,961	5,120	4,325	-	-	9,260	8,286
Subsidiary undertakings	15	41,925	41,925	-	-	-	-	41,925	41,925
Tangible fixed assets	16	5,424	5,225	-	-	-	-	5,424	5,225
Other debtors	18	1,914	1,509	11,204	9,969	-	-	13,118	11,478
Prepayments and accrued income	19	5,912	7,204	24,259	20,658	-	-	30,171	27,862
Pension scheme asset	30	2,183	1,819	-	-	-	-	2,183	1,819
Total assets		110,848	87,778	1,435,435	1,392,338	5,804	4,736	1,552,087	1,484,852
Liabilities									
CAF Give As You Earn and CAF Donate balances	21	-	-	-	-	5,704	4,544	5,704	4,544
Due to beneficiary charities	22	-	-	20,651	8,853	-	-	20,651	8,853
Other creditors	23	2,677	2,239	3,578	7,877	100	192	6,355	10,308
Accruals and deferred income		1,939	1,738	-	152	-	-	1,939	1,890
Long-term loans	24	37,038	19,753	-	-	-	-	37,038	19,753
Total liabilities		41,654	23,730	24,229	16,882	5,804	4,736	71,687	45,348
Funds	25	69,194	64,048	1,411,206	1,375,456	-	-	1,480,400	1,439,504
Total liabilities and charitable funds		110,848	87,778	1,435,435	1,392,338	5,804	4,736	1,552,087	1,484,852

The notes on pages 51 to 100 form an integral part of these financial statements.

Approved by the Trustees and authorised for issue on 4 August 2022 and signed on their behalf by





Roger Perkin FCA

Trustee

Liz Rylatt FCA

Group Chief Financial Officer

GROUP CASH FLOW STATEMENT

For the year ended 30 April 2022

	Notes	2022 £000	2022 £000	2021* £000	2021* £000
Cash flows from operating activities:					
Net cash provided by operating activities	26		124,969		234,688
Cash flows from investing activities					
Increase in Cash Ratio Deposit with Bank of England		(918)		(828)	
Net (increase)/decrease in loans and advances to banks		(1,499)		80,677	
Net decrease/(increase) in debt securities		104,744		(186,552)	
Payments to acquire financial investments		(189,373)		(137,225)	
Proceeds on disposal of financial investments		208,430		171,813	
Payments to acquire other investments		–		(294)	
Proceeds on disposal of other investments		21		–	
Payments to acquire tangible fixed assets		–		(4)	
Payments to acquire intangible fixed assets		(3,482)		(1,194)	
(Increase)/decrease in investment portfolio cash and settlements pending		(13,863)		3,818	
Settlement of repurchase agreement		–		(10,142)	
Receipts of Trust Funds investment income		11,667		10,770	
Net cash provided by/(used in) investing activities			115,727		(69,161)
Cash flows from financing activities					
Long-term loan advance		29,476		–	
Repayment of long-term loan		(12,810)		–	
Premium paid on bonds purchased and cancelled		(1,729)		–	
Payments of interest on long-term loans		(798)		(1,022)	
Net cash provided by/(used in) in financing activities			14,139		(1,022)
Change in cash and cash equivalents in the year			254,835		164,505
Cash and cash equivalents as at 1 May			779,939		624,707
Change in cash and cash equivalents due to exchange rate movements			17,395		(9,273)
Cash and cash equivalents as at 30 April			1,052,169		779,939
Represented by:					
Balances at Bank of England repayable on demand			599,340		415,462
Loans and advances to banks repayable on demand			452,829		364,477
			1,052,169		779,939

The notes on pages 51 to 100 form an integral part of these financial statements.

* The comparatives for 2021 reflect a reclassification in respect of foreign exchange losses within the Statement of Financial Activities. Net cash flows arising on operating activities have increased by £6,052k to £234,688k and the reduction in cash due to foreign exchange has increased to £9,273k.

CHARITY CASH FLOW STATEMENT

For the year ended 30 April 2022

	Notes	2022		2021*	
		£000	**£000**	£000	£000
Cash flows from operating activities:					
Net cash (used in) /provided by operating activities	26		(17,481)		114
Cash flows from investing activities					
Net (increase)/decrease in loans and advances to banks		(1,499)		77,217	
Net increase in debt securities		(12)		(59,388)	
Payments to acquire financial investments		(164,569)		(116,456)	
Proceeds on disposal of financial investments		182,489		139,656	
Payments to acquire other investments		–		(294)	
Proceeds on disposal of other investments		21		–	
(Increase)/decrease in investment portfolio cash and settlements pending		(5,853)		5,766	
Receipts of Trust Funds investment income		10,173		9,788	
Net cash provided by investing activities			20,750		56,289
Cash flows from financing activities					
Long-term loan advance		29,476		–	
Repayment of long-term loan		(12,810)		–	
Premium paid on bonds purchased and cancelled		(1,729)		–	
Payments of interest on long-term loans		(798)		(1,022)	
Net cash provided by/(used in) financing activities			14,139		(1,022)
Change in cash and cash equivalents in the year			17,408		55,381
Cash and cash equivalents as at 1 May			246,229		193,117
Change in cash and cash equivalents due to exchange rate movements			5,554		(2,269)
Cash and cash equivalents as at 30 April			269,191		246,229

The notes on pages 51 to 100 form an integral part of these financial statements.

* The comparatives for 2021 reflect a reclassification in respect of foreign exchange losses within the Statement of Financial Activities. Net cash flows arising on operating activities have increased by £2,200k to £114k and the reduction in cash due to foreign exchange has increased to £2,269k.

1. Accounting policies

The principal accounting policies and judgements used in the preparation of the financial statements are:

1.1 Basis of preparation

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102') and the Statement of Recommended Practice: Accounting and Reporting by Charities (Charity SORP (FRS 102), except for the adoption of a balance sheet format which the Trustees believe more clearly represents the group's financial assets and liabilities.

Monetary amounts in these financial statements are stated in pounds sterling, which is the functional and presentational currency, and are rounded to the nearest whole £1,000, except where otherwise indicated.

1.2 Going Concern

In order to assess the appropriateness of the going concern assumption basis, the Trustees have considered the group's financial position, liquidity, unrestricted reserves and forecasts for the foreseeable future, taking into account the principal risks to which the group is exposed, and the ongoing cost of living crisis and geo-political uncertainties. The Trustees have considered the impact of a severe economic outcome on CAF and its subsidiaries and the effectiveness of management actions that might be taken to mitigate the impact of this stress. Trustees have also considered the circumstances under which the operations of CAF and its subsidiaries would be unable to continue. After taking into account the current level of the group's cash and reserves and the financial performance of the group since 30 April 2022, the Trustees have concluded that the risk of this situation occurring is remote.

Accordingly, and after making appropriate enquiries, the Trustees have a reasonable expectation that the group will be able to continue in operation and meet its liabilities as they fall due for at least 12 months from the date of signing this report. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

1.3 Fund accounting

The group holds restricted and unrestricted funds.

Fund classification is an area of significant judgement and is dealt with in Note 1.16 (a).

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects of the group.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors. Restricted funds comprise donations to the group which are held pending requests for investment or onward donation to charitable organisations.

Further details of each fund are disclosed in note 25.

1.4 Income recognition

Income is recognised once the group has entitlement to the income, it is probable that the income will be received and the amount can be measured reliably.

1.4 (a) Donations and legacies

Donations received, including Gift Aid on eligible donations, are recognised once the group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

In the event that a donation or grant is subject to conditions, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the group and it is probable that those conditions will be fulfilled.

Legacy donations are recognised on a case-by-case basis where there has been a grant of probate or notification has been made by executors that a distribution will be made. In the event that the gift is in the form of an asset other than cash, or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the group. Where legacies have been notified with an estimated value but the

criteria for income recognition have not been met, then the legacies are treated as contingent assets and disclosed if material (see note 29).

Donations processed by the group acting in an agency role are recognised in the balance sheet. Such donations consist of amounts in respect of CAF Give As You Earn and CAF Donate services.

1.4 (b) UK Government grants

Income in respect of Government grants is recognised, in accordance with any applicable agreement, over the period to which the grant relates. Any underspends of the grants which are due to be returned are included within creditors.

1.4 (c) Fee income

Income in respect of grant administration services provided to grantmakers, which forms part of wider arrangements including the receipt and onward payment of funds to beneficiary charities, is recognised upon delivery of the administration services. Recognition of this income is dependent upon being able to measure reliably: the stage of completion, the costs incurred in delivering the service and the costs to complete the requirements of the service.

Loan arrangement fees are recognised using the effective interest method over the term of the loan. Non-utilisation fees on undrawn loans are recognised as income in the period they are earned.

1.4 (d) Investment income

Interest receivable on financial assets is recognised using the effective interest method. Dividends are recognised once the dividend has been declared and notification has been received of the value of the dividend due. Where investments are managed by external investment managers, this is normally upon notification by the investment manager of the dividend income.

1.5 Expenditure recognition

Expenditure is recognised as soon as there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Donations paid to charities principally represent donations by donor clients and are charged to the Statement of Financial Activities (SOFA) when both the group and beneficiary charities are notified in the normal course of business of an unconditional obligation to transfer funds. Amounts to be paid at a future date are included in creditors.

Grants payable are payments where the beneficiary charity has been formally notified in writing of the award. This notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. Grant awards that are subject to the recipient fulfilling performance conditions are accrued when any remaining unfulfilled conditions attaching to that grant are outside of the control of the group.

The provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the group that would permit the group to avoid making the future payment(s), settlement is probable and the effect of discounting is material. The discount rate used is the average rate of investment yield in the year in which the grant award is made

CAF America works in partnership with US professional fundraising organisations. CAF America receives 100% of the donations collected, which it then grants, minus costs and fees paid to the fundraising organisations, to third party beneficiary charities. The grants payable and associated fundraising fees and costs are recognised in accordance with the above recognition criteria for expenditure. No UK fundraising activities are undertaken.

1.6 Allocation of support costs

All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. Where support costs cannot be directly attributed to one or more categories, they are apportioned on the basis of staff headcount. No support costs are allocated to restricted funds.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

Irrecoverable VAT is charged as a cost.

1.7 Operating leases

Operating lease rentals are charged to the SOFA on a straight line basis over the term of the lease.

1.8 Pension costs

Details of the group's pension arrangements are set out in note 30. The following policies are applied to the recognition and measurement of costs and liabilities in respect of the pension plans.

Defined contribution pension plans

Pension contributions payable for the year in respect of defined contribution pension plans are recognised as an expense and as a liability, after deducting any amounts already paid.

Defined benefit pension plan

The CAF-specific defined benefit pension plan (Charities Aid Foundation Pension Scheme) is closed to both new members and benefit accrual. In accordance with the requirements of FRS 102, if CAF's obligations under the plan exceed the value of the plan's assets, CAF recognises a 'net defined benefit liability'. In the event of a winding up of the plan, the trust deed allows CAF to recover any surplus which may exist. Consequently, where the value of the plan's assets exceed CAF's obligation under the plan, CAF recognises a 'net defined benefit asset'.

The net defined benefit asset or liability is measured in accordance with the requirements of FRS 102 and is determined by an independent actuary. The net change in the defined benefit asset or liability during the period is recognised in the SOFA.

1.9 Foreign currency

Transactions in foreign currencies are translated to Sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to Sterling at the exchange rate ruling at that date.

The results of overseas operations are translated at the average annual rate of exchange and their balance sheets at the rates ruling at the balance sheet date.

Exchange differences arising, including those on the translation of opening net assets of overseas subsidiary undertakings, are taken to the SOFA.

1.10 Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.11 Tangible fixed assets

Tangible fixed assets, other than long-leasehold property, are stated at cost less accumulated depreciation and accumulated impairment losses.

Long-leasehold property is stated at fair value less any subsequent accumulated depreciation and impairment losses. Gains and losses on revaluation are recognised in the SOFA and accumulated in the revaluation reserve.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Group entities assess at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the SOFA on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

• Long-leasehold property	50 years
• Long-leasehold and other leasehold improvements	Shorter of the remaining term of the lease or the useful economic life of the asset
• Furniture and fittings	up to 4 years
• Computer equipment	up to 3 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change in the pattern by which the group expects to consume an asset's future economic benefits.

1.12 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight line basis and charged to the SOFA over the asset's estimated economic life. The estimated useful lives are:

- Software development costs 12 years

Intangible fixed assets are assessed for impairment at each balance sheet date.

External spend to suppliers relates to software and system development. This is capitalised as the recognition criteria are always satisfied for assets that are separately acquired. All other costs are recognised in the SOFA when incurred.

Research costs are recognised in the SOFA when incurred.

1.13 Basic financial instruments

Investments

Investments may be held for two broad investment objectives:

- to generate income to support the group's charitable activities – 'Treasury assets' which include CAF Bank's investments, or
- to achieve capital appreciation and to generate income for CAF Charitable Trusts, CAF America Donor Advised Funds and CAF American Donor Fund Trusts (collectively 'Trust funds') – 'Financial investments'.

Treasury assets

Debt securities are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Financial investments

Pools of investments are held for Trust funds to achieve an investment return to fund future charitable donations. The value of the investments determines the funds available for donation at any point in time.

Basic financial instruments held as 'Financial investments' are, therefore, measured initially at fair value, which is normally the transaction price. Transaction costs are expensed in the SOFA (where material) if the investments are subsequently measured at fair value through profit or loss. Subsequent to initial recognition all types of investments, including debt securities, that can be measured reliably are measured at fair value with changes recognised in the SOFA. Where the fair value of such investments cannot be reliably measured because, for example they are not publicly traded, the investments are measured at cost less impairment.

Other investments

Investments in equity instruments, such as ordinary and preference shares, are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded (where material) if the investments are subsequently measured at fair value through profit or loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognised in the SOFA. Where the fair value of such investments cannot be reliably measured, the investments are measured at cost less impairment.

Investment properties are measured initially at fair value which is typically probate value. They are subsequently reviewed at each balance sheet date for any changes in fair value which is typically open market value.

Investments in subsidiaries

Investments in subsidiaries which consist of ordinary share capital, preference share capital and Additional Tier 1 (AT1) securities are carried at cost less impairment.

Investments in subsidiaries held for subsequent resale

Interests held as part of an investment portfolio are deemed to be held with a view to subsequent resale. These interests are not consolidated but are included in the accounts of the investing entity at fair value with movements in the fair value recognised through the SOFA.

Loans and advances to banks

Loans and advances to banks comprise the group's cleared and uncleared balances held at clearing banks and deposits with an original maturity of five years or less. These are shown at the lower of cost or estimated realisable value.

Where a pool of 'Financial investments' is managed on a discretionary basis by an investment manager and the portfolio includes cash and cash deposits, those balances are included with the investment balance to reflect that the funds do not form part of day-to-day operational cash flows and balances.

CAF Bank depositor balances

CAF Bank depositor balances represent the value of deposits by account holders and are recorded as liabilities.

Debtors and creditors

Debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid.

Creditors are recognised where there is a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

Interest-bearing loans receivable and payable

Interest-bearing loans are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing loans are stated at amortised cost using the effective interest method, less any impairment losses.

Concessionary loans receivable and payable

Concessionary loans may be receivable from other charities as a result of social lending activity undertaken by CAF Venturesome and loans advanced by CAF Charitable Trusts. Such loans are advanced at concessionary (non-market) rates of interest, which may include interest-free loans. These are initially recognised at the amount advanced to the borrower and are subsequently measured at the amount advanced less amounts received less any impairment.

Concessionary loans may be payable in respect of funds advanced to support social lending undertaken by CAF Venturesome. Such loans are advanced at concessionary (non-market) rates and are usually interest-free loans. These are initially recognised at the amount advanced by the lender and are subsequently measured at the amount advanced less any amounts repaid to the lender.

1.14 Other financial instruments - financial instruments not considered to be 'Basic financial instruments'

Other financial instruments not meeting the definition of 'Basic financial instruments' are recognised initially at fair value. Subsequent measurement is at fair value with changes recognised in the SOFA, except for equity instruments which are not publicly traded and whose value cannot otherwise be measured reliably, which are measured at cost less impairment.

Derivative financial instruments are not held by the group, except where a pool of 'Financial investments' is managed on a discretionary basis by an investment manager and derivative financial instruments (such as forward currency exchange contracts) may be used to mitigate risk.

1.15 Impairment of assets

Financial assets (including trade and other debtors)

Financial assets including loans are assessed at each reporting date to determine whether there is objective evidence of impairment. Objective evidence can include default or delinquency by a borrower, restructuring of a loan or advance on terms the group would otherwise not consider, indications that a borrower or issuer may become insolvent, or a reduction in marketability of security.

The group considers evidence for impairment for loans and advances (including on-demand commitments) at both specific and collective level. If there is evidence of impairment leading to an impairment loss for an individual counterparty relationship, then the amount of the loss is determined as the difference between the carrying amount of the loan, including accrued interest, and the estimated recoverable amount. The estimated recoverable amount is measured as the present value of expected future cash flows discounted at the loan's original effective interest rate, including cash flows that may result from foreclosure less costs for obtaining and selling collateral. The carrying amount of the loan is reduced by the use of an allowance account and the amount of the loss is recognised in the SOFA.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and loss experience for assets with credit risk

characteristics similar to those in the group. In addition, the group uses its judgement to estimate the amount of an impairment loss, supported by historical loss experience data for similar assets. The use of such judgements and reasonable estimates is considered by management to be an essential part of the process.

Non-financial assets

The carrying amounts of the group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the SOFA. An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Investment properties

Investment properties which are only acquired upon donation, usually by legacies, to the group are measured initially at probate valuation. Subsequent to initial recognition, investment properties are held at open market value.

1.16 Significant estimates and judgements

(a) Judgements

Classification of funds

Judgement has been applied in whether certain funds held in accordance with CAF's standard terms and conditions should be classified as restricted funds or unrestricted funds under the SORP. These funds, which amount to £544.1m (2021: £495.7m), are held by CAF pending request for onward distribution to third party charities.

The Trustees consider that the following factors indicate that these funds held in CAF Charity Accounts, CAF Company Accounts and CAF Charitable Trusts are more appropriately classified as restricted funds:

- The SORP states that a restriction may result from a decision by the donor to support a specific purpose of the charity. So, although the standard terms and conditions of CAF do not themselves restrict the funds, the view of the Trustees is that the donor decision results in a restriction in substance.

- There is an expectation from the donor and users of the accounts that these funds will be used in line with the wishes of the donor.

In the ordinary course of business, there is no expectation that these funds will be used for any purposes other than onward distribution. This is supported by long term business practice and the fact that use of these funds for CAF's own needs would likely be damaging to the business model and would only ever be contemplated in an extreme event.

Legacies

Judgement has been applied in recognising income from legacies gifted to CAF. Legacies are recognised as income where receipt is probable, which is determined from a review of a number of criteria including grant of probate, sufficiency of assets and the existence of any conditions to be met.

(b) Estimates

Pensions

An estimate has been made of the fair value of the assets and of the present value of the defined benefit obligations in respect of a defined benefit pension arrangement (the Charities Aid Foundation Pension Scheme), which is no longer available to staff (see note 30 for more information).

Fair value – estimations and assumptions in valuation models used

Where no market value is available for an investment or no recent transactions of an identical asset are available, an estimate is made of fair value using other valuation models. Such models include those in accordance with International Private Equity and Venture Capital Valuation Guidelines.

The charity carries its investment properties at fair value, with changes in fair value being recognised in the SOFA. It engages independent valuation specialists to determine the fair values at 30 April 2022. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors valuation standards and International Valuation Standards.

1.17 Entity status

CAF meets the definition of a Public Benefit Entity under FRS102.

2. Consolidation

The group financial statements include the accounts of CAF (the charity) and its subsidiary undertakings for the year.

Consolidated entities

The following entities are controlled by CAF and are consolidated in the group financial statements:

Trading subsidiaries

By way of mixed-motive investments, CAF owns 100% of the equity share capital of the following:

- CAF Bank Limited (registered in England & Wales – company number 01837656), a bank for charities authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority
- CAF Financial Solutions Limited (registered in England & Wales – company number 02771873), a company authorised and regulated by the Financial Conduct Authority, responsible for the marketing and promotion of regulated savings and investment products to customers of CAF and its subsidiaries
- CAF Investments Limited (registered in England & Wales – company number 07469408), the sponsor of an Open Ended Investment Company (OEIC), namely, IFSL CAF Investment Fund

UK registered charities

Southampton Row Trust Limited, which operates as the CAF American Donor Fund, is a UK charitable company registered with the Charity Commission (number 1079020) and is wholly-owned by CAF America (see below). CAF American Donor Fund supports cross-border tax-efficient giving by enabling individuals liable for tax in both the UK and USA to obtain tax relief on charitable gifts in each country.

Overseas charitable entities

CAF controls the following overseas charitable entities:

- CAF America, a US public charity recognised by the US Internal Revenue Service. CAF America provides US citizens with the opportunity to make tax-effective gifts for the support of overseas charities. CAF has the power to appoint and remove the members of CAF America at any time
- CAF Canada, a Canadian charity registered with the Canada Revenue Agency which CAF and CAF America are the only members

Entities not consolidated

The wider CAF Network, formerly known as the Global Alliance, includes organisations around the world which exist to support charities. These partners collaborate with CAF and one another to support our work to accelerate social progress around the world. This network of not-for-profit organisations maintain strong working relationships with the Charities Aid Foundation group and include Good2Give (Australia), CAF India, IDIS (Brazil), BCause (Bulgaria), CAF Southern Africa, and TUSEV (Turkiye). CAF does not have a controlling interest in these entities and consequently their results are not consolidated in the group financial statements.

Other than through investment as an account holder or unit holder, and fees earned for administration and marketing, the CAF group entities have no beneficial interest in the net assets of the following:

- IFSL CAF Investment Fund and its sub-funds
- CAF UK Equitrack Fund
- CAF Charity Deposit Platform

3. Results and net assets of subsidiaries

Due to the number of subsidiary undertakings, the disclosure required by the Charities SORP would result in information of excessive length being given. As a result, detailed information is only given for CAF America, CAF American Donor Fund and CAF Bank, whose results significantly affect the group accounts.

CAF Bank Limited	2022 £000	2021 £000
Profit and Loss Account		
Interest receivable	10,823	10,059
Interest payable	(182)	(263)
Net interest income	10,641	9,796
Other operating income	2,062	1,415
Administrative expenses	(11,774)	(9,763)
Loan loss provision	1,100	(533)
Profit on ordinary activities before taxation	2,029	915
Tax on profit on ordinary activities	(389)	14
Profit on ordinary activities after taxation	1,640	929
Profit and loss account balance brought forward	(61)	–
Dividends payable to AT1 shareholders	–	(990)
Profit and loss account balance carried forward	1,579	(61)

	2022 £000	2021 £000
Balance Sheet		
Loans and advances to banks & Bank of England	610,024	425,653
Loans and advances to customers	160,407	124,506
Debt securities	777,145	885,876
Other assets	8,468	5,261
Total assets	1,556,044	1,441,296
Total liabilities		
Depositors' balances	1,508,937	1,398,146
Other liabilities	4,178	1,861
	1,513,115	1,400,007
Shareholders' funds	42,929	41,289
	1,556,044	1,441,296

3. Results and net assets of subsidiaries (continued)

CAF America	2022 £000	2021* £000
Statement of Financial Activities		
Donations and legacies receivable	370,798	271,298
US Fundraising programme income	77,481	91,174
Income from group entities	408	1,887
Fee income	10,672	10,202
Investment income	480	422
Total income	459,839	374,983
Donations payable to charities	319,165	291,038
Donations payable to group entities	6,000	6,767
US Fundraising programme costs	61,718	73,757
Direct costs of charitable activities	10,679	9,409
Governance costs	187	65
Total expenditure	397,749	381,036
Net income/(expenditure) before net gains/(losses) on investments	62,090	(6,053)
Net gains/(losses) on financial investments	(879)	2,767
Net income/(expenditure) before other recognised gains/(losses)	61,211	(3,286)
Gain/(losses) on foreign exchange	8,874	(5,347)
Net movement in funds	70,085	(8,633)
Funds brought forward	69,261	77,894
Funds carried forward	139,346	69,261

	2022 £000	2021 £000
Balance Sheet		
Total assets		
Unrestricted funds	6,655	5,178
Designated funds [1]	137,341	67,839
Total assets	143,996	73,017
Total liabilities		
Unrestricted funds	3,121	2,297
Designated funds [1]	1,529	1,459
Unrestricted funds	4,650	3,756
Total Funds		
Unrestricted funds	3,534	2,882
Designated funds [1]	135,812	66,379
Total funds	139,346	69,261
Total liabilities and funds	143,996	73,017

*The comparatives for 2021 reflect a reclassification in respect of foreign exchange losses arising on fund balances of CAF America and translation of their results into Sterling on consolidation. Donations payable to charities have decreased by £5,030k to £291,038k, direct costs have decreased by £317k to £9,409k and losses on foreign exchange have increased by £5.347k.

Notes

1. These funds are designated for Donor Advised grant making purposes in CAF America but restricted for use within CAF America. Therefore, they are treated as restricted funds within the group accounts.

3. Results and net assets of subsidiaries (continued)

CAF American Donor Fund	2022 £000	2021* £000
Statement of Financial Activities		
Donations receivable	94,678	83,077
Donations receivable from group entities	139	327
Investment income	930	605
Total income	95,747	84,009
Donations payable to charities	64,017	61,259
Donations payable to group entities	3,811	12,519
Direct costs of charitable activities	24	6
Direct costs paid to group entities	531	406
Governance costs	60	21
Total expenditure	68,443	74,211
Net income before net gains/(losses) on investments	27,304	9,798
Net gains/(losses) on financial investments	(1,162)	4,240
Net income before other recognised gains/(losses)	26,142	14,038
Gain/(losses) on foreign exchange	2,654	(1,994)
Net movement in funds	28,796	12,044
Funds brought forward	88,342	76,298
Funds carried forward	117,138	88,342

	2022 £000	2021 £000
Balance Sheet		
Total assets		
Unrestricted funds	1,778	1,435
Designated funds [1]	115,491	87,087
Total assets	117,269	88,522
Total liabilities		
Unrestricted funds	126	180
Designated funds [1]	5	–
Total liabilities	131	180
Funds		
Unrestricted funds	1,651	1,255
Designated funds [1]	115,487	87,087
Total funds	117,138	88,342
Total liabilities and funds	117,269	88,522

*The comparatives for 2021 reflect a reclassification in respect of foreign exchange losses arising on fund balances of CAF American Donor Fund. Donations payable to charities have decreased by £1,977k to £61,259k, governance costs have decreased by £17k to £21k and losses on foreign exchange have increased by £1,994k.

Notes

1. These funds are designated for Donor Advised grant making purposes in the CAF American Donor Fund but restricted for use within the CAF American Donor Fund. Therefore, they are treated as restricted funds within the group accounts

4. UK Government grants

During the year CAF received the following Government grants:

1. Foreign & Commonwealth Development Office (FCDO)
   During the year CAF received £0.8m (2021: £0.7m) from FCDO. No amounts were due to CAF from FCDO at 30 April 2022 (2021: £0.3m).

2. Furlough Scheme
   During the year CAF benefited from £5k (2021: £77k) of Government grants under the Coronavirus Job Retention Scheme. In accordance with our accounting policy this credit is included in other income within the Income Statement over the same period as the staff costs for which it compensates.

3. Department for Digital, Culture, Media and Sport (DCMS)
   During the year there was no activity in respect of DCMS grants. In the prior year CAF received a grant of £19.9m as part of the DCMS Community Match Challenge. Of this amount £19.3m was paid by way of grants to third-party charities with £0.5m applied to cover administrative costs incurred by CAF to complete the programme. The remaining £0.1m was included in creditors at 30 April 2021 and returned to DCMS in the year ended 30 April 2022.

5. Investment income

	Unrestricted		Restricted		Total	
Group	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
Interest on fixed interest securities and cash deposits	4,575	6,018	459	577	5,034	6,595
Dividends	26	4	11,079	10,293	11,105	10,297
Interest on concessionary loans to charities	285	371	24	5	309	376
	4,886	6,393	11,562	10,875	16,448	17,268
Charity						
Interest on fixed interest securities and cash deposits	4,456	5,797	443	541	4,899	6,338
Dividends	14	989	9,621	9,335	9,635	10,324
Interest on concessionary loans to charities	285	371	24	5	309	376
	4,755	7,157	10,088	9,881	14,843	17,038

6. Income and donations received and charitable activities

6.1 Group unrestricted funds

	Growing Philanthropy		Serving Charities				Total	Total
	Charity[1]	CAF America and subsidiaries[2]	Financial and donation services[3]	CAF Network[1]	Grant-making and other	Other funds	2022	2021[4]
	£000	£000	£000	£000	£000	£000	£000	£000
Income								
Donations	2,985	1,405	145	–	–	2	4,537	5,694
Legacies	–	–	–	–	–	1,119	1,119	125
	2,985	1,405	145	–	–	1,121	5,656	5,819
Charitable activities								
Fee income	6,431	11,236	5,377	166	363	115	23,688	21,491
CAF Bank net interest income	–	–	10,641	–	–	–	10,641	9,796
Investment income	3,973	131	374	–	54	354	4,886	6,393
Total income	13,389	12,772	16,537	166	417	1,590	44,871	43,499
Expenditure on charitable activities								
Donations payable to charities	–	–	15	200	–	83	298	65
Direct costs	8,726	11,647	11,755	541	1,251	1,591	35,511	32,135
Support costs								
Human resources	931	–	152	31	143	–	1,257	951
Property	1,342	–	219	44	206	–	1,811	1,809
Finance	1,544	–	253	51	238	–	2,086	1,550
Information systems	5,691	–	838	144	560	–	7,233	7,502
Governance costs	1,104	240	473	36	170	–	2,023	1,482
Total support costs	10,612	240	1,935	306	1,317	–	14,410	13,294
Total expenditure	19,338	11,887	13,705	1,047	2,568	1,674	50,219	45,494
Net income/(expenditure) before gains and losses	(5,949)	885	2,832	(881)	(2,151)	(84)	(5,348)	(1,995)
Net gains/(losses) on financial investments	–	–	–	–	–	124	124	(192)
Net gains on other investments	–	–	–	–	–	335	335	–
Net income/(expenditure)	(5,949)	885	2,832	(881)	(2,151)	375	(4,889)	(2,187)

For the above table, and subsequent tables in this note, summary comparative information only has been provided as it is considered that the provision of full comparatives would add a disproportionate volume of additional information, compared with the benefit obtained by the reader of the accounts.

Notes:

1. Activities undertaken by CAF (the Charity).
2. Activities undertaken by CAF America, the CAF American Donor Fund and CAF Canada.
3. Activities undertaken by CAF, CAF Bank Limited, CAF Financial Solutions Limited and CAF Investments Limited.
4. The comparatives for 2021 reflect a reclassification in respect of foreign exchange losses arising on fund balances and on translation of group entities' results on consolidation. Direct costs have decreased by £303k to £32,135k.

6. Income and donations received and charitable activities (continued)

6.2 Charity unrestricted funds

	Growing Philanthropy			Serving Charities				Total	Total
	Major donors	Regular givers	Companies	Financial and donation services[1]	CAF Network	Grant-making and sector support	Other funds	2022	2021[2]
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Income									
Donations	542	1,831	612	456	–	–	2	3,443	5,225
Legacies	–	–	–	–	–	–	1,119	1,119	125
	542	1,831	612	456	–	–	1,121	4,562	5,350
Charitable activities									
Fee income	3,719	417	2,394	3,415	165	374	115	10,599	9,890
Investment income	2,487	768	718	374	–	54	354	4,755	7,157
Total income	6,748	3,016	3,724	4,245	165	428	1,590	19,916	22,397
Expenditure on charitable activities									
Donations payable to charities	–	–	–	15	200	–	83	298	65
Direct costs	3,223	2,078	3,425	1,742	541	1,251	1,591	13,851	12,744
Support costs									
Human resources	324	189	418	152	31	143	–	1,257	951
Property	466	273	603	219	44	206	–	1,811	1,809
Finance	537	314	693	253	51	238	–	2,086	1,550
Information systems	1,943	1,401	2,347	838	144	560	–	7,233	7,502
Governance costs	384	224	496	181	36	170	–	1,491	1,148
Total support costs	3,654	2,401	4,557	1,643	306	1,317	–	13,878	12,960
Total expenditure	6,877	4,479	7,982	3,400	1,047	2,568	1,674	28,027	25,769
Net income/(expenditure) before net gains/(losses) on investments	(129)	(1,463)	(4,258)	845	(882)	(2,140)	(84)	(8,111)	(3,372)
Net gains/(losses) on financial investments	–	–	–	–	–	–	124	124	(192)
Net gains on other investments	–	–	–	–	–	–	335	335	–
Net income/(expenditure)	(129)	(1,463)	(4,258)	845	(882)	(2,140)	375	(7,652)	(3,564)

Notes:

1. CAF's income and expenditure arising from activities delivered by CAF (CAF Venturesome and CAF Donate), management fees received from its subsidiaries (CAF Bank Limited and CAF Financial Solutions Limited) and CAF's associated costs.
2. The comparatives for 2021 reflect a reclassification in respect of foreign exchange losses arising on fund balances. Direct costs have decreased by £4k to £12,744k.

6.3 Unrestricted funds - Allocation of support costs

Support costs of charitable activities comprise costs of certain central functions, which underpin the delivery of our services to support donors, charities and the sector and are shared across more than one of our activities. These shared functions provide support in areas such as information systems, premises, human resources, finance, executive management and governance. Where the costs of these shared functions cannot be attributed directly to an area of our activities, they are allocated on the basis of staff headcount.

No support costs are allocated to restricted funds.

6. Income and donations received and charitable activities (continued)

6.4 Group restricted funds

	Growing Philanthropy		Serving Charities			Total	Total
	Charity[1]	CAF America and subsidiaries[2]	Financial and donation services[3]	CAF Network[1]	Grantmaking and sector support[1]	2022	2021[4]
	£000	£000	£000	£000	£000	£000	£000
Income							
Donations	402,743	482,817	–	–	451	886,011	820,323
US fundraising programme income	–	77,481	–	–	–	77,481	91,174
Legacies	23,550	–	–	–	–	23,550	21,685
Government grants	–	–	–	784	5	789	20,904
	426,293	560,298	–	784	456	987,831	954,086
Fee income	–	–	11	–	–	11	20
Investment income	10,064	1,474	24	–	–	11,562	10,875
Total income	436,357	561,772	35	784	456	999,404	964,981
Expenditure on charitable activities							
Donations payable to charities	391,061	396,443	557	806	19,621	808,488	802,440
Direct costs	–	–	33	–	12	45	107
	391,061	396,443	590	806	19,633	808,533	802,547
US fundraising programme costs	–	61,718	–	–	–	61,718	73,757
Total expenditure	391,061	458,161	590	806	19,633	870,251	876,304
Net income/(expenditure) before net gains/(losses) on investments	45,296	103,611	(555)	(22)	(19,177)	129,153	88,677
Net gains/(losses) on financial investments	8,145	(1,731)	–	–	–	6,414	131,111
Net gains/(losses) on other investments	785	–	(125)	–	–	660	–
Net income/(expenditure)	54,226	101,880	(680)	(22)	(19,177)	136,227	219,788

Terms and conditions vary between products. As a result, a proportion of investment income on restricted funds awaiting charitable distribution is allocated to unrestricted funds (see note 6.1).

Notes:

1. Activities undertaken by CAF (the Charity).
2. Activities undertaken by CAF America, the CAF American Donor Fund and CAF Canada.
3. Activities undertaken by CAF, CAF Bank Limited, CAF Financial Solutions Limited and CAF Investments Limited.
4. The comparatives for 2021 reflect a reclassification in respect of foreign exchange losses arising on fund balances and on translation of group entities' results on consolidation. Donations payable to charities have decreased by £8,943k to £802,440k.

6. Income and donations received and charitable activities (continued)

6.5 Charity restricted funds

	Growing Philanthropy			Serving Charities			Total	
	Major donors	Regular givers	Companies	CAF Venturesome	CAF Network	Grant-making	2022	2021[1]
	£000	£000	£000	£000	£000	£000	£000	£000
Income								
Donations	205,905	114,230	92,344	–	–	451	412,930	468,258
Legacies	23,550	–	–	–	–	–	23,550	21,685
Government grants	–	–	–	–	784	5	789	20,904
	229,455	114,230	92,344	–	784	456	437,269	510,847
Fee income	–	–	–	11	–	–	11	20
Investment income	10,064	–	–	24	–	–	10,088	9,881
Total income	239,519	114,230	92,344	35	784	456	447,368	520,748
Expenditure on charitable activities								
Donations payable to charities	196,616	110,423	84,406	557	806	19,621	412,429	433,512
Direct costs	–	–	–	33	–	12	45	107
Total expenditure	196,616	110,423	84,406	590	806	19,633	412,474	433,619
Net income/(expenditure) before net gains/(losses) on investments	42,903	3,807	7,938	(555)	(22)	(19,177)	34,894	87,129
Net gains on financial investments	8,145	–	–	–	–	–	8,145	123,446
Net gains/(losses) on other investments	785	–	–	(125)	–	–	660	–
Net income/(expenditure)	51,833	3,807	7,938	(680)	(22)	(19,177)	43,699	210,575

Terms and conditions vary between products. As a result, a proportion of investment income on restricted funds awaiting charitable distribution is allocated to unrestricted funds (see note 6.2).

Notes:

1. The comparatives for 2021 reflect a reclassification in respect of foreign exchange losses arising on fund balances. Donations payable to charities have decreased by £2,265k to £433,512k.

7. Governance costs

Governance costs include the following amounts:

	Group		Charity	
	2022 £000	2021 £000	2022 £000	2021 £000
Internal audit	204	248	96	67
Fees payable to the group external auditor, net of VAT:				
Audit of financial statements	570	619	356	334
Other services	87	34	78	34
Fees payable to component external auditor, net of VAT:				
Audit of financial statements	115	–	–	–
Trustees' indemnity insurance	72	50	64	45

8. Staff costs

	Charity		CAF America and subsidiaries		CAF Bank and other trading subsidiaries		Group	
	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
Salaries and wages	13,468	13,713	4,740	3,305	5,915	4,248	24,123	21,266
Social security costs	1,333	1,280	324	210	558	399	2,215	1,889
Defined contribution scheme pension costs	1,271	1,273	311	234	417	333	1,999	1,840
Training and welfare	513	382	617	427	1	1	1,131	810
	16,585	16,648	5,992	4,176	6,891	4,981	29,468	25,805
Other pension costs (see note 30)	184	202	–	–	–	–	184	202
	16,769	16,850	5,992	4,176	6,891	4,981	29,652	26,007

Throughout this note, where employees of the charity are assigned to duties exclusively for one of CAF's subsidiaries, the associated staff costs and employee numbers are included within the figures for 'CAF America and subsidiaries' or for 'CAF Bank and other trading subsidiaries'.

Included within salaries and wages are redundancy and termination costs totalling £209k for the group and £199k for the charity (2021: £357k for both the group and the charity).

8. Staff costs (continued)

Employee numbers

The average number of employees during the year was:	Charity 2022 Number	Charity 2021 Number	CAF America and subsidiaries 2022 Number	CAF America and subsidiaries 2021 Number	CAF Bank and other trading subsidiaries 2022 Number	CAF Bank and other trading subsidiaries 2021 Number	Group 2022 Number	Group 2021 Number
Full-time and part-time employees	355	354	74	66	141	112	570	532
Full-time equivalent	338	325	74	53	134	110	546	488

Average number of full-time equivalent employees analysed by function:	2022	2021
Major donors	87	67
Regular givers	51	44
Companies	112	106
Financial and donation services	41	53
CAF Network	8	9
Grantmaking and sector support	38	45
Governance	1	1
Charity	338	325
CAF America and subsidiaries	74	53
CAF Bank and other trading subsidiaries	134	110
Group	546	488

8. Staff costs (continued)

Employee emoluments

Emoluments include gross salary, taxable benefits and one-off end-of-contract payments such as redundancy, but exclude employer pension contributions.

The number of employees whose total emoluments exceeded £60,000 during the year is as follows:

	Charity		CAF America and subsidiaries		CAF Bank and other trading subsidiaries		Group	
	2022 Number	2021 Number	2022 Number	2021 Number	2022 Number	2021 Number	2022 Number	2021 Number
£60,001 – £70,000	14	15	3	2	3	3	20	20
£70,001 – £80,000	5	6	5	4	3	1	13	11
£80,001 – £90,000	4	5	1	–	–	–	5	5
£90,001 – £100,000	3	1	–	1	1	–	4	2
£100,001 – £110,000	–	–	1	1	–	–	1	1
£110,001 – £120,000	3	1	–	–	–	2	3	3
£120,001 – £130,000	2	3	1	–	–	1	3	4
£130,001 – £140,000	–	–	–	1	2	–	2	1
£140,001 – £150,000	1	–	–	–	1	–	2	–
£150,001 – £160,000	–	1	–	–	1	–	1	1
£160,001 – £170,000	–	–	–	–	–	1	–	1
£170,001 – £180,000	–	1	–	–	–	–	–	1
£200,001 – £210,000	–	–	–	–	–	1	–	1
£210,001 – £220,000	1	–	–	–	–	–	1	–
£230,001 – £240,000	–	–	–	–	1	–	1	–
£250,001 – £260,000	1^	–	–	–	–	–	1	–
£260,001 – £270,000	–	–	–	1*	–	–	–	1
£300,001 – £310,000	–	–	1*	–	–	–	1	–
	34	33	12	10	12	9	58	52

* The highest paid role in the year ended 30 April 2022 and 30 April 2021 for the group is the President and CEO of CAF America and subsidiaries whose emoluments are paid in US dollars.

^The highest paid role in the year ended 30 April 2022 for the charity included a one-off end-of-contract payment and therefore does not reflect ongoing annual salary.

8. Staff costs (continued)

The Group Chief Executive received salary and benefits of £216k and employer pension contributions of £16k. In the prior year the position of Group Chief Executive was held by two individuals receiving combined salary and benefits of £221k and employer pension contributions of £10k.

Pension contributions and pension allowances were paid in respect of the employees included in the preceding table are as follows:

Pension contributions

	Charity		CAF America and subsidiaries		CAF Bank and other trading subsidiaries		Group	
	2022 Number	2021 Number	2022 Number	2021 Number	2022 Number	2021 Number	2022 Number	2021 Number
Number of employees	34	33	12	10	12	9	58	52
	£000	£000	£000	£000	£000	£000	£000	£000
The aggregate value of those contributions	155	203	96	102	72	84	323	389

The key management personnel of the group are the members of the Executive Committee. Total salary and employee benefits received by key management personnel during the year amounted to £1,516,141 (2021: £1,164,984) plus pension contributions and pension allowances of £118,703 (2021: £81,284). Employers' National Insurance contributions amounted to £162,860 (2021: £134,527). In addition, £201,250 (2021: £nil) was paid to third parties for management services during the year.

The Trustees receive no remuneration for their services, but may be reimbursed for out-of-pocket expenses in respect of attending meetings and carrying out duties on behalf of CAF. Expenses of £nil (2021: £218) were reimbursed during the year.

9. Taxation

CAF is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is exempt from taxation in respect of income or capital gains received within categories covered by Part 10 of the Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

For the year a tax charge of £389k (2021: credit of £14k) arose for the group which is attributable to CAF Bank Limited. This consists of corporation tax of £387k (2021: credit of £14k) and deferred taxation of £2k (2021: £nil).

10. Loans and advances to banks

Group	Unrestricted funds		Restricted funds		CAF Bank balances and donor client balances		Total	
	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
Repayable on demand	57,915	29,933	381,639	321,912	13,275	12,632	452,829	364,477
Remaining maturity of other loans and advances:								
Less than 6 months	–	–	230,050	156,050	–	–	230,050	156,050
Over 6 months to 1 year	–	–	70,025	20,026	–	–	70,025	20,026
Over 1 year to 5 years	–	–	25,000	147,500	–	–	25,000	147,500
	57,915	29,933	706,714	645,488	13,275	12,632	777,904	688,053

Charity	Unrestricted funds		Restricted funds		Donor client balances		Total	
	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
Repayable on demand	49,308	23,368	214,079	218,125	5,804	4,736	269,191	246,229
Remaining maturity of other loans and advances:								
Less than 6 months	–	–	230,050	156,050	–	–	230,050	156,050
Over 6 months to 1 year	–	–	70,025	20,026	–	–	70,025	20,026
Over 1 year to 5 years	–	–	25,000	147,500	–	–	25,000	147,500
	49,308	23,368	539,154	541,701	5,804	4,736	594,266	569,805

11. Loans and advances to customers

	Unrestricted funds		Restricted funds		CAF Bank balances and donor client balances		Total	
	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
Concessionary loans:								
CAF Venturesome loans to charities	42	346	2,259	2,159	–	–	2,301	2,505
CAF Charitable Trust loans to charities	–	–	20,686	20,880	–	–	20,686	20,880
Charity	42	346	22,945	23,039	–	–	22,987	23,385
CAF Bank loans to charities and social purpose enterprises	–	–	–	–	161,854	124,506	161,854	124,506
CAF Canada loans to charities	–	–	5,137	–	–	–	5,137	–
Group	42	346	28,082	23,039	161,854	124,506	189,978	147,891

Maturity	Group		Charity	
	2022 £000	2021 £000	2022 £000	2021 £000
Amounts receivable in less than one year				
CAF Venturesome loans to charities	2,100	2,746	2,100	2,746
CAF Charitable Trust loans to charities	1,206	814	1,206	814
CAF Bank loans	7,543	7,347	–	–
CADF loans to charities	33	57	–	–
CAF Canada loans to charities	298	–	–	–
	11,180	10,964	3,306	3,560
Amounts receivable in one to five years				
CAF Venturesome loans to charities	2,809	2,359	2,809	2,359
CAF Charitable Trust loans to charities	20,180	20,759	20,180	20,759
CAF Bank loans	28,819	25,038	–	–
CADF loans to charities	–	7	–	–
CAF Canada loans to charities	1,486	–	–	–
	53,294	48,163	22,989	23,118
Amounts receivable in more than five years				
CAF Venturesome loans to charities	350	243	350	243
CAF Charitable Trust loans to charities	–	7	–	7
CAF Bank loans	126,570	95,552	–	–
CAF Canada loans to charities	3,353	–	–	–
	130,273	95,802	350	250
Less: Deferred income and provisions				
CAF Venturesome loans to charities	(2,958)	(2,843)	(2,958)	(2,843)
CAF Charitable Trust loans to charities	(700)	(700)	(700)	(700)
CAF Bank loans	(1,078)	(3,431)	–	–
CADF loans to charities	(33)	(64)	–	–
	(4,769)	(7,038)	(3,658)	(3,543)
Total loans	189,978	147,891	22,987	23,385

12. Debt securities

	Group				Charity			
	Book value		Market value		Book value		Market value	
Restricted funds	2022	2021	2022	2021	2022	2021	2022	2021
Listed:								
Multilateral financial institutions	18,637	18,909	18,612	19,145	18,637	18,909	18,612	19,145
Fixed coupon corporate bonds	58,147	59,226	59,906	59,046	58,147	59,226	55,096	59,046
	76,784	78,135	78,518	78,191	76,784	78,135	73,708	78,191
Unlisted:								
Certificates of deposit	4,810	1,665	4,810	1,665	–	–	–	–
	4,810	1,665	4,810	1,665	–	–	–	–
	81,594	79,800	83,328	79,856	76,784	78,135	73,708	78,191
CAF Bank balances and donor client balances								
Listed:								
Multilateral financial institutions	679,925	758,564	663,350	760,657	–	–	–	–
Fixed coupon corporate bonds	23,723	24,093	22,508	24,399	–	–	–	–
Floating rate corporate bonds	63,497	83,398	63,978	84,458	–	–	–	–
	767,145	866,055	749,836	869,514	–	–	–	–
Unlisted:								
Certificates of deposit	10,000	19,821	9,922	19,983	–	–	–	–
	10,000	19,821	9,922	19,983	–	–	–	–
	777,145	885,876	759,758	889,497	–	–	–	–
Total debt securities	858,739	965,676	843,086	969,353	76,784	78,135	73,708	78,191

	Group		Charity	
	Book value		Book value	
Maturity	2022 £000	2021 £000	2022 £000	2021 £000
1 day to 8 days	–	–	–	–
Over 8 days to 3 months	33,976	67,382	2,007	–
3 months to 6 months	28,815	33,670	18,636	1,658
6 months to 1 year	75,720	240,253	5,196	1,604
	138,511	341,305	25,839	3,262
1 year to 5 years	672,976	499,924	41,604	57,065
	811,487	841,229	67,443	60,327
5 years and over	47,252	124,447	9,341	17,808
Total debt securities	858,739	965,676	76,784	78,135
Unamortised premiums	(5,778)	(8,372)	(3,294)	(4,535)

In accordance with FRS102 debt securities are measured at amortised cost using the effective interest method.

12. Debt securities (continued)

Group	Cost £000	Amortisation £000	Book value £000
Unrestricted funds			
At 1 May 2021	-	-	-
Acquisitions	14,539	-	14,539
Cancellations (see note 24)	(12,810)	-	(12,810)
Loss on cancellations	(1,729)	-	(1,729)
At 30 April 2022	-	-	-
Restricted funds			
At 1 May 2021	80,961	(1,161)	79,800
Acquisitions	7,986	(3)	7,983
Disposals	-	-	-
Redemptions	(5,192)	72	(5,120)
Amortisation	-	(1,386)	(1,386)
Foreign exchange gains	317	-	317
At 30 April 2022	84,072	(2,478)	81,594
CAF Bank balances and donor client balances			
At 1 May 2021	889,407	(3,531)	885,876
Acquisitions	228,835	(46)	228,789
Redemptions	(339,196)	2,800	(339,196)
Amortisation	–	(1,124)	(1,124)
At 30 April 2022	779,046	(1,901)	777,145
Total	863,118	(4,379)	858,739

Charity	Cost £000	Amortisation £000	Book value £000
Unrestricted funds			
At 1 May 2021	–	–	–
Acquisitions	14,539	–	14,539
Cancellations (see note 24)	(12,810)	–	(12,810)
Loss on cancellations	(1,729)	–	(1,729)
At 30 April 2022	–	–	–
Restricted funds			
At 1 May 2021	79,302	(1,167)	78,135
Acquisitions	3,212	–	3,212
Redemptions	(3,275)	75	(3,200)
Amortisation	–	(1,363)	(1,363)
At 30 April 2022	79,239	(2,455)	76,784

13. Financial investments

Unrestricted funds	Charity and group 2022 £000	Charity and group 2021 £000
At 1 May 2021	2,421	–
Additions	4,975	7,554
Disposals	(14,153)	(4,941)
Net investment gains/(losses)	124	(192)
Transfer from restricted financial investments	6,633	–
At 30 April 2022	–	2,421
Historical cost of investments	–	2,613

Represented by:	Level 1 2022 £000	Level 1 2021 £000
Unlisted investments:		
Overseas Government fixed interest	–	2,398
Unit trusts and other pooled investments	–	23
	–	2,421

Transfers from restricted financial investments relate to investments formerly held in a CAF Charitable Trust, the trusts upon which the funds were held by CAF had failed. See note 25.1.

Restricted funds

The following tables show the carrying amounts of investments held by the group at fair value and represent restricted funds held for CAF Charitable Trusts, CAF America and CAF Canada Donor Advised Funds and CAF American Donor Fund Trusts (collectively ' Trust funds'). They do not include fair value information for other financial assets and liabilities held by the group which are not measured at fair value.

Nature of Trust funds

Trust funds are held pending onward donation requests from clients. Until such requests are received there is no constructive obligation or liability to pay a defined amount within a set time period. Donors typically hold a proportion of their funds in cash in order to meet their short-term giving expectations and invest funds to meet their medium to long-term philanthropic objectives. Donors plan donations by reference to the market values and liquidity profile of the assets held for their trust fund.

13. Financial investments (continued)

Restricted funds	Group		Charity	
	2022 £000	2021 £000	2022 £000	2021 £000
At 1 May 2021	762,777	613,938	707,275	563,677
Additions	278,781	222,006	227,353	192,272
Disposal proceeds	(219,201)	(204,278)	(193,260)	(172,120)
Net investment gains	6,414	131,111	8,145	123,446
Transfer to unrestricted financial investments	(6,633)	–	(6,633)	–
	822,139	762,777	742,880	707,275
Investment portfolio cash and settlements pending	23,625	9,762	13,089	7,236
At 30 April 2022	845,763	772,539	755,969	714,511
Historical cost of investments	697,963	608,305	621,153	561,892

Measurement of fair values

The group uses the following hierarchy to estimate the fair value of investments held for Trust funds:

Level 1: The quoted price for an identical asset in an active market.

Level 2: When quoted prices are unavailable, the fair value is taken as the price of a recent transaction for an identical asset. No investments were held in this category as at 30 April 2022 or 30 April 2021.

Level 3: If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, a valuation technique is used to estimate the fair value. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations. If the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed, the assets are valued at cost less impairment until a reliable measure of fair value becomes available. Level 3 investments held at 30 April 2022 of £10.9m include £8.5m in respect of an investment donated to CAF during the year. This investment has subsequently been disposed of and cash proceeds of £8.5m have been received by CAF.

13. Financial investments (continued)

Group	Level 1		Level 3		Total	
	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
Represented by:						
Listed securities:						
UK Government fixed interest	7,208	7,081	–	–	7,208	7,081
Overseas Government fixed interest	2,295	2,346	–	–	2,295	2,346
Other fixed interest	7,181	8,967	–	–	7,181	8,967
UK equities	32,392	35,120	–	–	32,392	35,120
Overseas equities	54,825	33,738	–		54,825	33,738
CAF investment funds:						
IFSL CAF UK Equity Fund	62,475	67,686	–	–	62,475	67,686
IFSL CAF Fixed Interest Fund	20,494	29,183	–	–	20,494	29,183
CAF UK Equitrack Fund	41,991	37,625	–	–	41,991	37,625
IFSL CAF International Equity	17,987	17,404	–	–	17,987	17,404
IFSL CAF Alternative Strategies	9,250	7,432	–	–	9,250	7,432
Unit trusts and other pooled investments	525,725	486,785	–	–	525,725	486,785
Investment trusts	29,368	27,411	–	–	29,368	27,411
Unlisted investments:						
UK	–	–	10,947	1,999	10,947	1,999
	811,191	760,778	10,947	1,999	822,138	762,777
Investment portfolio cash and settlements pending	23,625	9,762	–	–	23,625	9,762
	834,816	770,540	10,947	1,999	845,763	772,539

Charity	Level 1		Level 3		Total	
	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
Represented by:						
Listed securities:						
UK Government fixed interest	7,208	7,081	–	–	7,208	7,081
Overseas Government fixed interest	1,886	1,616	–	–	1,886	1,616
Other fixed interest	7,181	8,967	–	–	7,181	8,967
UK equities	31,897	34,847	–	–	31,897	34,847
Overseas equities	38,814	28,919	–	–	38,814	28,919
CAF investment funds:						
IFSL CAF UK Equity Fund	62,475	67,686	–	–	62,475	67,686
IFSL CAF Fixed Interest Fund	20,494	29,183	–	–	20,494	29,183
CAF UK Equitrack Fund	41,991	37,625	–	–	41,991	37,625
IFSL CAF International Equity	17,987	17,388	–	–	17,987	17,388
IFSL CAF Alternative Strategies	9,250	7,432	–	–	9,250	7,432
Unit trusts and other pooled investments	463,833	437,566	–	–	463,833	437,566
Investment trusts	28,917	26,966	–	–	28,917	26,966
Unlisted investments:						
UK	–	–	10,947	1,999	10,947	1,999
	731,933	705,276	10,947	1,999	742,880	707,275
Investment portfolio cash and settlements pending	13,089	7,236	–	–	13,089	7,236
	745,022	712,512	10,947	1,999	755,969	714,511

14. Other investments

Group and charity	Unrestricted funds		Restricted funds		Total	
	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
Investment properties	650	509	4,600	3,820	5,250	4,329
Unlisted investments	3,490	3,452	520	505	4,010	3,957
At 30 April 2022	4,140	3,961	5,120	4,325	9,260	8,286

Group and charity	Unrestricted funds	Restricted funds	Total
	£000	£000	£000
As at 1 May 2021	3,961	4,325	8,286
Disposal proceeds	(21)	–	(21)
Revaluation	335	660	995
Reclassification	(135)	135	–
At 30 April 2022	4,140	5,120	9,260

The open market value of each investment property was reviewed between March and April 2022. For the two properties held in restricted funds, the valuations were carried out by an independent, qualified chartered surveyor. The one property held in unrestricted funds, has been sold on the open market since the balance sheet date. The accepted offer price has been used as the basis of valuation for this property.

15. Subsidiary and associate undertakings

Charity	Trading subsidiaries	Total
	£000	£000
At 1 May 2021	41,925	41,925
Impairment	–	–
At 30 April 2022	41,925	41,925

Details of the entities held as subsidiary undertakings are disclosed in note 2 of these financial statements.

16. Tangible fixed assets

Group – unrestricted funds	Long leasehold property & improvements	Other leasehold improvements	Furniture fittings & computer equipment	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 May 2021	5,307	565	2,682	8,554
Disposals	-	-	(17)	(17)
Revaluation	18	-	-	18
Foreign exchange movements	-	11	5	16
At 30 April 2022	5,325	576	2,670	8,571
Depreciation				
At 1 May 2021	305	390	2,506	3,201
Charged in year	153	55	107	315
On disposal	-	-	(17)	(17)
On revaluation	(458)	-	-	(458)
Foreign exchange movements	-	5	10	15
At 30 April 2022	-	450	2,606	3,056
Net book value				
At 30 April 2022	5,325	126	64	5,515
At 30 April 2021	5,002	175	176	5,353

Charity – unrestricted funds	Long leasehold property & improvements	Other leasehold improvements	Furniture fittings & computer equipment	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 May 2021	5,307	456	2,535	8,298
Disposals	-	-	(8)	(8)
Revaluation	18	-	-	18
At 30 April 2022	5,325	456	2,527	8,308
Depreciation				
At 1 May 2021	305	348	2,420	3,073
Charged in year	153	45	79	277
On disposal	-	-	(8)	(8)
On revaluation	(458)	-	-	(458)
At 30 April 2022	-	393	2,491	2,884
Net book value				
At 30 April 2022	5,325	63	36	5,424
At 30 April 2021	5,002	108	115	5,225

16. Tangible fixed assets (continued)

Long-leasehold property

The long-leasehold property consists of the lease to the year 2190 on the land and buildings occupied by CAF as its principal place of business. The property is held at valuation and was valued at 30 April 2022 by CBRE, Chartered Surveyors. The valuation was carried out in accordance with the guidelines of the Royal Institution of Chartered Surveyors. The open market value, on a vacant possession basis, at that date was estimated at £5.33m.

A revaluation in accordance with appropriate professional guidelines will be carried out when needed to ensure valuation is kept up-to-date.

The historical cost carrying value of the property and improvements at the balance sheet date was £3.35m (2021: £3.44m).

17. Intangible fixed assets

	Total
Group – unrestricted funds	£000
Cost or valuation	
At 1 May 2021	1,194
Additions	3,482
At 30 April 2022	4,676
Amortisation	
At 1 May 2021	-
Charged in year	-
At 30 April 2022	-
Net book value	
At 30 April 2022	4,676
At 30 April 2021	1,194

Intangible fixed assets represent software development costs associated with the development of a banking system for CAF Bank Limited, which is currently expected to be available for use in late 2023. The development costs have been capitalised in accordance with FRS 102 Section 18, Intangible Assets other than Goodwill. Costs relate to those paid to suppliers for the new system and its project management.

18. Other debtors

	Unrestricted funds		Restricted funds		Total	
Group	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
Income tax recoverable	-	-	11,742	8,697	11,742	8,697
Other debtors	1,865	1,732	1,072	2,471	2,397	4,203
	1,865	1,732	12,814	11,168	14,679	12,900

	Unrestricted funds		Restricted funds		Total	
Charity	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
Amounts due from subsidiary undertakings	313	1,171	-	-	313	1,171
Income tax recoverable	-	-	10,195	7,498	10,195	7,498
Other debtors	1,601	338	1,009	2,471	2,610	2,809
	1,914	1,509	11,204	9,969	13,118	11,478

All balances fall due within one year.

19. Prepayments and accrued income

	Unrestricted funds		Restricted funds		CAF Bank balances and donor client balances		Total	
Group	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
Prepayments	1,886	789	-	-	-	-	1,886	789
Accrued income:								
Legacy income	34	116	23,362	17,550	-	-	23,396	17,666
Investment income	4,465	6,322	305	261	2,845	3,443	7,615	10,026
Other income	929	357	638	2,856	-	-	1,567	3,213
	7,314	7,584	24,305	20,667	2,845	3,443	34,464	31,694

	Unrestricted funds		Restricted funds		Total	
Charity	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
Prepayments	700	518	-	-	700	518
Accrued income:						
Legacy income	34	116	23,362	17,550	23,396	17,666
Investment income	4,459	6,317	259	252	4,718	6,569
Other income	719	253	638	2,856	1,357	3,109
	5,912	7,204	24,259	20,658	30,171	27,862

All balances fall due within one year.

20. CAF Bank depositor balances

	CAF Bank balances and donor client balances	
	2022	2021
Group	£000	£000
Repayable on demand	1,492,078	1,379,691
Repayable within 30 days	15,558	17,166
	1,507,636	1,396,857

21. Donor client balances

The following are donations to other charities which are being processed by CAF

Group and charity	At 1 May 2021	Amounts received from donors	Amounts received from CAF	Amounts paid to charities	Donations paid to CAF	At 30 April 2022
	£000	£000	£000	£000	£000	£000
CAF Give As You Earn	4,155	65,222	1,271	(23,781)	(41,763)	5,104
CAF Donate	389	45,388	-	(45,177)	-	600
	4,544	110,610	1,271	(68,958)	(41,763)	5,704

Group and charity	At 1 May 2020	Amounts received from donors	Amounts received from CAF	Amounts paid to charities	Donations paid to CAF	At 30 April 2021
	£000	£000	£000	£000	£000	£000
CAF Give As You Earn	4,168	70,468	1,445	(28,911)	(43,015)	4,155
CAF Donate	602	43,972	-	(44,185)	-	389
	4,770	114,440	1,445	(73,096)	(43,015)	4,544
Other donor client balances	22	-	-	(12)	(10)	-
	4,792	114,440	1,445	(73,108)	(43,025)	4,544

22. Amounts due to beneficiary charities

	Restricted funds	
	2022	2021
Group	£000	£000
Payable within 1 year	18,375	10,047
Payable after more than 1 year	3,984	265
	22,359	10,312

	Restricted funds	
	2022	2021
Charity	£000	£000
Payable within 1 year	16,667	8,588
Payable after more than 1 year	3,984	265
	20,651	8,853

Amounts due to beneficiary charities represent constructive obligations, principally in respect of longer term grants.

23. Other creditors

	Unrestricted funds		Restricted funds		CAF Bank balances and donor client balances		Total	
Group	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
Payable on acquisition of investments	–	–	25	419	–	–	25	419
Trade creditors	2,137	457	–	–	–	–	2,137	457
Tax and social security	1,483	488	–	–	–	–	1,483	488
Other creditors	5,159	3,910	3,553	7,499	100	192	8,812	11,601
	8,779	4,855	3,578	7,918	100	192	12,457	12,965

	Unrestricted funds		Restricted funds		Donor client balances		Total	
Charity	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
Payable on acquisition of investments	–	–	25	419	–	–	25	419
Trade creditors	751	942	–	–	–	–	751	942
Tax and social security	866	–	–	–	–	–	866	–
Other creditors	1,060	1,297	3,553	7,458	100	192	4,713	8,947
	2,677	2,239	3,578	7,877	100	192	6,355	10,308

Included within other creditors are amounts totalling £1.1m (2021: £1.5m) repayable to seven (2021: seven) third party investors of CAF Venturesome. Amounts are repayable within three or six months from receipt of written instruction. These concessionary loans do not bear interest and amounts are repaid net of any losses which may be incurred as a result of onward lending by CAF Venturesome, on a concessionary basis to charities and social enterprises.

All other amounts are due within one year.

24. Long-term loans

Group and charity	2026 Loan 2022 £000	2026 Loan 2021 £000	2031 Loan 2022 £000	2031 Loan 2021 £000	Total carrying value 2022 £000	Total carrying value 2021 £000
Unrestricted funds						
At 1 May 2021	19,753	19,705	–	–	19,753	19,705
Loan advance	–	–	30,000	–	30,000	–
Capitalised costs	–	–	(524)	–	(524)	–
Amortisation of capitalised costs	209	50	16	–	225	50
Loan repayment	(12,810)	–	–	–	(12,810)	–
Interest payable for the year	768	1,020	424	–	1,192	1,020
Interest paid	(798)	(1,022)	–	–	(798)	(1,022)
At 30 April 2022	7,122	19,753	29,916	–	37,038	19,753

Payable	2026 Loan 2022 £000	2026 Loan 2021 £000	2031 Loan 2022 £000	2031 Loan 2021 £000	Total carrying value 2022 £000	Total carrying value 2021 £000
Within 3 months	–	–	424	–	424	–
3 months to 6 months	18	49	–	–	18	49
	18	49	424	–	442	49
Between 1 and 5 years	7,104	–	–	–	7,104	–
	7,122	49	424	–	7,456	49
5 years and over	–	19,704	29,492	–	29,492	19,704
	7,122	19,753	29,916	–	37,038	19,753

To support CAF's work to grow the impact of charitable donations from the donors we work with, in December 2021, RCB Bonds PLC (RCB) issued the CAF 3.5% bond due in 2031. RCB raised £30m from institutional and retail investors and the full amount has been loaned to CAF under the terms of a loan agreement between CAF and RCB. CAF retains the option to request the issue of further bonds. This may be bonds up to a maximum of a further £20m, with proceeds to be loaned by RCB to CAF.

In addition to supporting CAF's future growth and transformation plans, the proceeds arising in December 2021 were used in part to settle a tender offer under which CAF bought back £12.8m of the previously issued CAF 5% bonds due in 2026. These were issued by RCB in 2016 and raised £20m and the full amount raised was loaned to CAF under the terms of a loan agreement between CAF and RCB.

Loan payable 2031

The loan is repayable to RCB in full in December 2031. Interest is payable at a rate of 3.5% per annum.

Loan payable 2026

The loan is repayable to RCB in full in April 2026. Interest is payable at a rate of 5% per annum.

As a result of an arrangement with RCB and following a tender offer by CAF, in December 2021, CAF purchased £12.8m of the CAF 5% bonds due in 2026. The bonds were cancelled upon acquisition by CAF and the value of the loan payable in 2026 by CAF to RCB was reduced by £12.8m. CAF paid a premium of £1.7m to the holders of the bonds which were acquired and then cancelled (see note 12). The loss on cancellation, representing the premium paid, has been charged to the SOFA.

Associated costs

In respect of each of the above loans, bond-issue costs and other costs associated with the advance of the loans, including legal and accountancy fees, have been capitalised and are being amortised over the term of the relevant loan.

25. Statement of funds

	Notes	At 1 May 2021 £000	Income and donations received £000	Expenditure on charitable activities £000	Transfers £000	Recognised gains & losses £000	At 30 April 2022 £000
Group							
Unrestricted funds	25.1	68,481	44,871	(50,219)	13,578	(19)	76,692
Restricted funds	25.2	1,539,933	999,404	(870,251)	(13,578)	24,242	1,679,750
		1,608,414	1,044,275	(920,470)	-	24,223	1,756,442
Charity							
Unrestricted funds	25.1	64,048	19,916	(28,027)	13,578	(321)	69,194
Restricted funds	25.2	1,375,456	447,368	(412,474)	(13,578)	14,434	1,411,206
		1,439,504	467,284	(440,501)	-	14,113	1,480,400

	Notes	At 1 May 2020 £000	Income and donations received £000	Expenditure on charitable activities £000	Transfers £000	Recognised gains & losses £000	At 30 April 2021 £000
Group [1]							
Unrestricted funds	25.1	67,007	43,499	(45,494)	3,156	313	68,481
Restricted funds	25.2	1,332,244	964,981	(876,304)	(3,156)	122,168	1,539,933
		1,399,251	1,008,480	(921,798)	-	122,481	1,608,414
Charity [2]							
Unrestricted funds	25.1	63,625	22,397	(25,769)	3,156	639	64,048
Restricted funds	25.2	1,170,302	520,748	(433,619)	(3,156)	121,181	1,375,456
		1,233,927	543,145	(459,388)	-	121,820	1,439,504

Notes:

1. The values in the table above reflect a reclassification in respect of foreign exchange losses arising on fund balances and on translation of group entities' results on consolidation. Expenditure on charitable activities in unrestricted funds has decreased by £330k to £45,494k and within restricted funds by £8,943k to £876,304k. Recognised gains and losses have decreased by £9,273k to £122,481k.
2. The values in the table above reflect a reclassification in respect of foreign exchange losses arising on fund balances. Expenditure on charitable activities in unrestricted funds has decreased by £4k to £25,769k and restricted funds have decreased by £2,265k to £433,619k. Recognised gains and losses have decreased by £2,269k to £121,820k.

25. Statement of funds (continued)

25.1 Unrestricted funds

	At 1 May 2021	Income and donations received	Expenditure on charitable activities	Transfers	Recognised gains & losses	At 30 April 2022
	£000	£000	£000	£000	£000	£000
Group						
General funds	66,923	44,871	(50,219)	13,631	(495)	74,711
Property revaluation reserve	1,558	-	-	(53)	476	1,981
	68,481	44,871	(50,219)	13,578	(19)	76,692
Charity						
General funds	62,490	19,916	(28,027)	13,631	(797)	67,213
Property revaluation reserve	1,558	-	-	(53)	476	1,981
	64,048	19,916	(28,027)	13,578	(321)	69,194

	At 1 May 2020	Income and donations received	Expenditure on charitable activities	Transfers	Recognised gains & losses	At 30 April 2021
	£000	£000	£000	£000	£000	£000
Group [1]						
General funds	65,396	43,499	(45,494)	3,209	313	66,923
Property revaluation reserve	1,611	-	-	(53)	-	1,558
	67,007	43,499	(45,494)	3,156	313	68,481
Charity [2]						
General funds	62,014	22,397	(25,769)	3,209	639	62,490
Property revaluation reserve	1,611	-	-	(53)	-	1,558
	63,625	22,397	(25,769)	3,156	639	64,048

Notes:

1. The values in the table above reflect a reclassification in respect of foreign exchange losses arising on fund balances and on translation of group entities' results on consolidation. Expenditure on charitable activities decreased by £330k to £45,494k and recognised gains and losses have decreased by £330k to £313k.
2. The values in the table above reflect a reclassification in respect of foreign exchange losses arising on fund balances. Expenditure on charitable activities decreased by £4k to £25,769k and recognised gains and losses have decreased by £4k to £639k.

General funds – comprise accumulated operating surpluses, income from investments, legacies and other gifts received.

Property revaluation reserve – represents the difference between the net book value and the historical cost of the long-leasehold property occupied by CAF as its head office.

Transfers from restricted funds to unrestricted funds –transfers from restricted funds include £3.2m from donor accounts dormant for over 5 years and £10.2m from a CAF Charitable Trust, including one of £6.9m where the trusts upon which the funds were held by CAF had failed. All transfers from restricted funds are applied for the general charitable purposes of CAF, in support of CAF's transformation plans.

25. Statement of funds (continued)

25.2 Restricted funds

Group	At 1 May 2021	Income and donations received	Expenditure on charitable activities	Transfers	Recognised gains and losses	At 30 April 2022
	£000	£000	£000	£000	£000	£000
Growing philanthropy						
Major donors						
CAF Charitable Trusts	1,166,671	235,803	(196,306)	(10,921)	14,440	1,209,687
Regular givers						
CAF Charity Accounts	98,021	76,865	(74,755)	1,336	–	101,467
CAF Give As You Earn Charity Accounts	39,009	37,345	(35,644)	(397)	–	40,313
	137,030	114,210	(110,399)	939	–	141,780
Companies						
CAF Company accounts	57,388	86,344	(84,356)	(14,766)	119	44,729
Charity	1,361,089	436,357	(391,061)	(24,748)	14,559	1,396,196
CAF America	66,382	448,347	(380,883)	(5,756)	7,724	135,814
CAF American Donor Fund	87,088	94,580	(64,068)	(3,596)	1,486	115,490
CAF Canada	11,007	18,845	(13,210)	–	598	17,240
CAF America and subsidiaries	164,477	561,772	(458,161)	(9,352)	9,808	268,544
Financial and donation services						
CAF Venturesome accounts	8,767	35	(590)	892	(125)	8,979
CAF Network						
CAF Russia grant programmes	22	784	(806)	–	–	–
Grant-making and sector support						
CAF Coronavirus Emergency Fund	23	45	(68)	–	–	–
Community Match Challenge	–	–	(19,108)	19,579	–	471
CAF discretionary funds	5,187	2	(228)	332	–	5,293
Other funds	368	409	(229)	(281)	–	267
	5,578	456	(19,633)	(19,630)	–	6,031
	1,539,933	999,404	(870,251)	(13,578)	24,242	1,679,750

25. Statement of funds (continued)

25.2 Restricted funds continued

Charity	At 1 May 2021	Income and donations received	Expenditure on charitable activities	Transfers	Recognised gains and losses	At 30 April 2022
	£000	£000	£000	£000	£000	£000
Major donors						
CAF Charitable Trusts	1,166,671	239,519	(196,616)	(14,327)	14,440	1,209,687
Regular givers						
CAF Charity Accounts	98,021	76,885	(74,779)	1,340	–	101,467
CAF Give As You Earn Charity Accounts	39,009	37,345	(35,644)	(397)	–	40,313
	137,030	114,230	(110,423)	943	–	141,780
Companies						
CAF Company accounts	57,388	92,344	(84,406)	(20,716)	119	44,729
CAF Venturesome						
CAF Venturesome accounts	8,767	35	(590)	892	(125)	8,979
CAF Network						
CAF Russia grant programmes	22	784	(806)	–	–	–
Grant-making						
CAF Coronavirus Emergency Fund	23	45	(68)	–	–	–
Community Match Challenge	–	–	(19,108)	19,579	–	471
CAF discretionary funds	5,187	2	(228)	332	–	5,293
Other funds	368	409	(229)	(281)	–	267
	5,578	456	(19,633)	19,630	–	6,031
	1,375,456	447,368	(412,474)	(13,578)	14,434	1,411,206

25. Statement of funds (continued)

25.2 Restricted funds (continued)

Group	At 1 May 2020	Income and donations received	Expenditure on charitable activities	Transfers	Recognised gains and losses	At 30 April 2021
	£000	£000	£000	£000	£000	£000
Growing philanthropy						
Major donors						
CAF Charitable Trusts	974,137	222,338	(155,628)	4,625	121,199	1,166,671
Regular givers						
CAF Charity Accounts	102,221	70,409	(79,497)	4,888	–	98,021
CAF Give As You Earn Charity Accounts	36,067	37,422	(34,284)	(196)	–	39,009
	138,288	107,831	(113,781)	4,692	–	137,030
Companies						
CAF Company accounts	40,991	149,971	(138,409)	4,857	(22)	57,388
Charity [1]	1,153,416	480,140	(407,818)	14,174	121,177	1,361,089
CAF America [2]	75,600	362,802	(364,792)	(4,965)	(2,263)	66,382
CAF American Donor Fund [3]	75,469	83,557	(62,245)	(11,957)	2,264	87,088
CAF Canada [4]	10,873	15,123	(15,975)	–	986	11,007
CAF America and subsidiaries	161,942	461,482	(443,012)	(16,922)	987	164,477
Financial and donation services						
CAF Venturesome accounts	7,745	525	20	477	–	8,767
CAF Network						
CAF Russia grant programmes	3	989	(974)	–	4	22
Grant-making and sector support						
CAF Coronavirus Emergency Fund	3,879	1,462	(5,072)	(246)	–	23
Community Match Challenge	–	19,833	(19,357)	(476)	–	–
CAF discretionary funds	5,008	2	(10)	187	–	5,187
Other funds	251	548	(81)	(350)	–	368
	9,138	21,845	(24,520)	(885)	–	5,578
	1,332,244	964,981	(876,304)	(3,156)	122,168	1,539,933

Notes:

1. The values in the table above reflect a reclassification in respect of foreign exchange losses arising on fund balances. Expenditure on charitable activities have decreased by £2,265k to £407,818k and recognised gains and losses have decreased by £2,265k to £121,177k.
2. The values in the table above reflect a reclassification in respect of foreign exchange losses arising on fund balances and on translation of CAF America's results on consolidation. Expenditure on charitable activities have decreased by £5,030k to £364,792k and recognised gains and losses have decreased by £5,030k to a loss of £2,263k.
3. The values in the table above reflect a reclassification in respect of foreign exchange losses arising on fund balances. Expenditure on charitable activities have decreased by £1,977k to £62,245k and recognised gains and losses have decreased by £1,977k to £2,264k.
4. The values in the table above reflect a reclassification in respect of foreign exchange losses arising on fund balances and on translation of CAF Canada's results on consolidation. Expenditure on charitable activities have increased by £329k to £15,975k and recognised gains and losses have increased by £329k to £986k.

25. Statement of funds (continued)

25.2 Restricted funds (continued)

Charity	At 1 May 2020	Income and donations received	Expenditure on charitable activities	Transfers	Recognised gains and losses	At 30 April 2021
	£000	£000	£000	£000	£000	£000
Major donors [1]						
CAF Charitable Trusts	974,137	232,820	(155,628)	(5,857)	121,199	1,166,671
Regular givers						
CAF Charity Accounts	102,221	70,409	(79,497)	4,888	–	98,021
CAF Give As You Earn Charity Accounts	36,067	37,422	(34,611)	131	–	39,009
	138,288	107,831	(114,108)	5,019	–	137,030
Companies [2]						
CAF company accounts	40,991	156,738	(138,409)	(1,910)	(22)	57,388
CAF Venturesome						
CAF Venturesome accounts	7,745	525	20	477	–	8,767
CAF Network						
CAF Russia grant programmes	3	989	(974)	–	4	22
Grant-making						
CAF Coronavirus Emergency Fund	3,879	1,462	(5,072)	(246)	–	23
Community Match Challenge	–	19,833	(19,357)	(476)	–	–
CAF discretionary funds	5,008	2	(10)	187	–	5,187
Other funds	251	548	(81)	(350)	–	368
	9,138	21,845	(24,520)	(885)	–	5,578
	1,170,302	520,748	(433,619)	(3,156)	121,181	1,375,456

Notes:

1. The values in the table above reflect a reclassification in respect of foreign exchange losses arising on fund balances. Expenditure on charitable activities have decreased by £2,247k to £155,628k and recognised gains and losses have decreased by £2,247k to £121,199k.
2. The values in the table above reflect a reclassification in respect of foreign exchange losses arising on fund balances. Expenditure on charitable activities have decreased by £22k to £138,409k and recognised gains and losses have decreased by £22k to £22k.

Restricted funds comprise:

a. **CAF Charitable Trusts** - consist of capital gifted to CAF and the related investment income. The capital is held in accordance with CAF's investment policy for CAF Charitable Trusts and investment gains or losses are credited or charged to the funds. These funds may only be used to make payments to other charities as suggested by the donor

b. **CAF Charity Accounts, CAF Company Accounts and CAF Give As You Earn Charity Accounts** – represent amounts gifted to CAF by individual and corporate donors which are held in accounts until disbursed to charities as suggested by the donor

c. **CAF Venturesome accounts** – represent funds set aside by CAF donors to complement the funds assigned by the Trustees for CAF Venturesome

d. **CAF America, CAF American Donor Fund and CAF Canada** – represent undistributed donations received by each of these charities. The boards of these entities review, validate and approve donors' suggestions for distributions to charities worldwide

e. **CAF Russia grant programmes** – represent funds managed by CAF's former branch in Russia. CAF began the process of closing its branch in Russia in 2021 and it was formally closed in March 2022.

25. Statement of funds (continued)

25.2 Restricted funds (continued)

f. **CAF Coronavirus Emergency Fund** – represents funds set aside by and gifted to CAF by individual and corporate donors in response to the Coronavirus pandemic. Grants from the fund were awarded to small charities

g. **Community Match Challenge** – represents funds received by CAF from DCMS in 2020/21 and transferred from CAF Company accounts in 2021/22 in respect of the Community Match Challenge created in response to the Coronavirus pandemic. Grants from the fund are awarded to small charities

h. **CAF discretionary funds** – represent funds available to support the sector at Trustees' discretion

Transfers between restricted funds

Transfers between restricted funds occur where a donor gives funds into a range of restricted funds and subsequently requests a transfer between the funds.

26. Cash flow statement

26.1 Reconciliation of net income to net cash flows from operating activities

	Group		Charity	
	2022 £000	2021* £000	2022 £000	2021* £000
Net income for the year	131,338	217,601	36,047	207,011
Adjustments for:				
Depreciation	315	302	277	261
Gains on financial investments	(6,538)	(130,919)	(8,269)	(123,254)
Gains on other investments	(994)	–	(994)	–
Gain on disposal on other investments	(1)	–	(1)	–
Amortisation and other revaluations of debt securities	2,192	23,504	1,363	431
Amortisation of capitalised costs of borrowing	225	50	225	50
Non–cash transactions:				
In specie transfers and share gifts	(69,459)	(54,930)	(42,835)	(45,965)
Defined benefit pension plan expense	184	202	184	202
Interest on long-term loans	1,192	1,022	1,192	1,022
Investment income receivable on Trust Funds	(11,562)	(10,875)	(10,088)	(9,881)
(Increase)/decrease in loans and advances to customers	(42,087)	(38,686)	398	(17,805)
	(4,654)	(12,129)	(4,034)	(10,085)
Increase/(decrease) in amounts due to beneficiary charities	12,047	(4,190)	11,798	(5,248)
Increase/(decrease) in other liabilities and accruals	832	3,704	(3,904)	3,727
Pension deficit reduction plan payments	–	(104)	–	(104)
Increase/(decrease) in donor client balances	1,160	(248)	1,160	(248)
Increase in CAF Bank depositor balances	110,779	240,384	–	–
Net cash provided by/(used in) operating activities	124,969	234,688	(17,481)	114

*The comparatives for 2021 reflect a reclassification in respect of foreign exchange losses within the Statement of Financial Activities. Net income has increased by £9,273k for group to £217,601k and by £2,269k to £207,011k for charity.

26.2 Analysis of changes in net debt

Group	At 1 May 2021	Cash flows	Foreign exchange movements	Other non-cash charges	At 30 April 2022
	£000	£000	£000	£000	£000
Total cash and cash equivalents	779,939	254,835	17,395	-	1,052,169
Loans falling due within one year	(49)	798	-	(1,191)	(442)
Loans falling due after more than one year	(19,704)	(16,666)	-	(226)	(36,596)
Net cash and cash equivalents	760,186	238,967	17,395	(1,417)	1,015,131

Charity	At 1 May 2021	Cash flows	Foreign exchange movements	Other non-cash charges	At 30 April 2022
	£000	£000	£000	£000	£000
Total cash and cash equivalents	246,229	17,408	5,554	-	269,191
Loans falling due within one year	(49)	798	-	(1,191)	(442)
Loans falling due after more than one year	(19,704)	(16,666)	-	(226)	(36,596)
Net cash and cash equivalents	226,476	1,540	5,554	(1,417)	232,153

Cash and cash equivalents represent cash in both the group and the charity. There are no cash equivalents or overdrafts.

27. Operating lease commitments

At the balance sheet date the group and CAF had total commitments under non-cancellable operating leases as set out below:

Group	Land and Buildings		Other		Total	
	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
Operating lease payments falling due:						
Within one year	608	589	335	160	943	749
Between one and five years	984	1,256	193	253	1,177	1,509
After more than five years	171	382	–	–	171	382
	1,763	2,227	528	413	2,291	2,640

The amounts charged to the SOFA totalled £0.71m (2021: £0.81m) in respect of land and buildings and £0.23m (2021: £0.07m) in respect of other assets.

Charity	Land and Buildings		Other		Total	
	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
Operating lease payments falling due:						
Within one year	383	391	335	160	718	551
Between one and five years	22	405	193	253	215	658
	405	796	528	413	933	1,209

The amounts charged to the SOFA totalled £0.43m (2021: £0.43m) in respect of land & buildings and £0.23m (2021: £0.07m) in respect of other assets.

28. Financial commitments and contingent liabilities

At the balance sheet date the group was committed to the following:

	2022	2021
	£000	£000
CAF Venturesome loans	1,986	2,491
Charity	1,986	2,491
CAF Bank:		
Commitments to customers	22,608	36,779
Group	24,594	39,270

CAF Venturesome loans to charities

At the balance sheet date CAF Venturesome was committed to provide concessionary loans to charities, subject to certain conditions being met. No liability has been recorded in the balance sheet for these loans. The commitments become due or expire within one year (if the charity no longer needs the funding).

CAF Bank commitments to customers

At the balance sheet date CAF Bank had commitments comprising amounts yet to be drawn under loan or overdraft agreements.

CAF Bank contingent liabilities

A supplier has made a £1.9m demand for additional licenses which it claims the Bank has been using. Having taken legal advice, the Bank refutes this claim, but it is possible, but not probable, that a settlement will be made. No provision for any liability has been made in these financial statements. It has been estimated that any potential settlement could be between nil and the full amount of the claim.

29. Contingent assets

At the balance sheet date, the charity had been notified of a number of legacies for which probate was not yet granted or other factors indicated that these legacies should not be recognised as income. The aggregate value of those legacies was £8.45m for the group and £8.02m for the charity (2021: £8.1m for both the group and charity).

30. Pension obligations

During the year CAF participated in the following pensions.

a. Hargreaves Lansdown

The Hargreaves Lansdown scheme is a defined contribution self-invested group pension. New employees are enrolled into this scheme and from 1 May 2016 all current employees contributed to this scheme only.

From 1 April 2019, upon auto-enrolment the employee contribution rate is 2.67% of basic salary and CAF contributes 5.33%. After three months employees are able to elect to increase their contribution rate to either 3% or 5.67% of basic salary, with CAF contributing 6% or 11.33% respectively.

b. The Charities Aid Foundation Pension Scheme

The Charities Aid Foundation Pension Scheme is a defined benefit scheme established on 15 September 2015 and is closed to new employees and further benefit accrual. The Charities Aid Foundation Pension Scheme was established solely to receive a transfer from the Growth Plan, a multi-employer section of The Pensions Trust in which CAF was a participating employer.

The results of the actuary's estimate of the scheme's assets and liabilities at 30 April 2022, based on assumptions used for FRS 102 are as follows:

i) Amounts recognised in the balance sheet:

	2022	2021
	£000	£000
Present value of liabilities	(15,235)	(17,308)
Fair value of assets	17,418	19,127
Net defined benefit asset	2,183	1,819

ii) Amounts included in the SOFA under FRS 102:

	2022	2021
	£000	£000
Scheme expenses	219	218
Interest on asset	(35)	(16)
Total expense recognised in the SOFA	184	202

iii) Movement in the net defined benefit asset/liability:

	2022	2021
	£000	£000
Net defined benefit asset at 1 May 2021	1,819	1,082
Pension cost in SOFA	(184)	(202)
Employer contributions	-	104
Actuarial gains	548	835
Net defined benefit asset at 30 April 2022	2,183	1,819

30. Pension obligations (continued)

iv) Movement in present value of the defined benefit obligation:

	2022	2021
	£000	£000
Defined benefit obligation at 1 May 2021	17,308	18,235
Interest on obligation	341	286
Actuarial losses	(1,934)	(448)
Benefits paid	(480)	(765)
Defined benefit obligation at 30 April 2022	15,235	17,308

v) Movement in fair value of scheme assets:

	2022	2021
	£000	£000
Fair value of the scheme assets at 1 May 2021	19,127	19,317
Interest on scheme assets	376	302
Actuarial experience gains/(losses)	(1,386)	387
Contributions by the employer	-	104
Scheme expenses	(219)	(218)
Benefits paid	(480)	(765)
Fair value of scheme assets at 30 April 2022	17,418	19,127

vi) Major categories of the scheme assets as a percentage of total assets are as follows:

	2022	2021
	Allocation	Allocation
Equities	13%	13%
Corporate bonds	24%	24%
Government bonds	42%	11%
Cash	2%	24%
Property	6%	4%
LDI funds	0%	10%
Annuity policies	13%	14%
	100%	100%

The Scheme does not invest directly in property occupied by the employer or in financial securities issued by the employer.

30. Pension obligations (continued)

(vii) Principal assumptions at the balance sheet date

	2022	2021
Discount rate	3.1% pa	2.0% pa
Inflation measured by Retail Price Index (RPI)	3.6% pa	3.2% pa
Inflation measured by Consumer Price Index (CPI)	3.1% pa	2.6% pa
Pension increases in deferment	0.0% pa	0.0% pa
Pension increases in payment:		
CPI capped at 5% pa	3.1% pa	2.6% pa
CPI capped at 2.5% pa	2.4% pa	2.2% pa
Exchange of pension for cash on retirement	50% of members assumed to exchange 25% of their pension sum for a cash sum	50% of members assumed to exchange 25% of their pension sum for a cash sum
Base mortality table	90% of rates implied by S3PXA	90% of rates implied by S3PXA
Mortality projection basis	CMI (Core) 2021 projection with a long-term rate of improvement of 1.5% p.a. for males and 1.0% p.a. for females	CMI (Core) 2020 projection with a long-term rate of improvement of 1.5% p.a. for males and 1.0% p.a. for females
Life expectancy of a male aged 65 at accounting date	87.9 yrs	87.8 yrs
Life expectancy of a male aged 65 20 years from accounting date	89.5 yrs	89.5 yrs
Life expectancy of a female aged 65 at accounting date	89.9 yrs	89.8 yrs
Life expectancy of a female aged 65 20 years from accounting date	91.0 yrs	91.0 yrs

31. Transactions with related parties

Other than the matters detailed below, none of the Trustees nor any connected persons had a material or beneficial interest in any contract or undertaking with CAF, other than in the ordinary course of business, nor in the shares of its subsidiary companies.

One of CAF's trustees is the Chair of NCVO. Donations paid by CAF, during the year, included £927,834 (2021: £2,124,234) to NCVO under the terms of CAF's Declaration of Trust. The amount due to NCVO at 30 April 2022 was £232,280 (2021: £584,123).

32. Post balance sheet events

There have been no events since the balance sheet date that are required to be adjusted for, or to be disclosed.

33. CAF Bank financial instruments and risk management

CAF Bank is a wholly-owned subsidiary of CAF and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

The group's risk management framework and principal risks, including those applicable to CAF Bank, are set out in the Risk Management Report within the Trustees' Report. CAF Bank's exposure to its principal risks, which are those associated with holding financial instruments, is further described below:

33.1 Credit Risk

The following tables set out CAF Bank's principal financial instruments from which credit risk arises.

	2022		2021	
Treasury assets by class:	Book Value £000	Market Value £000	Book Value £000	Market Value £000
Listed:				
Multilateral financial institutions	679,925	663,350	758,564	760,657
Fixed coupon corporate bonds	23,723	22,508	24,093	24,339
Floating rate corporate bonds	63,497	63,978	83,398	84,458
	767,145	749,836	866,055	869,514
Unlisted:				
Certificates of deposit	10,000	9,922	19,821	19,983
Debt securities	777,145	759,758	885,876	889,497
Balances at Bank of England	602,553	602,553	417,756	417,756
Loans and advances to banks	7,471	7,471	7,897	7,897
	1,387,169	1,369,782	1,311,529	1,315,150

Treasury assets by credit rating:	2022		2021	
Category (Fitch equivalent credit rating)	Book Value £000	% of Book	Book Value £000	% of Book
UK government	602,553	43.44%	417,756	31.87%
AAA	740,515	53.38%	752,985	57.41%
AA+	26,631	1.92%	83,071	6.33%
AA-	5,401	0.39%	25,485	1.94%
A+	2,069	0.15%	22,351	1.70%
A	10,000	0.72%	9,881	0.75%
	1,387,169	100.00%	1,311,529	100.00%

33. CAF Bank financial instruments and risk management (continued)

33.1 Credit risk (continued)

Treasury assets by exposure value:

	2022	2021
	£000	£000
UK Government and multilateral financial institutions	93%	89%
Finanacial & non-financial institutions up to £10m	6%	11%
Finanacial & non-financial institutions up to £10m – £20m	1%	0%
	100%	100%

Lending

CAF Bank's policies include maximum exposure values, and limits to manage concentration risk by sector. Exposure to geographical area is monitored. At 30 April 2022, the largest loan was £7.0m (2021: £4.8m). The maximum aggregate exposures to any one sector (social housing) and geographical area were 59% and 31% respectively (2021: 53% and 29% respectively).

Loans, overdrafts and BACS facilities are subject to regular monitoring of loan performance and individual annual review. Administration of the loan book is outsourced to BCM Mortgage Services Ltd who provide regular management information on a loan by loan and aggregated basis. A provision of £902k has been made at 30 April 2022 reflecting losses that may have been incurred but not yet identified (2021: £802k) and £176k has been provided for specific loan provisions (2021: £1,376k). No overdrafts were written off during the year (2021: none).

One loan was in arrears at 30 April 2022 (2021: one).

Secured and unsecured lending

	2022	2021
	£000	£000
Gross loans and advances to customers	162,932	127,937
Contingent liabilities abd commitments	22,608	36,779
	185,540	164,716
Amounts included within the above:		
Secured property	185,540	164,716
Unsecured:		
Loans	-	-
Overdrafts	-	-
	185,540	164,716

As at 30 April 2022 the average loan to value ratio across the lending portfolio was 53% (2021: 53%).

33.2 Liquidity and Funding Risk

CAF Bank holds liquidity buffer eligible assets of £1,279m (2021: £1,174m), excluding assets pledged as security under repurchase agreements. Liquidity buffer assets comprise amounts held in the Bank of England Reserve Account, and investments in multilateral development banks, UK Gilts and Treasury Bills.

33. CAF Bank financial instruments and risk management (continued)

33.3 Market and Interest Rate Risk

The following tables set out details of the maturity and duration of financial instruments held by CAF Bank.

Non-maturity (on-demand) deposits are behaviourally adjusted as follows:

Current accounts

£0-£249,999	2-3 years
£250,000 – £999,999	1-2 years
Over £1m	6-12 months

Assets and liabilities analysed by interest rate pricing time periods:

At 30 April 2022	Next day	Up to 3 months	3 months to 6 months	6 months to 1 year	1 year to 5 years	Over 5 years	Other items	Total
	2022 £000	2022 £000	2022 £000	2022 £000	2022 £000	2022 £000	2022 £000	2022 £000
Assets								
Balances at Bank of England	599,340	3,213	–	–	–	–	–	602,553
Loans and advances to banks	7,471	–	–	–	–	–	–	7,471
Loans and advances to customers	145,065	–	–	4,662	10,680	–	–	160,407
Debt securities	–	266,297	–	65,911	406,503	37,911	523	777,145
Prepayments and accrued income	–	–	–	–	–	–	3,792	3,792
Intangible fixed assets	–	–	–	–	–	–	4,676	4,676
	751,876	269,510	–	70,573	417,183	37,911	8,991	1,556,044
Liabilities								
Customer accounts	800,165	–	–	108,571	600,196	–	5	1,508,937
Other liabilities	–	–	–	–	–	–	4,178	4,178
Shareholders' funds	–	–	–	–	–	–	42,929	42,929
	800,165	–	–	108,571	600,196	–	47,112	1,556,044
Interest rate sensitivity gap	(48,289)	269,510	–	(37,998)	(183,013)	37,911	(38,121)	–
Impact of 2% change in interest rates	–	(553)	–	546	4,329	(3,496)	–	826

33. CAF Bank financial instruments and risk management (continued)

33.3 Market and Interest Rate Risk (continued)

At 30 April 2021	Next day	Up to 3 months	3 months to 6 months	6 months to 1 year	1 year to 5 years	Over 5 years	Other items	Total
	2021 £000	2021 £000	2021 £000	2021 £000	2021 £000	2021 £000	2021 £000	2021 £000
Assets								
Balances at Bank of England	415,461	2,295	-	-	-	-	-	417,756
Loans and advances to banks	7,897	-	-	-	-	-	-	7,897
Loans and advances to customers	115,004	-	-	-	9,502	-	-	124,506
Debt securities	-	337,166	32,012	207,175	202,453	106,641	429	885,876
Prepayments and accrued income	-	-	-	-	-	-	4,067	4,067
Intangible fixed assets	-	-	-	-	-	-	1,194	1,194
	538,362	339,461	32,012	207,175	211,955	106,641	5,690	1,441,296
Liabilities								
Customer accounts	788,350	-	-	84,088	525,704	-	4	1,398,146
Other liabilities	-	-	-	-	-	-	1,848	1,848
Accruals and deferred income	-	-	-	-	-	-	13	13
Shareholders' funds	-	-	-	-	-	-	41,289	41,289
	788,350	-	-	84,088	525,704	-	43,154	1,441,296
Interest rate sensitivity gap	(249,988)	339,461	32,012	123,087	(313,749)	106,641	(37,464)	-
Impact of 2% change in interest rates	-	(234)	(236)	(1,809)	13,479	(11,310)	-	(110)

33.4 Other categories of risk

- Operational risk
- Conduct risk
- Operational resilience
- Financial crime
- Covid-19

The group approach to exposure to and management of each of the above risks is described in the group Risk Management Report and includes particular reference to CAF Bank in respect of regulatory and operational risk.

33.5 Capital Management

CAF Bank aims at all times to maintain an adequate level of capital to support the development of its business and to meet regulatory capital requirements.

Business and capital plans are drawn up annually covering a three year period and approved by CAF Bank's Board. The plans ensure that adequate levels of capital are maintained by CAF Bank to support its strategy. This is integrated with CAF Bank's annual planning process.

The capital plan takes the following into account:

- current and anticipated future regulatory capital requirements;
- increases in demand for capital due to business development, including planned lending growth;
- potential demand for capital from market shocks or stresses;
- available supply of capital and capital raising options;
- achieving a minimum required leverage ratio; and
- internal controls and governance for managing CAF Bank's risk, operations and capital.

33. CAF Bank financial instruments and risk management (continued)

33.5 Capital Management (continued)

CAF Bank undertakes a detailed capital adequacy assessment to support its capital requirements. Each material risk is assessed, relevant mitigants considered, and appropriate levels of capital determined. The capital adequacy assessment is a key part of CAF Bank's risk and planning framework and a minimum capital requirement is assessed and agreed with the PRA. CAF Bank's internal capital adequacy assessment is regularly updated.

CAF Bank's capital resources comprise:

	2022	2021
	£000	£000
Ordinary share capital	29,350	29,350
Distributable reserves	1,000	1,000
Additional tier 1 capital	11,000	11,000
Profit and loss account	1,579	(61)
	42,929	41,289

BOARD OF TRUSTEES

Chair
The Hon Sir James Leigh-Pemberton, CVO

Cyrus Ardalan

Roger Perkin FCA

Janet Pope

The Rt Hon Sir Ernest Ryder TD DL

David Shalders

Dr Priya Singh, Chair NCVO

Susannah Storey CB

Matt Hammerstein (resigned 29 September 2021)

Tiina Lee (resigned 28 April 2022)

Sabine Everaet (appointed 28 April 2022)

Meredith Niles (appointed 28 April 2022)

Owen Valentine Pringle (appointed 28 April 2022)

EXECUTIVE COMMITTEE AT THE DATE OF SIGNING

Group Chief Executive
Neil Heslop, OBE

Group Chief Financial Officer
Liz Rylatt FCA

Group Chief Operating Officer
Ian Cohen

Group Director of Brand and Marketing
Nora Sakaan

Managing Director of Philanthropy Services
Mark Greer

CEO, CAF Charity Services and CAF Bank
Alison Taylor

CEO, CAF America and CAF Canada
Ted Hart

Executive Director of People and Purpose
David Jessop

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Registered charity number 268369

CAF
Charities Aid Foundation

Registered charity number 268369

CONTACT US
Visit www.cafonline.org to find out more

THE CHARITIES AID FOUNDATION

England & Wales - Charity number 268369

Accounts

CHARITIES AID FOUNDATION TRUSTEES' REPORT

and financial statements for the year ended 30 April 2021



Together building opportunity

CAF
Charities Aid Foundation



A year like **never before**

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The Charities Aid Foundation is a leading charity operating in the UK and internationally.

Our work connects and enables the vital organisations, institutions and individuals working to ensure that everyone has a stake in the future.

We believe that the agency of lasting change lies across sectors and borders, in the hearts, minds and hands of those driven to make a difference.

Photo: Mariantonietta Peru, courtesy of Helen Keller International





WHO WE ARE: OUR PURPOSE

CAF exists to accelerate progress in society towards a **fair and sustainable future for all.**

CAF delivers on this purpose in a variety of ways:

- Charities Aid Foundation operates in the United Kingdom, the United States of America and Canada and, together, we work with companies and private philanthropists to enable them to give more.
- We are regulatory experts and ensure that funds reach charities and social enterprises as quickly and safely as possible; through our sector-leading charity validation we enable effective cross-border giving.
- We partner with Government and donors to achieve maximum impact, including the delivery of large-scale grantmaking programmes.
- We work with regular donors to help them support charities.
- We help companies deliver employee charitable giving and support their communities and chosen charities.
- We enable charities to do more life-changing work with lasting benefits for all by providing them with funding and finance solutions including banking, investments, fundraising tools and social investment.
- We lead an international network of like-minded charitable organisations; we collaborate across sectors and borders to inspire innovation, share best practices and improve cross-border giving in support of civil society.
- We act as a voice of the charitable sector with Government and external stakeholders to deliver supportive legal, fiscal and regulatory conditions for donors, charities and social enterprises.





I present this report from the Charities Aid Foundation in an extraordinary set of circumstances.



The past year has upended the charity sector that we exist to serve and the repercussions of the Covid-19 pandemic will be felt for years to come. For CAF, it has been a time of immense effort from our team to deliver ever greater impact through our support of tens of thousands of charities in more than 100 countries. In doing so we are privileged to have partnered with business, private individuals and Government to realise greater impact from their giving.

The result has been truly humbling. CAF has seen donations in to our stewardship surpass £1 billion for the first time, an increase of 43% or more than £300 million. This growth is a remarkable testimony to the extraordinary generosity of the people and companies with whom we are privileged to work, and their response to profound need in the world. We work hard to earn, and greatly appreciate, the confidence they have in their partnership with CAF to help achieve their giving goals.

Trusted partners

At all times the beneficiaries of donations are uppermost in the minds of our donors and of CAF. We have together worked tirelessly to help charities survive and adapt in the face of the pandemic. Our grantmaking team began the year delivering the £6.5 million CAF Coronavirus Emergency Fund that helped 1,265 small charities survive the initial shock of the first lockdown. By year end our CAF Resilience Fund had paid a further £19 million in grants to another 645 small and medium sized charities. This initiative is part of an innovative partnership between CAF, the Department for Digital, Culture, Media and Sport and a group of our corporate partners from the UK's insurance and long-term savings industry, who combined their efforts in the Covid-19 Support Fund. We are very pleased to have been charged with safely distributing more than £100 million of Covid-19 support into many thousands of UK charities from this important private, public and third sector collaboration.

In the summer of 2020, we identified the potential to maximise impact through the UK Government's Community Match Challenge. CAF's proposal was the recipient of the largest tranche of public funds dedicated to this effort and the final phase, currently underway, targets £20 million to support charities working with the UK communities hardest hit by Covid-19.

Vital support

Throughout the year CAF Bank has been integral to our Covid response and has provided uninterrupted services to 14,000 charity and social enterprise customers. We continued opening new accounts throughout the pandemic for charitable organisations, many of which had been turned away by other banks. In lending, customers were given flexible terms and access to the Coronavirus Business Interruption Loan Scheme together with invaluable advice as they plotted their route through the crisis. In this

£1,027m

Donations received
(£720m in 2019/20)

£958m

Funds paid to charities and partners
(£708m in 2019/20)

...we have paid out more than £958 million to charities and partners across the world.



£300m

Increase in donations



£100m+

Pandemic relief to charities



14,000

CAF Bank customers served

year's report you will find many inspiring stories from CAF's work beyond these few highlights.

Across the Atlantic our CAF America and CAF Canada Foundations, and the CAF American Donor Fund have demonstrated remarkable growth and have helped ensure we have paid out more than £958 million to charities and partners across the world. This exceptional performance demonstrates what we can achieve when we innovate and work in true partnership across sectors and borders.

Agile, digital-first

None of this would be possible without the generosity and support of our donors, and on behalf of everyone at CAF, I would like to thank them all for the extraordinary support they have given to so many charities in this most difficult of years.

The scale and growth of CAF's activities this year, and the impact of the pandemic on the charity sector are signs that CAF's services are needed today more than they have ever been. This means that we must work continuously to ensure that the organisation is well governed and has the capability to grow in a way which is sustainable and financially robust, and which meets the demands and expectations rightly made of us by all our stakeholders. This year we have carried out a review of our governance and we have also reflected on our enduring purpose, asking ourselves how we need to embrace change in order to sustainably do more. The charities we exist to serve and the donors who entrust us with their giving deserve an agile, digital-first partner which they can trust to achieve the social progress we all seek.

In October, we welcomed Neil Heslop as Chief Executive. Neil and the team have developed and begun to implement a new four-year strategy called 'Together Building Opportunity'. The objective is to ensure that CAF fulfils its obligation and great potential to grow the organisation's impact sustainably. It is ambitious and will require a tremendous amount of hard work and dedication.

All this activity has been undertaken against the background of the constraints and complexities imposed by the pandemic. Everybody in CAF has been affected by these circumstances, and I would like to express my deepest gratitude and admiration for the extraordinary energy, dedication and commitment of all my colleagues and fellow Trustees over the past year.

This year, with great sadness, we said farewell to HRH Prince Philip, The Duke of Edinburgh, a true champion of philanthropic giving. He was our Patron for 47 years, and his energy and enthusiasm in this role made an immeasurable contribution to our work and to the lives of countless beneficiaries of many thousands of charities in the United Kingdom and overseas.

We will always be grateful for his unwavering support and dedication.



Sir James Leigh-Pemberton, CVO
Chair of Trustees

It is a huge privilege to take on the leadership of this remarkable organisation at such a pivotal time for the charity sector around the world.



While the Charities Aid Foundation is, in many ways, a complex organisation delivering a wide-ranging portfolio of diverse activities, at our heart lies a simple and enduring truth of why we exist. Our purpose is "to accelerate progress in society towards a fair and sustainable future for all".

We do this in three ways. We partner with individual and business donors to realise greater impact through their giving. We enable charities to do more life-changing work with lasting benefits for all, and we collaborate across sectors and borders to inspire innovation so civil society may thrive. The organisation has an extraordinary history and impressive reach built on trusted relationships with its donor and charity partners and the skilful commitment of its 500 talented staff in the UK and North America.

The Charities Aid Foundation sits in a unique place, acting as a meeting point connecting companies, private philanthropists, fellow foundations, governments, charities and not-for-profit enterprises.

The teams in our UK, US and Canadian Foundations have deep expertise in ensuring that donated funds arrive effectively, moving across sectors and borders ending up where they have the most impact with the more than 100,000 charity partners we support. Through CAF Bank and our financial solutions arm we provide specialist social purpose banking and investment services to more than 14,000 UK charities and social enterprises.

Truly global platform

We already achieve a great deal but the world is rapidly changing and like all charities we have to take tough decisions. Last year we removed 50 roles from pre-pandemic budgeted headcount to significantly reduce a longstanding operational deficit. As we plan for our post-Covid future, and embrace the climate change challenge, we must adapt and modernise to make an even greater difference to more people and communities in the decade ahead. In March 2021, CAF Trustees agreed a new four-year strategic plan to strengthen our organisation to ensure that we are future-fit. 'Together Building Opportunity' will set us on a path to becoming a truly global platform for giving that connects people and causes so that the impact highlighted on the pages of this report will grow and, in turn, accelerate social progress.



Charities Aid Foundation family

...we will collaborate with others to amplify the voice of the charitable and non-profit sector in pursuit of our purpose.



10 **Countries**

with CAF offices or affiliates

Supporting

100,000

Charities worldwide

To arrive there, we are embarking on a digital transformation, building upon what we do best while modernising systems, partnering with like-minded organisations and simplifying our service to charities. Through the newly-invigorated CAF International giving network we will seek out new partners who can work alongside us to grow the flow of funds into charities in the UK, US and Canada and across borders around the world. We will support companies with the design and delivery of their own giving plans, helping to ensure that their social purpose is reflected in the contribution they make to communities near and far.

CAF America has set a high bar for service excellence with their clients, including aligning and reporting donations to the 17 United Nations Sustainable Development Goals (SDGs). We will build upon this success to extend this approach across the whole organisation in pursuit of the 2030 sustainability agenda.

Amplify the voice of charities

Our private philanthropy clients inspire our teams at every turn, stepping forward with generosity, advancing their giving plans and seeking our counsel on how to achieve the most impact through their donations. We will continue to grow the number of clients we support and will also help colleagues in the wealth adviser community with our expertise so that they may better navigate the needs of donors and charities alike.

For UK charities and social enterprises, our banking, investment and advisory services will be strengthened with major investment to ensure the right people, with modern digital tools, are in place to further increase service excellence.

We will enrich the range of investment options that are enshrined in ESG principles for donor and charity partners alike. Through our thought leadership and policy research work, we will collaborate with others to amplify the voice of the charitable and non-profit sector in pursuit of our purpose. Our long-standing partnership with our founder, the National Council of Voluntary Organisations, is being modernised to ensure we are making the most of every opportunity to collaborate and build on one another's unique expertise.

The team at the Charities Aid Foundation has risen to a remarkable challenge this past year and they have welcomed me with enthusiasm and warmth, for which I am very grateful. In the years ahead, our task is to bring further focus and agility as we work with others so together we build opportunity to grow charitable giving and play our part in accelerating progress in society towards a fair and sustainable future for all.



Neil Heslop, OBE
Chief Executive



What we do

CAF's role has never been more vital both at home in the UK and in the wider world helping to **transform lives and communities.**

For our donors

Flexible giving: Donor Advised Funds in the United Kingdom and United States.

CAF Charitable Trust: Major donors give cash, shares or other assets to us. We add Gift Aid and hold or invest the funds for the future until donors ask us to send their donations to charitable causes around the world.

CAF International: A dedicated CAF team working to build a network of exceptional charities across the world capable of enabling more cross-border grantmaking direct to in-country beneficiaries from our donors.

CAF Charitable Legacy Service: CAF offer an easy and flexible way to leave a gift in your Will to benefit as many charities as you like.

CAF Give As You Earn: Employees give direct from their payroll, before tax and either send the money to charities of their choice right away or fund a CAF Charity Account or CAF Charitable Trust to fund their chosen charities at a later date.

CAF Charity Account: Regular givers donate to CAF, we add Gift Aid and hold the donations until donors ask us to send them to charitable causes around the world.

CAF Company Account: Companies can donate to CAF, we hold the funds and companies can fund charitable causes around the world.

Payroll Giving Services: Our sector-leading payroll giving service allows companies and organisations to offer a convenient way to give for all their employees.

Corporate Advisory Services: We offer advice to companies so they can put their purpose into practice through considered grantmaking services.

For our charities and partners

Grantmaking programmes: We partner with businesses and organisations to design grant schemes and offer diverse grantmaking programmes to charities working across causes and borders.

Charity banking: Through CAF Bank, the specialist bank for charities, wholly owned by CAF.

Savings and Investments: A range of instant access and savings accounts and investment options designed with charities in mind.

Loans and borrowing: Secured loans to fund charity projects from CAF Bank or social investment from CAF Venturesome, including mixed social investments/grants from our pioneering social investment arm.

Fundraising tools: CAF Donate makes fundraising easier by helping charities manage donations online, by post and by phone, all in one place.

Strategic consultancy: Supporting charities to become resilient, so they can make a bigger impact.

Research, policy and public affairs: Our thought leadership in research, insight and policy work helps inform and shape the environment for civil society, in the UK and around the world.



WHAT WE'VE ACCOMPLISHED

For our donors

We partner with corporate and private donors to realise **greater impact** through their giving

The changing face of philanthropy

CAF convened leading voices to discuss the growing impact of women philanthropists. Jamie Cooper of Big Win Philanthropy and Heather Stevens of The Waterloo Foundation, who have each given millions to international development and education, delivered insight into their approaches, what they are looking for and how advisors and charities can best connect with donors. They were joined by Alastair McCall, editor of the CAF-sponsored Sunday Times Giving List, for the event as it celebrates its 20th anniversary documenting how, and how much, the UK's wealthy give to charity.



MAJOR DONORS

In extraordinary times, donors who chose to work with CAF helped us to safely deliver a record amount of funds to charities in 104 countries at their greatest time of need in living memory.

In countless ways, across borders and communities, CAF has been able to partner with business, individuals, social entrepreneurs and government to multiply their generosity and achieve life-changing results for the end beneficiaries of their donations.

These pages detail some of the myriad achievements of the past year and demonstrate the impact of the funds entrusted to CAF.

Private clients

CAF assists our major donors with expert advice for their giving plans across the UK and internationally and offers Donor Advised Fund services.

DONATIONS AND LEGACIES FROM PRIVATE CLIENTS UP BY 26%

£222.9m

Donations into Charitable Trusts and legacies
(£177.4m in 2019/20)
(including from group entities)

£157.9m

Donations paid from CAF Charitable Trusts
(£176.2m in 2019/20)



Connecting the dots brings philanthropy with purpose

Vicky and Robert Wright worked closely with the private clients team to realise their desire to support organisations in the developing world.

Photo credit: Mariantonietta Peru, courtesy of Helen Keller International

CASE STUDY

MOZAMBIQUE

Their dedicated adviser noted that the Wrights were already supporting disability charities in the UK and researched how they might best link their areas of interest in their giving. The result was a recommendation that they direct their donations towards nutritional programmes, noting that poor nutrition is a leading cause of disabilities in poorer countries.

The Wrights have since made generous donations to two leading international charities – Swiss-based GAIN and the US-based Helen Keller International – both deliver respected nutrition programmes to some of the world's poorest children.

In addition to stressing the importance of keeping an open mind in planning their donations, the Wrights said:

"Dealing with CAF has not only flagged up unexpected directions, but even overseas has proved seamless. For those who, like ourselves, are relatively inexperienced, working with CAF is a comfort because we know they understand our objectives and will help us avoid unforeseen pitfalls.

"Working with a single adviser and each side getting to know the other really helps efficiency. You know you will get a response very quickly to any queries you may have."

GAIN said: "Support from the Wright family is helping GAIN to promote healthy eating amongst girls in Nampula Province in Mozambique. Eating a healthy range of foods including fruits and vegetables is essential to give the girls the nutrients they need for healthy growth and well-being, now more than ever."



CAF America

Celebration of International Philanthropy Awards

CAF America marked 30 years of helping donors take their philanthropy further by honouring three standout partners with Excellence in International Philanthropy Awards. The PepsiCo Foundation, Flexport and Gavi, the Vaccine Alliance, were recognised for their work in guarding the health and well-being of communities worldwide during the pandemic.

CAF America

From one of the world's most generous countries, a breathtaking year of giving. The team at CAF America enabled safe, effective and regulatory compliant payments worth £376.6 million ($492 million) to charities and partners – a year-on-year increase of £199.7 million ($265 million), or more than 112%.

Along the way, the team at CAF America have provided thought leadership and worked to chronicle the impact of the crisis on not-for-profits worldwide in order to provide their donors with data-driven giving strategies.

They have also captured the response of companies in America, reporting not just increased contributions to charities, but a newfound desire to work in partnership with recipient charities and to ensure that their philanthropy aligned with their core purpose.



DONATIONS TO CAF AMERICA UP 71%

£ 364.3m

Donations received by CAF America (including from group entities) (£212.6m in 2019/20)

£376.6m

Funds paid to charities and partners by CAF America (£176.9m in 2019/20)

+£199.7m

Increase in money paid to charities and partners year-on-year

The CAF American Donor Fund (CADF)

In many respects the CAF American Donor Fund is a microcosm of the work we aim to do across Charities Aid Foundation.

With a clear focus on our clients, ensuring they have dedicated expertise on hand to assist them in their giving journey and, moreover, putting in place the digital solutions that are required to offer the best possible service, we have been able to grow not only the number of clients we work with from 407 to 487, but the value of their donations grew to £83.4 million from £79.5 million the previous year.

A clear understanding of the regulatory environment around cross-border giving means that dual UK-US taxpayers are able to turn to the CAF American Donor Fund for knowledgeable, safe and efficient ways to grant money to the charities and causes delivering on a vast array of missions and lend their support to people and causes as diverse as the world itself.

£83.4m
Donations to CADF
(£79.5m in 2019/20)

1,352
Total grants made
(1,376 in 2019/20)

£73.8m
Total grants paid
(including group entities)
(£82.7m in 2019/20)



CAF Canada

Once again, growth was also the story of CAF Canada, which saw a 71% increase in donations paid out to charities, building on eight years of successful double-digit growth.

DONATIONS TO CAF CANADA UP 26%

£14.9m
Donations received
(£11.8m in 2019/20)

£15.6m
Donations paid to charities
(£9.1m in 2019/20)

COMPANIES

A cornerstone of CAF's work over the past year has been our valued partnership with the Covid-19 Support Fund from the UK's insurance and long-term savings industry, which touched the lives of millions of people and represents the UK's single largest corporate gift. The fund, established with donations from 37 firms across the UK, set out to help community-based charities under unprecedented strain; charities supporting the most vulnerable and initiatives to promote well-being and mental health across society.

Delivering purpose

This work is just part of CAF's role as market leader in a wide range of corporate giving plans, delivering respected corporate responsibility and community programmes in the UK and globally. Our dedication to helping companies deliver their purpose is borne out in ongoing relationships with household names and global corporations across sectors and borders.

DONATIONS DIRECTED TO CAUSES AROUND THE WORLD

£138.4m

(£92.0m in 2019/20)

CASE STUDY

UNITED KINGDOM

CAF and the Covid-19 Support Fund

Size of gift: £103.9m

- £20m of immediate relief delivered through the National Emergencies Trust
- £41m to six unique areas of social need and 14 charities for lasting impact
- £2.5m to Business in the Community (BITC) for the National Business Response Network
- £20m in match funding for the DCMS Community Match Challenge to create the £40m CAF Resilience Fund to help communities hardest hit by Covid-19.



CAF's Corporate advisory service helped to identify and support charities working across six key cause areas with grants of between £2-5m.



CAF and AstraZeneca: Partnering to deliver on SDGs

AstraZeneca's Step Up! Global Grants Programme, as part of AstraZeneca's Young Health Programme, is just one way in which CAF helps them work towards achieving UN Sustainable Development Goal 3.4 of reducing early death from non-communicable diseases. The company provides core funding for their Young Health Programme through CAF. Since it launched in 2010, the programme has reached 30 countries and more than five million young people and trained more than 20,000 health workers. In the UK, AstraZeneca was instrumental in CAF's launch of the Patient Organisation Recovery Fund, delivering vital support to charities giving a voice to the needs of patients amid the fundraising crisis of the pandemic.



Regular givers and Give As You Earn

Despite the worries of the economic impact of Covid-19, CAF Charity Accounts and CAF's Give As You Earn (GAYE) employee payroll giving scheme both grew over the past year, providing tremendous, ongoing support for charities. With payroll giving, companies are able to offer their teams an effective way to give and they are also able to provide match-funding opportunities.

DONATIONS PAID TO CHARITIES FROM CAF CHARITY ACCOUNTS

£79.5m
Gift Aid Funded
(£73.3m in 2019/20)

£34.3m
GAYE funded
(£33.0m in 2019/20)

£113.8m
Total
(£106.3m in 2019/20)





WHAT WE'VE ACCOMPLISHED

For our charities

We enable charities to do more **life-changing work** with lasting benefits for all

Serving charities and providing services to enable them to thrive lies at the very heart of how we achieve our purpose. Without their efforts on a local, national and global scale, social progress that delivers a fair and sustainable future for all would falter at the first hurdle.

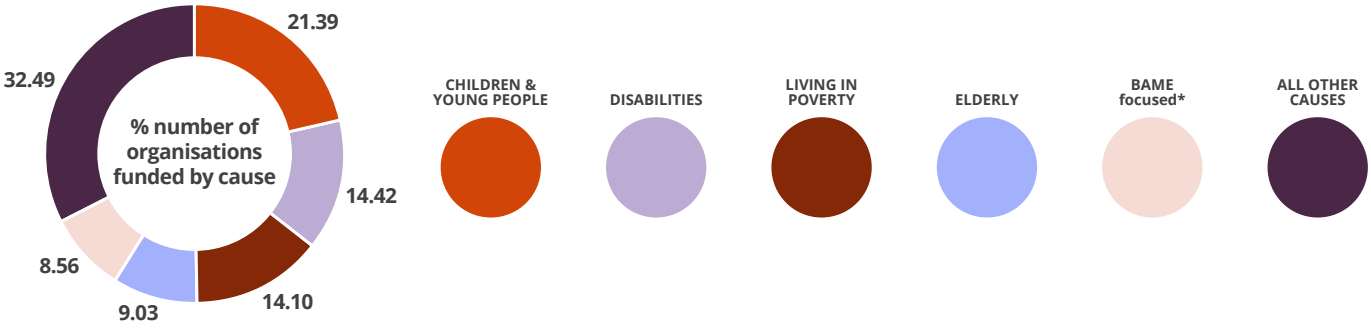
CAF Charity Advisory and Grantmaking Programmes

CAF's grantmaking has been a standout element of our work over the past year. The year began with the CAF Coronavirus Emergency Fund, which paid £6.5 million in grants of up to £10,000 to 1,265 small organisations working on the front lines of Covid relief within weeks of the UK's first lockdown.

Just two months later, working in partnership with the Covid-19 Support Fund and our Corporate Advisory team, we sought to develop a crucial partnership with the Department for Digital, Culture, Media and Sport. Following a £20 million commitment from the insurance and long-term savings industry, CAF's grantmaking team were able to successfully secure a further £20 million commitment in match funding as part of the Government's Community Match Challenge.

The result – the £40 million CAF Resilience Fund – is the single largest fund created through this scheme. This partnership sets a gold standard for what can be achieved when CAF is able to use its unique expertise to harness the determination of industry to effectively and speedily support communities in need and the desire of Government to turn to a trusted partner to help deliver taxpayer-funded support to the charities that were on the frontlines in helping the people and causes coping with the ravages of the pandemic.

CAF RESILIENCE FUND DISBURSEMENTS TO DATE



*Black, Asian and minority ethnic.

CASE STUDY

LONDON, UK

The Naz Project
Help where it's needed most



The NAZ Project London is a Black, Asian and Minority Ethnic led sexual health agency and HIV support service working to address sexual health inequalities in the communities they serve. Covid-19 has drastically impacted their work.

Since the pandemic first hit, the team worked to meet the immediate needs of their clients: providing food, referrals, counselling and advice on welfare and benefits – a crucial service for those who often do not have English as a first language or do not feel confident accessing services.

In those frightening early days, the team spoke to 301 people living with HIV in under 72 hours, listening to their anxiety about having to self-isolate and worried how they were going to earn a living.

Covid-19 halted routine face-to-face meetings and the team quickly adapted to virtual events such as live webinars and online counselling. But to continue, they urgently needed to update their technology.

A £50,000 grant from the CAF Resilience Fund delivered the support they needed at a crucial moment.

"Securing core operating costs is the biggest challenge for any charity; CAF's recent grant to NAZ has been a much-needed act of support," said Parminder Sekhon, CEO of the NAZ Project London.

"Now more than ever BAME-led charities need to keep their heads above the waterline and not only survive but adapt, grow and thrive as we respond to the disproportionate Covid related impacts within our communities."

Emergency dentists for the homeless



Until Covid-19 struck, dental charity Dentaid's two mobile clinics were offering free check-ups, extractions, scale and polishes and more to vulnerable people who struggle to get NHS assistance, many of whom had suffered the misery of toothache for months.

The benefits of freeing people, including the homeless and drug users, from dental pain and helping improve their appearance means they are not only able to eat better and stop self-medicating with drugs and alcohol, it can also give them renewed confidence for job interviews. A shocking 15% of homeless people have attempted to extract their own teeth. But the clinics, which had been operating at sites such as soup kitchens and night shelters along the south coast and cities including Leeds and York, were forced into hibernation in March 2020.

"We also had to cancel all our fundraising activities, from sponsored runs to golf days, and furlough staff," says development manager Sue Smith. "It was an extremely difficult time."

Dentaid's fundraising crisis was exactly the sort of situation that the CAF Resilience Fund was created to address. We gave Dentaid a grant of £36,288 to get through the effects of the pandemic and cope with the huge backlog of patients desperate for treatment once restrictions began to lift.

"The funding has helped us run several clinics a week," says Sue, adding they've been able to visit new locations. "We've done around 65 since January."

"With the help of CAF and our wonderful volunteers and supporters, more and more vulnerable people won't have to suffer the misery of untreated toothache," says Sue.

Venturesome

CAF's pioneering social investments arm continues to offer true impact for both charities and donors and in the past year has introduced new blended financing opportunities for social enterprises to help them survive the pandemic and adapt their work.



SOCIAL INVESTMENTS AND CAF

95 funders

CAF private clients, corporate foundation and grantmaking trusts

£3.1m

worth of social investments made to 27 organisations
(32 worth £2.9m in 2019/20)

£5.6m

worth of social investment loans received by 117 social organisations
(£6.3m in 2019/20)

£663k

worth of grants made to 15 organisations as part of blended finance packages

CASE STUDY

BRIGHTON, UK

Food and social finance: how it should be



HISBE Food (HISBE stands for 'how it should be') was first given a £10,000 interest free loan from CAF Venturesome in 2012 to set up a Brighton store with a mission to make food shopping more ethical, affordable, locally produced and packaging-free.

"The CAF team were commercially astute but also had a real appreciation of what we were trying to achieve with the shop, and that was very encouraging," says HISBE co-founder and director Ruth Anslow. The 3,000 sq ft store opened in December 2013.

With a £60,000 loan from Venturesome's Development Fund, HISBE then set its sights on opening a second store in Worthing in early 2020 – when Covid intervened.

"We put the launch on hold, furloughed our staff and directors and put the Brighton store on a different trading model, with reduced hours, to keep it going," says Ruth. "But without a further loan and grant that CAF gave us, we'd have been in a precarious position."

HISBE survived lockdown and, in January, the Worthing store finally opened. Since then, both shops have gone from strength to strength, employing 21 people and working with 135 local and independent suppliers.

"The support from CAF has been incredible. They are so flexible, supportive and happy for us to ring up and say 'We're in a difficult position. What do you suggest?' More often than not, they have some solution, or a contact who can help us. They go above and beyond."

CAF Bank

Wholly owned by CAF and with any surplus profit gifted back to Charities Aid Foundation, the Bank is key to what we are able to achieve for UK-based charities. Transforming our banking service for a seamless customer journey online, on mobile and over the telephone is underway in earnest with the signing of contracts with our supplier as part of our multi-year renewal. Our marketing teams continue to run extensive fraud awareness campaigns to help charities protect their funds at a time of heightened risk.

FRAUD PREVENTION FOR CHARITIES

£1.40bn

Deposits
(2020: £1.16bn)

£164.7m

Total committed loans and advances to customers
(2020: £139.8m)

CASE STUDY

SHEFFIELD, UK

Snowdrop Project

Stability and a place to call their own

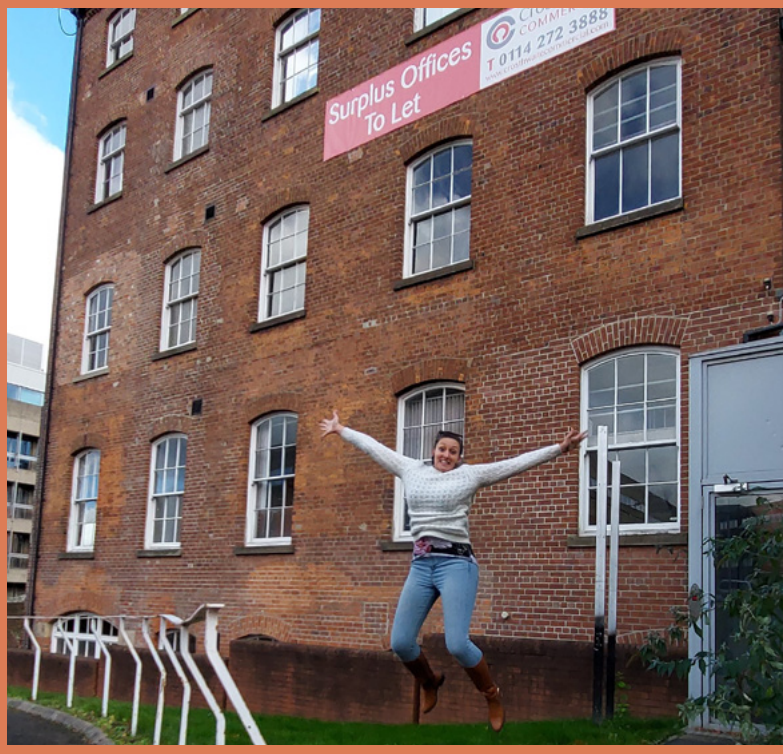
After three different moves in four years, Sheffield's Snowdrop Project knew that it was falling short in providing a vital point of stability that its vulnerable clients desperately needed in their lives.

The support hub offers counselling, training and community activities to survivors of human trafficking.

So at the end of last year, the project's founder and CEO, Lara Bundock, approached CAF Bank for a loan to buy a permanent home. With a £380,000 loan, Snowdrop was able to purchase a former police station.

From slavery to safety

The charity's clients, who come from all corners of the world and who may have been sexually exploited, forced into slave labour or made to work for criminal gangs, now have a safe, reliable community base. The premises also have private therapy rooms, a crèche and ample space for activities ranging from dancing to trustee meetings.



CAF Bank was there to support Snowdrop through delays in the purchasing process. "We also discussed in-depth scenarios, such as planning for the loss of a major funder, making us feel like we could handle any eventuality," says Lara.

The large building gives Snowdrop plenty of scope to expand. The charity is currently renting out space to other organisations, including one that provides legal support for trafficking victims, creating opportunities for impactful collaboration and an extra source of income.

"This is a significant new chapter for the charity," says Lara.

CASE STUDIES

GLASGOW, UK

New homes for deprived areas

CAF Bank's £9 million loan to Glasgow's Govanhill Housing Association is providing hundreds of families with safe and affordable homes.

The association owns more than 2,800 homes for social rent and is using the money to refurbish dilapidated tenement buildings in one of the most deprived parts of Scotland in addition to building around 90 new homes, with more in the pipeline.



"Its similar ethical objectives and flexible, pragmatic approach to our ever-changing needs and pressures, has made it easy to work with CAF Bank."

Shannon Watson, Govanhill Housing Association

STORRINGTON, UK

Local hub leaps both banking and funding hurdles

When the privately-owned Chanctonbury Leisure Centre in Storrington, West Sussex closed its doors in March 2020, the future looked bleak for what had been a valued local hub.



That was until a group of nearby residents decided to establish a charity and run the centre. Soon, they hit their first major hurdle when they tried to open a bank account as a fledging organisation in a pandemic as high street banks were refusing to take them on.

"We weren't even a registered charity, at that point, but CAF Bank were happy to start setting things up, which was very reassuring and important for us," says Andrew Dunstan, one of the founders and now the charity's operations director.

'Strength to strength'

The relationship with CAF went from strength to strength when CAF Bank introduced them to CAF Venturesome, which in turn provided the charity with a £100,000 loan and a £50,000 grant. Combined with funding from several local councils and Storrington-based engineering firm, Tesla, they were able to reopen in April and find their feet with limited cash flow.

They will also be able to invest in more facilities for the largely rural local community, such as a new artificial football pitch.

The leisure centre now has 450 members, surpassing its early targets. "The feedback from users has been fantastic," says Andrew. "This place is about more than having somewhere to exercise – it's a local hub. People have been able to meet up with friends they haven't seen in months and have coffee together.

Fundraising tools: CAF Donate

Through CAF Donate, we continue to help UK-based charities with their shift to digital fundraising, complete with Gift Aid services to remove the administrative burden, enabling them to spend more time delivering for their beneficiaries.

£44.0m

Donations in to charities
(£34.2m in 2019/20)

City Harvest

When lockdown struck, CAF was able to quickly help London charity City Harvest to expand its services when it mattered the most. The organisation distributes surplus food from restaurants, manufacturers and retailers to vulnerable groups and Covid-19 led to a sudden surge in demand. With the quick addition of a CAF Donate button on their website, supporters could give money easily and securely. City Harvest now provides food for one million meals a month – never more needed.



CAF Financial Solutions

Our financial services for charities continue to offer meaningful choices for organisations of all sizes and the CAF Charity Deposit Platform grew to £86 million by 30 April 2021 and by 30 June 2021 had reached £98 million, attracting charity customers with the ability to easily diversify where their cash deposits are held, allowing them to meet their obligation around security of funds.

As part of the detailed strategic review of our organisation that will ensure that we are future fit to support the charitable sector to the best of our abilities, all products and services offered by CAF Financial Solutions Limited (CFSL), as a subsidiary of CAF, were examined. After a thorough assessment of both the current and future needs of our charity customers, the decision was taken by CAF and CFSL to close down the CAF Investment Account service.

The teams have worked to support the affected clients as they move their investments to alternative options.

Our ongoing commitment to provide both our charity and private clients with attractive investment solutions led the management of the IFSL CAF Funds to move to Aberdeen Standard Capital Limited (ASC) from Octopus Investments Limited (Octopus) in April. ASC also assumed management of the underlying portfolios in the CAF Managed Portfolio Service (MPS) from Octopus. These changes included the successful migration of £194 million in funds to ASC and included dedicated client support throughout. This change is the first step in a longer term plan to further develop the specialist products that CAF is able to offer to its clients.

For our partners



We collaborate across sectors and borders to **inspire innovation** so civil society can thrive

A new channel of support for South Africa

We were delighted to support our partners CAF Southern Africa (CAFSA) in the launch of the Validate4Good platform to deliver fast online validations of non-profit organisations (NPOs).

Fast, efficient confirmation of an NPOs credentials will translate into them gaining rapid credibility with national and international donors across CAF's networks, expanding their global reach and improving their fundraising potential.

"For any NPO in Southern Africa that is seeking international funding, it is absolutely crucial that they are properly validated," says Ted Hart, CEO of CAF International. "This scheme protects both the funder and the charities, while enabling a channel of assistance to those in need."

After a year of immense struggle for so many in South Africa, this new initiative can help deliver life-changing support for numerous projects.



CAF International

The CAF International network of partners once again proved invaluable in coming together to offer a unique alliance of like-minded, independent organisations with shared values at its core.

Our work with international partners this past year has included our active support for the WHO Foundation Solidarity Response Fund and the Disasters Emergency Committee (DEC) Coronavirus Appeal. In August 2020, we also directed donors to charities working on the ground in the aftermath of the Beirut port explosion. CAF is currently facilitating funds – with Gift Aid provision – to the Go Give One campaign, partnering once again with the WHO Foundation to enable people everywhere to help buy Covid-19 vaccines for others around the world, starting with those most in need.

We have enabled more funds to flow to charities through our Transnational Giving Europe (TGE) partners, demonstrating the vital role that validated, reliable cross-border giving partners play in supporting not-for-profits across the globe.

The network also informed the global picture of the pandemic through the publication of a dedicated Covid-19 response report from CAF UK, CAF America and CAF Canada along with affiliate organisations CAF Russia, CAF India, CAF Southern Africa, IDIS in Brazil, BCause in Bulgaria, Good2Give in Australia and TUSEV in Turkey. A separate examination of government policy reactions around the world to not-for-profits and Covid-19, including identifying those that actively unlocked philanthropy, was also released as was a joint report with the CIVICUS global alliance of civil society organisation looking ahead to future rebuilding efforts.

Charity Support

CAF's respected research and policy work continues to help inform Government, industry, donors, the media and the charitable sector in their work. CAF's expertise is routinely sought to act as a voice of the sector and offer constructive and informed views to bring clarity to public debates in support of the work that charities do.

Amid the pandemic, CAF's insights team used a data-driven approach to identify both geographic and cause areas which were experiencing the highest levels of need owing to Covid-19 and ensured the CAF Resilience Fund targeted the most vulnerable communities with our support.

Giving Tuesday in the UK, led by CAF, saw a 42% increase in donations to charities on the universal day of generosity over 2019. The number of partners signing up in support of Giving Tuesday increased by 19% and included a range of both high profile charities and new high street brands. After eight years of successfully incubating the campaign in the UK and following our recent strategic review, CAF will pass on the leadership to another organisation for future years, while continuing to offer our full support to the global day of giving.



CAF's research and policy work has been sought by Government, the media, industry and sector colleagues.

At CAF, we ask our staff to simply 'be who you are, we like you that way'. We know that our employees are critical to our success and aim to ensure that they feel valued and appreciated and that we, in turn, deliver a great and safe place for them to work.

"Our Chief Executive has prioritised staff engagement... contributing to an inclusive and open staff culture."

Employees, equality and diversity

Over the past, challenging year, CAF has prioritised the well-being of our staff, offering a range of informal opportunities for them to come together through a thoughtful programme of events to promote staff cohesion despite the challenges of remote working. These have included online yoga, craft classes, cooking classes and mindfulness sessions in addition to confidential sessions on stress management, identifying signs of burnout and for managers, how to best support teams.

Engaged, open

CAF has begun a staff consultation to chart the best way forward as we emerge from Government guidance around working from home. We work closely with our dedicated Employee Council members, who constructively represent the views of staff and offer valuable support. We have developed clear safety protocols within our premises to ensure every precaution is taken to keep our staff safe.

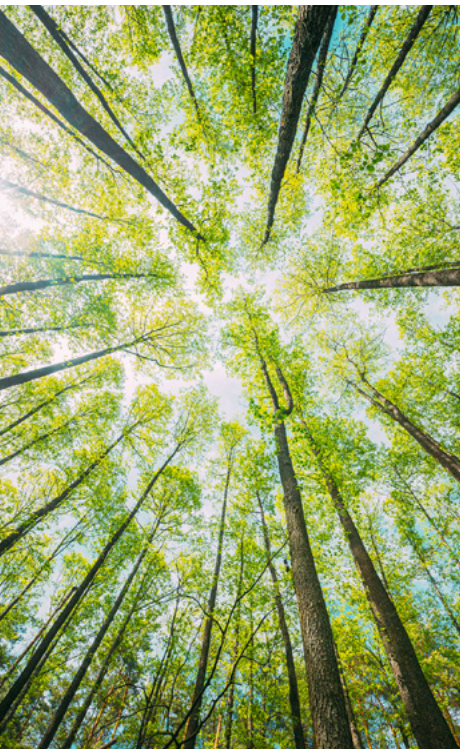
Our Chief Executive has prioritised staff engagement and has hosted all-staff town hall meetings on a regular basis which have been well-received and are contributing to an inclusive and open staff culture.

We are an equal opportunities employer and our staff are from a diverse range of backgrounds. Improving on CAF's gender pay gap has been identified as a priority, as has ensuring our workforce better reflects the world around us, including the number of people living with disabilities. To our valued employees, we offer payroll giving with matched donations and a paid volunteer day in addition to a package of benefits including: a contributory pension scheme, healthcare and life and disability insurance.

Fairness and transparency are core principles and we do not tolerate any form of intimidation, bullying or harassment and encourage anyone who has been subject to discrimination to raise their concerns. A whistleblowing policy is promoted to enable staff to raise concerns.

When filling Trustee, Board and committee positions, diversity is actively considered as part of the selection process with measures in place to ensure an appropriate diversification is maintained. Our Board of Trustees is 40% women and a quarter of our Executive Committee are women.

As a charity that exists to support social enterprises and charities, CAF is attuned to the work that many are doing as leading voices in the battle against climate change.



Through not-for-profit banking services delivered through CAF Bank, we aid them in their work and continuously search for new ways in which we can help.

Internally, we have reflected upon the past year since the onset of Covid-19 and are determined to retain the environmental gains that resulted from our sudden shift in ways of working as teams moved to home-working where possible.

Reducing waste

We carried out an organisation-wide effort to ask employees to help us identify instances of wasteful practices, old habits or ways of working that had become outdated and set about eliminating those that were redundant. Many of the more than 300 suggestions from staff led to a reduction in the use of paper.

It was a reminder of the need to routinely review how we go about our day-to-day business and to remain vigilant in reducing waste. Our ongoing upgrade of desktop technology in 2020 was undertaken with a supplier committed to the circular economy, recycling and responsibly disposing of used equipment. Our dedicated employee working group has consulted external experts to gather baseline data on our energy consumption so that we can develop a carbon reduction plan for our organisation.

Across CAF, we continue to implement policies in respect of our activities to manage and monitor the impact of climate change. These policies, emerging in line with environmental and regulatory changes, will set out our risk appetite for exposures to climate change.

A word about governance

CAF has embarked on a full review of all governance structures, including the make-up of committees, protocols around compliance and due diligence and an audit of our business continuity and crisis planning for both the parent charity and the wholly-owned CAF Bank in order to strengthen our preparedness. Our Executive Board meetings are attended by a newly-appointed Risk and Financial Crime Director in addition to our General Counsel.

Our Trustees and executives are accomplished leaders in financial services, the third sector and several other fields. Their expert scrutiny and strategy direction informs everything we do and ensures our compliance and reporting protocols are fully fit for purpose and that our staff feel empowered to raise any concerns about internal practice. They set an impressive level of robust, transparent governance that is upheld throughout the organisation. Staff training is constantly reviewed to ensure everyone at CAF is fully aware of their own responsibilities to protect our organisation and our clients.

See page 30 for more details on our structure, governance and management.

"Our newly-agreed four-year strategy includes plans for significant investment to enable CAF to create a global digital platform for giving."

CAF is greatly affected by the economic fallout of the pandemic with record low UK interest rates adversely impacting our investment income. We constantly seek cost efficiencies and have frozen salaries. We continue to ensure that all regulatory requirements are met and that IT systems remain resilient throughout the organisation. Our newly-agreed four-year strategy, Together Building Opportunity, includes plans for significant investment in technology to enable CAF to create a global digital platform for giving that will increase the delivery of funds to charities across borders more quickly and at lower cost whilst increasing fee income and mitigating our exposure to interest rates.

The Charities Aid Foundation's accounts are consolidated and therefore include the income, costs and balance sheets of its charitable and trading subsidiaries in the US, Canada and the UK. The principal subsidiaries are CAF Bank, CAF America and the CAF American Donor Fund. The principal sources of unrestricted income are fees earned for services and products provided together with interest on loans and income earned from financial assets. Restricted income consists principally of donations, donor accounts in the Charity and CAF America and legacies. The group balance sheet consists primarily of the unrestricted and restricted charitable funds of the Charity and of its charity subsidiaries together with donor client balances where the Charity is acting as agent and CAF Bank depositor balances.

Restricted funds and donor client balances

Donations received by us and subsequently paid to charities represent the principal movements in our restricted and donor client balances. The restricted funds principally relate to the services we provide to donors through CAF Charitable Trusts, CAF Charity Accounts, CAF Company Accounts, CAF America and CAF American Donor Fund. Donor client balances consist of donations received by us and subsequently paid to other charities through CAF Give As You Earn and CAF Donate. We have illustrated earlier in this report how the generosity of donors using our services in the UK and US enabled receipts from donors to exceed £1 billion for the first time, increasing by 43% to £1,027.0m.

At 30 April 2021 restricted funds held in respect of our services, offering donors flexibility to make donations at a later date and to maintain philanthropic capital, increased to £1,539.9m (2020: £1,332.2m). Restricted funds benefited from the high level of receipts, both in the UK and US and from the addition of investment income of £10.9m (2020: £14.8m). In addition market movements during the year resulted in an increase of £131.1m in the value of our financial investments (2020: decrease of £43.0m), which had an aggregate market value of £772.5m at 30 April 2021 (2020: £627.5m). Our financial investments are principally investments held for CAF Charitable Trusts, typically a portion of the funds are also held in cash to meet donors' short-term giving, with the financial investments held to fulfil medium- to long-term objectives.

Our donor client balances remained substantially unchanged at £4.5m (2020: £4.8m). These reflect donations in the course of processing for CAF Give As You Earn and CAF Donate.

	Donations, legacies and grants received		Payments to charities and partners	
	2020/21 £m	2019/20 £m	**2020/21 £m**	2019/20 £m
Restricted funds per Group Statement of Financial Activities (SOFA)	**954.1**	657.9	**885.2**	646.1
Donor client balances (note 20 to the Financial Statements)	**115.9**	102.7	**73.1**	61.8
less: CAF Give As You Earn receipts transferred to restricted funds and included in the Group SOFA	**(43.0)**	(40.6)	**–**	–
Net donor client balances	**72.9**	62.1	**73.1**	61.8
Total	**1,027.0**	720.0	**958.3**	707.9

CAF Bank depositor balances and lending

CAF Bank continues to be underpinned by a strong and stable base of deposits provided by its charity customers and a robust liquidity position. At 30 April 2021 CAF Bank depositor balances had increased by 21% to £1,397m (2020: £1,156m). Approximately 90% of CAF Bank's assets are highly liquid, with liquidity buffer eligible assets of £1,174m at 30 April 2021 (£916m at 30 April 2020).

Despite the extremely challenging economic environment, CAF Bank's lending continued to grow during 2020/21. At 30 April 2021 the value of total committed loans and advances to customers stood at £164.7m (2020: £139.8m). The pipeline of sanctioned loans stood at £24m at 30 April 2021, providing a strong base for further growth in lending.

Following the impact of Covid-19, CAF Bank has continued to closely monitor and analyse the collective and specific loan provisions. A number of customers temporarily closed their operations and have only recently started to reopen. Despite this, the quality of the loan book remains strong, resulting in a modest loan loss charge. The collective provision was determined as £0.8m at 30 April 2021 (£0.7m at 30 April 2020) and specific provisions stood at £1.4m at 30 April 2021 (£0.9m at 30 April 2020).

Unrestricted funds

At 30 April 2021 group unrestricted funds stood at £68.5m (2020: £67.0m), an increase of £1.5m (2020: £5.3m).

The following key factors have impacted our unrestricted funds during the year:

- The ongoing low interest rates in the UK resulting in a £1.5m reduction in investment income and a £1.7m reduction in CAF Bank's net interest income
- Fee income has increased by £4.3m, principally in the US
- Costs increased in the US to support the level of growth and reduced in the UK following a programme of cost reduction measures including a number of compulsory and voluntary redundancies
- The transfer of £3.2m from restricted funds
- An increase of £2.4m in donations to the charity
- Actuarial gains of £0.8m (as determined in accordance with FRS 102) arising on a defined benefit pension scheme.

On a consolidated basis total income increased to £43.5m (2019/20: £39.9m). This reflected a £2.9m increase in donations, a 25% increase in fee income related to donations and grants, offset by a 15% fall in CAF Bank's net interest income and a 19% fall in investment income both due to the cut in the Bank of England base rate to 0.1%.

CAF and the group continue to be impacted by low interest rates and we continued to experience volatility with regard to interest rates available as deposits matured.

The Charity responded to the expectations of lower income with cost reduction measures, including voluntary and compulsory redundancies, a freeze on salaries and cuts in discretionary expenditure.

Transfers from restricted funds during the year included £2.3m which was transferred from CAF Charity Accounts that were closed during the year in accordance with terms and conditions. All the funds have been applied for the general charitable purposes of CAF. A further £0.5m represented the reimbursement of costs incurred by CAF in the administration of a grant programme.

The Charities Aid Foundation Pension Scheme (the scheme) is a defined benefit pension scheme which is closed to both new employees and further benefit accrual. The scheme's actuary estimates that at 30 April 2021, for FRS 102 purposes, the scheme's assets exceeded its obligation by £1.8m (2020: £1.1m). This surplus, determined in accordance with FRS 102, has been recognised in CAF's balance sheet as at 30 April 2021, after the recognition of actuarial gains in the SOFA of £0.8m.

CAF Venturesome's loans are made to small charitable and social organisations, significant provisions are held against these loans and we believe that loan losses will fall within the level of provisions.

Reserves policy

CAF's policy is to maintain, but not exceed, an appropriate level of reserves to support the activities of the group, taking into account the risks to which the group is exposed, existing and projected future levels of income and expenditure, and the capital requirements of its regulated subsidiaries.

The policy and determination of the required level of reserves are set in accordance with Charity Commission guidelines and are reviewed at least annually by Trustees.

In determining the appropriate level of reserves, Trustees consider the nature of the group's activities and the risks inherent in our financially based activities including credit risk, liquidity risk and interest rate risk, along with other risks to which CAF and the group are exposed.

They also consider future capital requirements and changes in our operating environment, including regulatory changes, that may also impact the level of retained reserves or the levels of reserves we are required to maintain in the future.

Our objective is to remain strong, keep our fees and charges low and take mitigating action where it is possible, so we can offer the maximum support to the charities and donors we serve. We, therefore, continue to take a prudent approach to the levels of capital maintained.

The continuing economic uncertainty resulting from the Covid-19 pandemic and resulting historically low interest rates introduces challenges for all charities, including CAF and its trading subsidiaries. The Trustees continue to closely monitor the situation and to work with the Executive Committee. Following the launch of a new four year strategy, the group has begun a comprehensive programme of work to deliver agile, digital joint solutions and modernise systems and procedures.

Group unrestricted funds, which also represent our reserves, stood at £68.5m (2020: £67.0m). This level of reserves at 30 April 2021 is considered to be sufficient to support the ongoing activities and development of the group.

CAF investment policies and performance

CAF adopts investment policies appropriate to the nature of the funds for which the investments are held. The policies include consideration of liquidity requirements, credit and interest rate risk, yield and diversification. The Investment Advisory Committee reviews our investment policies and performance on behalf of the Trustees.

We continue to be cautious with regard to funds over which we have discretion in the current financial climate, placing funds primarily on deposit with UK banks.

Unrestricted funds – Treasury assets

The Charity's unrestricted funds are used to support the operating activities of the Charities Aid Foundation. During 2020/21 unrestricted funds continued to be invested primarily in term deposits with UK banks but may from time-to-time be invested in gilts, supranational bonds and investment-grade corporate bonds and include the long leasehold property in Kent, used for the Charity's activities.

Restricted funds

Investments are held for restricted funds as follows:

Financial investments – Trust funds
Investments held for major donors in CAF Charitable Trusts, CAF America Donor Advised Funds, CAF American Donor Fund Trusts and CAF Canada Donor Advised Funds (collectively 'Trust funds') are aligned with the charitable objectives of our donors. This portfolio consists of a broad range of investments often held over the longer term, comprising pooled investment funds, equities, bonds and cash deposits, held directly or managed by third party fund managers. Performance is measured against benchmarks taking into account the objectives of the donor, where this has been agreed.

Other restricted funds – Treasury assets
Other restricted funds principally comprise balances held pending onward donation to other charities. During 2020/21 funds continued to be invested primarily in term deposits with UK banks; gilts, other supranational bonds and a portfolio of investment-grade corporate bonds. Our policy is to hold bonds to maturity.

As at 30 April 2021 our Treasury asset portfolio yield was 0.8843% (2020: 1.1720%), compared with a benchmark of SONIA of 0.0486% (2020: 0.6470%). We continue to experience a reduction in rates available as deposits mature.

Investment policies of subsidiaries are determined and managed by their respective boards.

Going concern

In order to assess the appropriateness of the going concern assumption basis, the Trustees have considered the group's financial position, liquidity, unrestricted reserves and forecasts for the foreseeable future, taking into account the principal risks to which the group is exposed. Recognising the uncertainty associated with predicting the economic impact of Covid-19, in particular, the Trustees have considered the impact of a severe economic outcome on CAF and its subsidiaries and the effectiveness of management actions that might be taken to mitigate the impact of this stress. Trustees have also considered the circumstances under which the operations of CAF and its subsidiaries would be unable to continue. After taking into account the current level of the group's cash and reserves and the financial performance of the group since 30 April 2021, the Trustees have concluded that the risk of this situation occurring is remote.

Accordingly and after making appropriate enquiries, the Trustees have a reasonable expectation that the group will be able to continue in operation and meet its liabilities as they fall due for at least 12 months from the date of signing this report. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Structure, governance and management

The Charities Aid Foundation is a registered charity (number 268369) and is governed by a Declaration of Trust dated 2 October 1974 (as amended from time to time). The Board of Trustees, together with the executive, are set out at the end of this document.

In this section

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32 CAF Committees
33 Stakeholder engagement
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40 Statement of Trustees' responsibilities

CAF Trustees

The Board of Trustees is the body responsible for the management of CAF and is required to consist of:

- Not less than eight Trustees appointed by resolution of the Trustees; and
- The Chair of NCVO (National Council for Voluntary Organisations).

The Board meets at least five times a year. All Trustees are non-executive and none of them receives remuneration from CAF. Trustees are appointed to hold office for a term of three years. Except for the Chair of NCVO, no Trustee may hold office for more than three consecutive terms. Newly appointed Trustees undertake a series of meetings with CAF's senior management, which ensures that they gain a full understanding of CAF and their responsibilities.

The Trustees delegate management responsibilities to the Chief Executive and also delegate certain functions to the sub-committees described below. Each sub-committee has specific terms of reference and a chair appointed by the Trustees. Trustees strengthen the sub-committees by co-opting experts in the relevant field. This delegation is controlled by requiring regular reporting from the Chief Executive and the sub-committees to the Board of Trustees.

Board of Trustees

Meeting attendance

	Total no. of meetings attended during 2020/21
Sir James Leigh-Pemberton – Chair	5/5
Cyrus Ardalan – Chair, Investment Advisory Committee	5/5
Matt Hammerstein	5/5
Anne Heal – Interim Chair, NCVO – Resigned, 23 November 2020	2/2
Tiina Lee	4/5
Roger Perkin – Chair, Audit, Risk & Compliance Committee	5/5
Janet Pope – Chair, CAF Bank Ltd	5/5
Sir Ernest Ryder – Appointed, 12 February 2020	4/5
David Shalders – Appointed, 15 July 2020	4/4
Dr Priya Singh – Appointed, 23 November 2020	2/3
Susannah Storey	4/5

Sir James Leigh-Pemberton CVO
Chair

Sir James is Non-Executive Chairman of RIT Capital Partners and Deputy Chairman of UK Government Investments, and Trustee of the Royal Collection Trust and Alnwick Gardens.

Cyrus Ardalan
Chair, Investment Advisory Committee

Cyrus is currently Chairman of Citigroup Global Markets, OakNorth Bank and a senior adviser at Alvarez and Marsal, he was Vice Chairman of Barclays, the International Finance Facility for Immunisation supporting GAVI, the Vaccine Alliance and Chairman of the International Capital Markets Association.

Matt Hammerstein

Matt is currently CEO of Barclays Bank UK, covering Retail Banking, Investments and Wealth UK, Business Banking and Barclaycard UK. He also sits on the board of UK Finance.

Dr Priya Singh

Priya is chair of the National Council for Voluntary Organisations (NCVO). She has a background in general practice, specialising in medical law, ethics and patient safety.

Tiina Lee

Tiina is the Chief Executive Officer, UK and Ireland for Deutsche Bank. She is responsible for all Deutsche's activities in the region and is a leading advocate on diversity and inclusion. She also serves on the board of trustees of Donmar Warehouse Projects.

Roger Perkin
Chair, Audit Risk and Compliance Committee

Roger was for many years a partner at Ernst & Young and now serves on the boards of Hargreaves Lansdown and AIB UK, and as a Trustee of Chiddingstone Castle.

Sir Ernest Ryder

Sir Ernest was until recently a Lord Justice of Appeal, and Senior President of Tribunals for the UK. He is Master of Pembroke College, University of Oxford and a Trustee of the Nuffield Foundation.

Janet Pope
Chair, CAF Bank Ltd

Janet is Director, Sustainable Business and Chief of Staff, Lloyds Banking Group plc, with responsibility for Inclusion and Diversity, Responsible Business and Sustainable Business. She is also a member of the Financial Services Culture Board and Chair of Governors at Camden School for Girls.

David Shalders

David is the Chief Operating Officer and Head of Integration at the London Stock Exchange Group. Prior to this he was Group Operations and Technology Director at Willis Towers Watson.

Susannah Storey

Susannah is Director General for the Digital and Media Group in the Department for Digital, Culture, Media and Sport. Prior to this she was Director General for the Economic Partnership at the Department for Exiting the European Union. Before being a civil servant she worked in investment banking at Citigroup.

Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee consists of Trustees and co-opted members with relevant expertise.

The committee meets with senior management and external and internal auditors at least four times a year. The committee's purpose is to review and make recommendations on the following on behalf of the Trustees:

- Internal control and risk management systems
- Effectiveness of internal audit
- CAF's relationship with its external auditors
- Procedures for compliance with anti-money laundering legislation and CAF's other regulatory obligations
- Annual report and accounts
- The arrangements by which staff may, in confidence, raise concerns about possible improprieties in financial reporting or other matters.

Investment Advisory Committee

The Investment Advisory Committee is a panel of independent investment experts chaired by a Trustee. The committee meets with senior management at least four times a year. The purpose of the committee is to advise the Trustees on investment matters regarding CAF's funds as well as the funds held in CAF Charitable Trusts or as agent. This is undertaken in the context of our long range strategic plans, operational activities and Charity Commission guidelines. The committee monitors compliance with agreed investment policies and performance benchmarks. It also monitors compliance with procedures relating to investments, as well as providing other advice on an ad hoc basis.

Nominations and Remuneration Committee

The Nominations and Remuneration Committee advises the Trustees on the appointment of CAF's Trustees and of the co-opted members and advisers to the boards and committees of the CAF group. The committee also makes recommendations regarding the remuneration of members of the Executive Committee of CAF (who form the key management personnel of the group) and other senior members of staff, and reviews and agrees the basis for the general pay award to staff. Remuneration and salaries are assessed and reviewed against market rates using third-party data. The committee also reviews the general terms and conditions of employment of our staff including the provision of pension arrangements. The committee meets at least three times a year.

The CAF family

The Charities Aid Foundation consists of CAF and its subsidiaries in the UK, CAF America, the CAF American Donor Fund and CAF Canada. The wider CAF family includes affiliated organisations which exist to provide services to donors and charities and work in partnership with CAF to support us in our work to accelerate social progress around the world.

In order to deliver its mission and to comply with the regulatory requirements for the provision of banking and investment solutions to charities, in the UK CAF has created and holds mixed-motive investments in a number of wholly-owned subsidiaries, the largest of which is CAF Bank. These investments further CAF's charitable mission, as well as providing a financial return.

Our international network consists of a collection of like-minded not-for-profit organisations with strong ties and working relationships with the Charities Aid Foundation group. Formerly referred to as the CAF Global Alliance, the network includes BCause (Bulgaria), Good2Give (Australia), CAF India, the CAF Russia Foundation, CAF Southern Africa, IDIS Brazil and TUSEV (Turkey).

CAF's Board of Trustees receives updates from the boards of each entity that is a member of the CAF group.

Full details of the Charities Aid Foundation are set out in note 2 to the financial statements.

Relationships with other charities

We have links with a large number of charities through the provision of financial and administration services, as well as with our founder, NCVO. CAF is committed to working closely with NCVO and we are in ongoing discussions to modernise our partnership to better support UK charities in the future. Despite the pressures of the pandemic £2.12m was paid to NCVO during the year (2019/20: £2.11m).

Public benefit and society

CAF's purpose (as set out in the Declaration of Trust) is to raise money and hold funds 'for the benefit of such charitable institutions or such charitable purposes as the Trustees shall think fit'. The work we do in pursuit of our mission is illustrated throughout this report. CAF contributes to the public benefit and society by creating value for other charities and helping to shape the charitable sector.

CAF has paid due regard to the Charity Commission's general guidance on public benefit when reviewing its aims and objectives and in planning its future activities.

Stakeholder engagement

We recognise and promote the importance of strong relationships with our stakeholders across all of our activities, and we are committed to productive, long-term relationships.

Throughout this report we have described how we engage with our donors, charity customers, government and colleagues in the sector and our employees. Below we give examples of engagement with other stakeholders.

Suppliers

We recognise that our suppliers are crucial to our success and we understand the importance of maintaining strong lines of communication. Many perform critical outsourced functions and are subject to regular formal review. We engage with suppliers regularly throughout the year and feedback is continuously communicated and monitored.

Regulators

It is within our culture of fairness and transparency to promote high standards of conduct within CAF and with all external parties. In particular, holding donor funds and customer deposits, safety, soundness and adherence to all relevant aspects of regulation is key to us.

We maintain close awareness of this through engagement with regulators. This engagement is supported by interactions with industry bodies, specialist advisers, regulatory seminars, online forums and round table events. This has allowed us to remain informed on increasing regulatory requirements and to ensure we operate to the standard required.

Fundraising

There have been no UK fundraising activities undertaken in the current or preceding year. CAF America works in partnership with US professional fundraising organisations. CAF America receives 100% of the donations collected, which it then grants, minus costs and fees paid to the fundraising organisations, to third-party beneficiary charities.

Risk management

Responsible and effective risk management is central to CAF's ethos and reflects our commitment as a charity to making a positive and lasting difference for the charities, donors, beneficiaries and partners with whom we work.

Risk is overseen by CAF Trustees, Executive Boards and senior management whilst being supported by a robust risk management culture which is an accountability of every CAF employee.

Risk management framework

The group operates a risk management framework that provides oversight and accountability for the management of risk across all risk types and at all levels of the group. The framework supports prudent risk management and decision making, aligned to our objectives, and is designed to ensure risk is managed within clearly defined parameters.

The control environment aligns to the risk management framework and is supported by a related set of policies, procedures and controls which facilitate the taking of acceptable risks, within the appetite of the group, as set by the Trustees and supported through the Trustee Board, Audit, Risk and Compliance Committee, CAF Bank Board, CAF America Board and CAF Executive Committee.

The framework operates using the 'three lines of defence' principle, separating risk ownership from risk oversight and assurance, with governance provided by formal committees.

Due to being regulated by the Financial Conduct Authority and Prudential Regulation Authority, CAF Bank operates its own risk management process. Further details are provided in CAF Bank's annual report.

Developments in the charity sector have seen increased media, public and regulator interest in the operation of charities. The Trustees and senior management remain focused on those risks which could adversely affect our reputation and ensuring that all activities are carried out in a respectful and open manner.

Covid-19

The Covid-19 pandemic continues to impact us, our donors, beneficiaries and customers. We continue to adapt to the changing situation. CAF maintain Business Continuity Plans and throughout the Covid-19 crisis we have maintained and supported all systems and personnel.

All risks have been assessed for the actual or known potential impacts and changes have been made and reported through the relevant boards and committees.

The key impacts from the pandemic have been to our interest and fee income and we have taken measures to address potential shortfalls, including reviewing investment opportunities, pricing structures, budgets and costs. Changes to processes to support remote-working have been assessed for risk impacts and approved through the relevant governance process.

Various support tools were implemented to support staff through these uncertain times and impacts on well-being continue to be closely monitored.

Principal risks and their mitigation

The principal risks evaluated across the group:

The non-financial risks

- Reputation
- Strategy and mission
- Regulatory
- Operational
- Cyber
- Financial crime

Financial risks

- Capital
- Credit
- Liquidity and funding
- Market and interest rate

NON-FINANCIAL RISKS

Risk		Mitigation
REPUTATION	CAF's brand and reputation are critical in our endeavours to attract and retain our customers, in support of the CAF mission. CAF's objective is to enhance our standing with stakeholders, underpinned by a consistent application of the rules which govern the application and use of the CAF brand. CAF understands the importance of having clear and consistent positions on the issues facing the charitable sector, donors, corporate givers and Government. The risks to the group of reputational damage include a reduction in revenue, increases in operating costs, and a loss of market position.	We take active steps to manage our brand. This work includes the monitoring of social media sentiment, the tracking and reporting of media mentions and the analysis of customer feedback. We use our written policies and procedures to ensure that customer feedback and complaints are managed in line with prevailing best practice and regulation. CAF conducts risk-based screening and negative media reviews for donors and beneficiaries during on-boarding and due diligence processes to mitigate risks of financial crime and to avoid actual or potential reputational risks that may arise. We maintain a Crisis Communications plan to address any negative reputational concerns. Internally our Human Resources team supports managers to understand and act upon risks that could arise from employee relations. Through regular training and ongoing compliance oversight, we ensure that our people are equipped to support our efforts to protect our reputation. CAF International, our global network which includes independent partners, requires members to adhere to CAF's brand guidelines.
STRATEGY AND MISSION	CAF's objective is to deliver on its plans for the future whilst managing costs and providing a positive customer experience. Below are the main risks to this objective. Strategic risks are those that arise from the decisions taken concerning the group's objectives and ability to meet those objectives. This can include decisions taken in relation to developing products and services, changes in the technological environment and longer term sources of finance to support planned strategic growth. Changes in the financial markets have the potential to have a significant impact on our strategic plans. The risks of short-term economic downturn and a continuing low or negative interest rate environment are modelled. Similarly, the risk of inflationary pressures and higher interest rates in the medium term are considered. Changes in our operating environment, including regulatory changes, may also impact the level of our retained reserves or the levels of reserves we are required to maintain in the future.	A detailed approach is taken to budget-setting and development of financial plans and these are reviewed and approved by the Trustees and the relevant boards. Regular detailed financial monitoring is carried out and actions are taken to mitigate against any budget pressures, including effective cost management measures. Our strategic planning includes the modelling of a range of potential future scenarios in respect of changes in the group's operating environment, through which we identify opportunities to further our strategic goals or to mitigate any negative impact arising from the change in the operating environment. Our planning processes include comparison of projected reserves against the level of reserves required to support our ongoing operations and planned strategic growth. Mitigation of the principal risks to the group associated with Covid-19 have been described earlier. We also continue to assess and monitor risks associated with the UK's withdrawal from the EU, including the future of EU and other funding for charitable work, the longer term sustainability of corporate social responsibility programmes, the future of tax relief arrangements for donations into or out of the EU, and the future of London as a global hub for philanthropy. CAF does not receive any direct EU funding.

NON-FINANCIAL RISKS

Risk		Mitigation
REGULATORY	CAF's objective is to deal with all our regulators in an open and co-operative way and to deliver on our commitments. Regulatory risk is defined as the risk to earnings and reputation associated with a failure to comply with regulatory requirements and expectations. The group aims to comply with all regulatory requirements to minimise the risk of financial loss, maintain its high reputation and avoid regulatory sanction. CAF is regulated by the Charity Commission for England and Wales and is required to comply with HM Revenue & Customs tax legislation. CAF is responsible for ensuring that the charitable funds it receives, administers and distributes are managed in compliance with charity law and the tax legislation relevant to charitable giving and expenditure. CAF is registered with the Financial Conduct Authority (FCA) for anti-money laundering purposes. CAF Bank is authorised by the Prudential Regulation Authority (PRA) and regulated by the FCA and PRA. CAF Financial Solutions Ltd (CFSL) is authorised and regulated by the FCA. CAF America is regulated by the US Internal Revenue Service and must also comply with State regulations for registered charities and data privacy protections. CAF Canada is regulated by the Canadian Revenue Agency and must comply with provincial regulations in the provinces where it is registered. Where the CAF group undertakes cross-border grantmaking, the local regulations of the receiving country are considered. CAF group adheres to UK, US and EU Financial Sanctions obligations including those defined by the Office of Financial Sanctions Implementation (OFSI) and The Office of Foreign Assets Control (OFAC) of the US Department of the Treasury.	Compliance with regulatory requirements and expectations commences at board level for each group entity. It is cascaded down through the senior management teams and is embedded across all areas of operation through the Risk, Compliance and Financial Crime teams. Quarterly reporting to our Audit, Risk and Compliance Committee (ARCC) includes risks arising out of our operations, compliance and Financial Crime related matters and internal mitigating controls. The ARCC reviews and monitors the adequacy of internal controls and reports to the Board of Trustees on significant risks, any identified weaknesses in controls and progress of actions for addressing any such identified weaknesses. Data protection and information governance policies are in place and are reviewed to ensure our internal processes are robust and comply with any new legislative, regulatory or contractual requirements including the UK General Data Protection Regulation and Data Protection Act. Data governance training is compulsory for all staff and has been designed to ensure awareness of our duty to protect data and support implementation of our internal policies and procedures on data protection and information governance. The group is committed to ensure that the appropriate resource is made available to adhere to regulatory requirements. CAF America, CAF Canada and CAF American Donor Fund maintain grantmaking and Project Distribution protocols that are reviewed regularly by legal counsel to ensure compliance with regulatory requirements. The CAF America Finance and Compliance Team is responsible for ensuring appropriate filings are completed with the US Internal Revenue Service, Canada Revenue Agency, and each US state as necessary. Quarterly compliance reports ensure that these regulatory filings are documented and submitted on time. The CAF International network is underpinned by legal agreements with CAF that require each of our independent partners to adhere with relevant legislation. Whilst these partners do not form part of the CAF group, we strive for each member of CAF International to maintain the highest standards of regulatory compliance and due diligence.

NON-FINANCIAL RISKS

Risk		Mitigation
OPERATIONAL	Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.	The group continually develops its systems and controls in the context of the scale and complexity of CAF operations, to manage and mitigate the likelihood of failure associated with operational risks. Policies, practices and controls are in place to govern our operational risks. These are reviewed for effectiveness on an ongoing basis. CAF Bank uses the Basic Indicator Approach (Capital Requirements Regulation (CRR) Pillar 1) and considerations of its maximum scenario based operational loss (CRR Pillar 2) to assess operational risk capital requirements. Our people are the key to our success and we invest significantly in learning and development. We carry out surveys of our staff and we develop and implement action plans to address key issues. We have introduced a number of new well-being tools to support our people through the pandemic. We carry out comprehensive reviews of our business continuity arrangements and plans and perform ongoing resilience testing of key business-critical activities. Operational risk presented by third party suppliers is addressed by our procurement process which ensures a strict framework for engaging third parties including a thorough risk assessment and regular service reviews. The move to remote working at the onset of Covid-19 was undertaken with minimal impact and demonstrated the effectiveness of significant elements of our own and of our third party suppliers' business continuity arrangements. We recognise it has presented risks associated with oversight of operational processing, fraud monitoring and employee well-being and we have amended our processes to encompass these risks which are regularly reviewed.
CYBER	Cyber threats are escalating from an increasingly sophisticated criminal community and we continue to invest in strengthening defences for both the group and its customers and in developing emergency response plans.	We continue to respond to the need to ensure resilience, to layer up security measures and to build capacity as our operating model and volumes develop. We regularly monitor and test controls to ensure they are operating effectively. A key part of these controls is awareness throughout the organsation of how cyber attacks occur and the defences we have in place to counteract these. All CAF staff are required to complete IT security training which is designed to ensure awareness of our duty to protect our systems and the data they hold. CAF America and CAF Canada IT systems are reviewed and supported by an external firm to ensure they are protected from cyber attacks.
FINANCIAL CRIME	There is a risk of both CAF and its customers being a target of financial crime which may lead to reputational damage, financial loss or regulatory censure.	The CAF group risk management framework and related policies define requirements relating to the management and mitigation of financial crime related risks including anti-money laundering, fraud, counter terrorist financing, counter tax evasion facilitation, anti-bribery and corruption and sanctions. These policies are designed to support CAF adherence with the obligations and requirements determined by UK, EU, US and Canadian legislation, regulations and industry best practice guidelines for both the charity and financial services sectors and reflects our commitment and intent to both detect and disrupt financial crime. The group's systems and controls are designed to combat financial crime and the group-wide transformation plans will continue to drive an agenda for ongoing targeting of financial crime related risks, aligned with both our regulatory and social responsibilities. We have introduced a Financial Crime Executive Committee to support collaboration between accountable stakeholders alongside financial crime experts to continue the advancement of financial crime systems and controls. It has provided a context to develop outcome driven strategies, to target criminals, to enhance existing controls and mitigate and target risks posed by the group's exposure to financial crime.

Financial risks

Through such services as the CAF Charity Account, CAF Company Account and CAF Charitable Trust, the group's activities include the receipt, investment and onward distribution of charitable funds. Activities also include banking services, such as deposit taking and lending provided by CAF Bank. Consequently, the group holds a significant level of financial instruments and has a corresponding exposure to the associated financial risks.

Details of the financial instruments held by CAF Bank are set out in note 33 to the financial statements, together with descriptions of the management of each category of financial risk.

Risk		Mitigation
CAPITAL	CAF defines capital risk as risk that the group (or its entities) do not have the amount and/or quality of reserves/capital needed to meet the requirement of the relevant reserves policy or the minimum regulatory requirements or to support planned strategic growth.	Relevant policies are reviewed and approved by the ARCC. Capital requirements are funded by reserves in line with policy. Our planning processes include comparison of projected reserves against the minimum level of reserves required to support our operations and planned growth. We continue to focus to maximise income opportunities and cost management in order to minimise the impact on reserves. For the Bank, capital risk is measured, monitored and reported daily against limits approved by CAF Bank Board within the Bank's Capital Policy and monitored at the Bank's Asset and Liability Committee (ALCo) and Executive Risk Committee. The Bank undertakes regular stress testing of its capital adequacy.
CREDIT	Credit risk is the risk of financial loss arising from a borrower or counterparty failing to meet their financial obligations to repay the group in accordance with agreed terms. Credit risk arises primarily from investing funds with treasury counterparties and lending to charities.	*Treasury assets* Treasury policies are reviewed and approved by the CAF Investment Advisory Committee (IAC) and sets criteria which include credit rating and counterparty lending limits and country limits. Subject to minimum credit ratings, maximum terms, and maximum counterparty limits, funds may be invested in the following: • UK Gilts and Multilateral Development Banks • Other single sovereign-backed Sterling denominated bonds • Financial and non-financial corporate bonds (fixed and floating rate) • Bank deposits, including in the money market. *Financial investments held for Trust funds* CAF Charitable Trusts, CAF America Donor Advised Funds, CAF American Donor Fund Trusts and CAF Canada Donor Advised Funds (collectively 'Trust funds') are invested in accordance with policies approved by the CAF IAC, on behalf of CAF's and CAF American Donor Fund's Trustees, and by the boards of CAF America and CAF Canada. Donors typically hold a proportion of their funds in cash in order to meet their short-term giving expectations and invest funds to meet their medium-to long-term philanthropic objectives. Donors plan donations by reference to the market values and liquidity profile of the assets held for their Trust fund. Cash held for Trust funds by investment managers pending investment is subject to the FCA's client money rules. CAF Venturesome's programme-related investments enable charities to lever their operations and deliver more social impact. All loans are subject to regular monitoring of loan performance. Provisions are assessed for evidence of impairment at both specific and collective level and where appropriate, includes consideration of the impact of a reduction in property values of various degrees of severity.

Risk		Mitigation
LIQUIDITY AND FUNDING RISK	Liquidity risk is the risk that a group entity does not have sufficient financial resources to meet its obligations as they fall due, or can secure them only at excessive cost. Liquidity risk arises from mismatches in the timing of cash flows. Funding risk arises when the liquidity needed to fund illiquid asset positions cannot be obtained at the expected terms and when required.	*Treasury assets* The liquidity position is monitored by the CAF IAC. On a day-to-day basis the liquidity profile of CAF's assets is compared with the historical behavioural of CAF's payments to beneficiary charities. CAF's liquidity policy requires a minimum percentage of total balances, together with a minimum percentage of individual large balances to be available within 24 hours, and in turn, a minimum percentage of total balances to be available within six months. No more than 50% of balances may be invested in term deposits or other non-marketable investments with a term in excess of 12 months. *Financial investments held for Trust funds* Trust funds are invested at the discretion of donors in accordance with investment policies which require investments to be highly liquid. Investments by donors take into account anticipated liquidity requirements to fund donations. Should additional liquidity be required to fund donations, investments are disposed. In the event of a shortfall in anticipated proceeds, the value of the donation would be reduced.
MARKET AND INTEREST RATE RISK	Market and interest rate risk is the risk from adverse movements in external markets, e.g. interest rate movements, changes in investment values or currency movements that will reduce income or the value of assets. This includes interest rate risk in CAF Bank's banking book which is the risk arising from a mismatch between the duration of assets and liabilities.	*Treasury assets* CAF does not undertake proprietary trading activities. Investments are usually held to maturity and valued at cost with any premium or discount amortised over the remaining term (the effective interest method). Market and interest rate risk is measured by monitoring mismatches between assets and liabilities assessed on a behavioural basis, which may result from movements in market interest rates over a specified time period within limits approved by the CAF IAC. *Financial investments held for Trust funds* Trust funds are invested to fund long-term philanthropic goals of donors. The value of investments determines the value of funds available to make donations. Accordingly, a movement in equity markets or interest rates may affect the value of Trust funds held by the group, but does not impact the level of unrestricted funds.

Statement of Trustees' responsibilities in respect of the Trustees' report and the financial statements

The Trustees are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and the charity and of the incoming resources and application of resources of the group and the charity for that period.

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

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Trustees' report on pages 3-40 was approved by the Board of Trustees on 12 August, 2021 and signed on their behalf.



Sir James Leigh-Pemberton, CVO
Chair of Trustees

Independent auditor's report and financial statements for the year ended 30 April 2021

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INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF THE CHARITIES AID FOUNDATION

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of The Charities Aid Foundation (the 'Charity) and its subsidiaries (the 'Group'):

- Give a true and fair view of the state of the group's and of the charity's affairs as at 30 april 2021 and of the group's incoming resources and application of resources for the year then ended;
- Have been properly prepared in accordance with united kingdom generally accepted accounting practice, including financial reporting standard 102 "the financial reporting standard applicable in the uk and republic of ireland"; and
- Have been prepared in accordance with the charities act 2011 and the provisions of the trust deed.

We have audited the financial statements which comprise:

- The group and charity statement of financial activities;
- The group and charity balance sheets;
- The group and charity cash flow statement;
- The related notes 1 to 33.

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).

2. 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 Group and the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Recognition of income from legacies; • Recognition of donation income from new major donors; • Recognition of donations paid to new overseas beneficiaries and grants payable; and • Loan impairment provisions in CAF Bank Limited. Within this report, key audit matters are identified as follows: Newly identified Increased level of risk Similar level of risk Decreased level of risk
Materiality	The materiality that we used for the Group financial statements was £10,000,000 which was determined on the basis of 1% of total income.
Scoping	Our audit scope included the audit of the Group's significant components namely the Charity, CAF Bank Limited, CAF America, Southampton Row Trust Limited and CAF Canada. We also scoped in CAF Financial Solutions Limited and CAF Investments Limited to meet local statutory reporting requirements. All scoped in components account for 99% of funds as at 30 April 2021 (2020: 99% of funds as at 30 April 2020).
Significant changes in our approach	We identified an increased level of risk this year in relation to donations paid to overseas beneficiaries, details of which are discussed in section 5.3 of our report. There have been no other significant changes in our audit approach for this year.

4. Conclusions relating to going concern

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

Our evaluation of the Trustees' assessment of the Group's and Charity's ability to continue to adopt the going concern basis of accounting included:

- We obtained and evaluated management's assessment of going concern including their assessment of the sufficiency of reserves for going concern purposes. This included evaluating the key assumptions regarding fee income and interest income in management's going concern model, assessing the forecast for all cash outflows and re-casting and checking the arithmetic accuracy of the cash-flow forecast;
- We performed an independent reverse stress test using the approach set out in The Charity Commission's guidance paper entitled "Managing a charity's finances: planning, managing difficulties and insolvency" ("CC12") where the Group ceases to be a going concern should unrestricted reserves reach £nil in order to determine at what point the going concern assumption would not be appropriate and to consider the likelihood of that scenario taking place; and
- We evaluated loan covenant compliance as applicable to retail bonds in issue, including the impact and likelihood of this being breached over the going concern assessment period.

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 Group's and Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1 Recognition of income from legacies

Key audit matter description	For the year ended 30 April 2021, the Group's legacy income was £21.8 million (2020: £21.7 million). There is a high degree of management judgement involved in the recognition of income from legacies which have been accrued at the year end. These judgements include assessing the entitlement, probability and measurement of the income. Accordingly, consistent with the prior year, we consider there to be an increased risk of misstatement due to error or fraud in respect of legacy income. Refer to the accounting policies in note 1.4(a) and note 6 of the financial statements on pages 57 and 66.
How the scope of our audit responded to the key audit matter	We obtained an understanding of relevant controls over the recognition of legacy income. We tested a sample of legacies to assess whether income was recognised when the Group became entitled to the income, receipt of the income was probable and the amount of the income could be estimated reliably. Where legacies were received, we agreed a sample of cash receipts to bank statement. Where legacy income was subject to conditions, we assessed the fulfilment of those conditions and, where relevant, the deferral or non-recognition of the legacies.
Key observations	Based on the procedures performed and evidence obtained, we considered management's assumptions in recognising legacies to be reasonable.

5. Key audit matters continued

5.2 Recognition of income from new major donors

Key audit matter description	During the year income from new major donors was £12.5m (2020: £23.6m). We consider the risk of misstatement due to error or fraud to be higher where donations are received from new major donors given the lack of track record and the need to perform due diligence procedures in the current period to substantiate the source of funds. Refer to the accounting policies in note 1.4(a) and note 6 of the financial statements on pages 57 and 66.
How the scope of our audit responded to the key audit matter	We obtained an understanding of relevant controls over the recognition of donations from new major donors. We tested a sample of donations from new major donors to assess whether the income was recognised when the Group became entitled to the income, receipt of the income was probable and the amount of the income could be reliably estimated. Where donations from new major donors had been received, we agreed a sample of cash receipts to bank statement . We tested the completeness of new major donations during the period by reference to client lists and supporting client files.
Key observations	Based on the procedures performed and evidence obtained, we considered management's recognition of donation income from major donations to be appropriate.

5.3 Recognition of donations paid to new overseas beneficiaries and grants payable

Key audit matter description	Donations paid to charities (£811.5m) (2020: £640.5m) are charged to the Statement of Financial Activities when both the Group and beneficiary charities are notified in the normal course of business of an unconditional obligation to transfer funds. There is a higher degree of risk of misstatement associated with donations paid to new overseas beneficiaries as overseas not-for-profit entities are not necessarily subject to the levels of regulatory oversight applied to similar entities in the UK and new overseas beneficiaries require detailed due diligence to be undertaken in the current year. The increased level of risk this year reflects the increased operational challenge that come with processing significantly more donations than in previous years and thus giving rise to the potential for material misstatements. Grants payable (£10.3m) (2020: £14.5m) are payments where the beneficiary charity has been formally notified in writing of the award. This notification gives the beneficiary a reasonable expectation that they will receive the grant. The recognition of grants payable involves judgement to assess the obligation, probability and value of each grant. Refer to the accounting policies in note 1.5 and note 6 of the financial statements on pages 58 and 66.
How the scope of our audit responded to the key audit matter	We obtained an understanding of relevant controls over the recognition of donations paid to new overseas beneficiaries and grants. We obtained source documentation for a sample of donations paid to new overseas beneficiaries to assess whether the awards had been communicated by the donor to the Charity and subsequently to the beneficiary charity. We tested a sample of overseas beneficiaries to assess that validation and due diligence processes had been performed in accordance with the Group's policies. We tested the completeness of donation expenditure to new overseas beneficiaries by agreeing a sample of cheques, instructions from clients and cash disbursements to expenditure listings. Where grants, particularly multi-year grants, are subject to the beneficiary charity fulfilling conditions, we assessed the fulfilment of those conditions and, where relevant, the deferral of the grants.
Key observations	Based on the procedures performed and evidence obtained, we considered management's expenditure recognition to be reasonable in respect of grants and donations paid to new beneficiaries overseas.

5.4 Loan impairment provisions in CAF Bank Limited

Key audit matter description	Gross loans and advances to customers in CAF Bank Limited increased from £106.4m to £127.9m during the year since the prior period. The loans and advances to customers are measured at amortised cost less loan impairment provisions as required under IAS 39 'Financial Instruments: Recognition and Measurement'. CAF Bank Limited has limited loan loss experience and therefore the valuation of both specific and collective provisions is inherently subjective. Furthermore, there is a risk that impairment triggers are not identified in a timely manner, and that incurred loss provisions are therefore understated. Management also make assumptions pertaining to inputs in their loan impairment calculation such as the probability of default, loss given default and emergence period in respect of their loans to customers. All of these factors have been heightened due to the continued impact of Covid-19 on the CAF Bank Limited and its customers. As a result, we consider there to be a risk of misstatement due to fraud or error in respect of this key audit matter. The impairment provision balance as at 30 April 2021 was £2.18m (2020: £1.6m), of which £0.8m related to the collective provision for incurred but not reported impairment losses and £1.38m related to provisions for individually assessed loans.
How the scope of our audit responded to the key audit matter	We obtained an understanding of the relevant controls relating to the loan impairment provision. We assessed whether CAF Bank Limited's loan impairment provisioning policy was in compliance with the requirements of IAS 39. We tested a sample of performing loans to assess whether there was objective evidence that impairment had arisen and not been identified. We challenged the key assumptions applied to estimate the collective loan impairment provision by comparing the assumptions to available market data. We also re-performed the calculation of the provision. We challenged and re-performed the calculation of the individual provision balances by testing the appropriateness of key inputs and mathematical accuracy. We considered management's assessment of the impact of Covid-19 on loan loss provisioning.
Key observations	Based on the procedures performed and evidence obtained, we found the Group's assumptions, judgements and approach to estimating loan impairment provision to be reasonable and therefore considered the level of provision to be appropriate

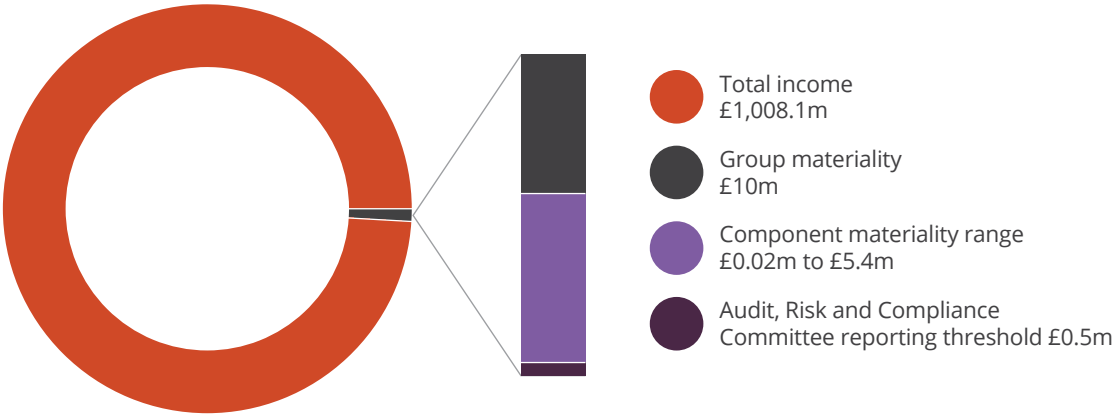
6. Our application of materiality

6.1 Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Charity financial statements
Materiality	£10m (2020: £7m)	£5.4m (2020: £3.9m)
Basis for determining materiality	1% of total income (2020: 1%).	1% of total income (2020: 1%).
Rationale for the benchmark applied	We consider total income to be an appropriate benchmark as it is a key measure of the performance of the Group, being a not-for-profit organisation.	We consider total income to be an appropriate benchmark as it is a key measure of the performance of the Charity, being a not-for-profit organisation.



6.2 Performance Materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	70% (2020: 70%) of group materiality	70% (2020: 70%) of charity materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: • Our risk assessment, including our assessment of the overall control environment; and • Our past experience of the audit, which has indicated a low number of corrected and uncorrected misstatements identified in prior periods.	

6.3 Error reporting threshold

We agreed with the Audit, Risk and Compliance Committee that we would report to the Committee all audit differences in excess of £500k (2020: £350k), set at 5% of materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit, Risk and Compliance Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1 Identification and scoping of components

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the balances within each component and the risks of material misstatement at the Group level.

Our Group audit scope included full scope audits of the Charity, CAF Bank Limited, CAF Financial Solutions Limited, CAF Investments Limited, Southampton Row Trust Limited, CAF Canada and CAF America. These components account for 99% of funds as at 30 April 2021 and their audits were performed at lower levels of materiality set by the Group audit team ranging between £0.02m and £5.4m. There are separate component teams in respect of CAF UK, CAF Bank Limited, CAF Canada and CAF America.

7.2 Our consideration of the control environment

With the involvement of our IT specialists we obtained an understanding of relevant general IT controls within the Group's key financial systems. We did not take control reliance approach in our audit.

7.3 Working with other component auditors

During the year, we held discussions with each component auditor to enable us to direct and supervise the planning and risk assessment process in addition to overseeing their detailed audit procedures.

At the Group level, we tested the consolidation process and carried out analytical procedures to confirm that there were no significant risks of material misstatement in the aggregated financial information of components not subject to audit or an audit of specified account balances.

8. Other information

The other information comprises the information included in the Trustee's Report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information within the Trustee's Report.

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 course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

9. Responsibilities of trustees

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

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

10. Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. 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 design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1 Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies and key drivers for bonus levels and any performance targets;
- The group's own assessment of the risks that irregularities may occur either as a result of fraud or error that was approved by the board;
- Results of our enquiries of management and the audit, risk and compliance committee about their own identification and assessment of the risks of irregularities;
- Any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
  - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- The matters discussed among the audit engagement team including significant component audit teams, pensions and it specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: recognition of income from legacies; recognition of income from new major donors; recognition of donations paid to new beneficiaries overseas and grants payable and loan impairment provisions in CAF Bank Limited. These areas were also identified as key audit matters and section 5 of our report explains the matters in more detail.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included Charities Act, Charities (Accounts and Reports) Regulations 2008, pensions legislation, tax legislation and the relevant provisions of the trust deed.

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 may be fundamental to the group's ability to operate or to avoid a material penalty. These included the Anti-Bribery and Corruption Act, the Equality Act, compliance with the requirements of the Charity Commission, Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA) Regulations and Disclosure Requirements.

11.2 Audit response to risks identified

As a result of performing the above, we identified the recognition of income from legacies, recognition of income from new major donors, recognition of donations paid to new beneficiaries overseas and grants payable and loan impairment provisions in CAF Bank Limited as key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management, the audit, risk and compliance committee and internal legal counsel concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with the pra, fca, hmrc and the charity commission; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

Report on other legal and regulatory requirements

12. Matters on which we are required to report by exception

12.1 Adequacy of explanations received and accounting records

Under the Charities (Accounts and Reports) Regulations 2008 we are required to report to you if, in our opinion:

- The information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- Sufficient accounting records have not been kept by the charity; or
- The charity financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

13. Other matters

13.1 Auditor tenure

Following the recommendation of the Audit, Risk and Compliance Committee, we were appointed by the Audit, Risk and Compliance Committee on 16 September 2016 to audit the financial statements for the year ended 30 April 2017 and subsequent financial periods.

Our total uninterrupted period of engagement is five years, covering the year of our appointment through to the year ended 30 April 2021.

13.2 Consistency of the audit report with the additional report to the Audit, Risk and Compliance Committee

Our audit opinion is consistent with the additional report to the Audit, Risk and Compliance Committee we are required to provide in accordance with ISAs (UK).

14. Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees, for our audit work, for this report, or for the opinions we have formed.



Manbhinder Rana FCA

For and on behalf of Deloitte LLP
Statutory Auditor
London

12 August, 2021

GROUP STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 30 April 2021

	Notes	Unrestricted funds 2021 £000	Unrestricted funds 2020 £000	Restricted funds 2021 £000	Restricted funds 2020* £000	Total 2021 £000	Total 2020* £000
Income							
Donations		**5,694**	2,809	**911,497**	636,634	**917,191**	639,443
Legacies		**125**	468	**21,685**	21,231	**21,810**	21,699
UK Government grants	4	**–**	–	**20,904**	–	**20,904**	–
		5,819	3,277	**954,086**	657,865	**959,905**	661,142
Charitable activities:							
Fee income		**21,491**	17,206	**20**	–	**21,511**	17,206
CAF Bank net interest income		**9,796**	11,499	**–**	–	**9,796**	11,499
Investment income	5	**6,393**	7,873	**10,875**	14,808	**17,268**	22,681
Total income	6	**43,499**	39,855	**964,981**	672,673	**1,008,480**	712,528
Expenditure							
Charitable activities:							
Donations payable to charities		**65**	568	**811,383**	639,892	**811,448**	640,460
Other expenditure on charitable activities		**45,759**	42,938	**107**	–	**45,866**	42,938
		45,824	43,506	**811,490**	639,892	**857,314**	683,398
US Fundraising		**–**	–	**73,757**	6,206	**73,757**	6,206
Total expenditure	6	**45,824**	43,506	**885,247**	646,098	**931,071**	689,604
Net income/(expenditure) before net gains on investments		**(2,325)**	(3,651)	**79,734**	26,575	**77,409**	22,924
Net gains/(losses) on financial investments		**(192)**	6	**131,111**	(43,001)	**130,919**	(42,995)
Net income/(expenditure)	6	**(2,517)**	(3,645)	**210,845**	(16,426)	**208,328**	(20,071)
Transfers between funds	25	**3,156**	9,413	**(3,156)**	(9,413)	**–**	–
Net movement in funds before other recognised gains/(losses)		**639**	5,768	**207,689**	(25,839)	**208,328**	(20,071)
Other recognised gains/(losses)							
Defined benefit pension plan:							
Actuarial gains/(losses)	30	**835**	(507)	**–**	–	**835**	(507)
Net movement in funds		**1,474**	5,261	**207,689**	(25,839)	**209,163**	(20,578)
Reconciliation of funds							
Total funds brought forward		**67,007**	61,746	**1,332,244**	1,358,083	**1,399,251**	1,419,829
Total funds carried forward	25	**68,481**	67,007	**1,539,933**	1,332,244	**1,608,414**	1,399,251

The notes on pages 57-99 form an integral part of these financial statements.

* The comparatives for 2020 for restricted funds and total funds reflect a reclassification in respect of donations received as a result of US fundraising activity. Income from donations has increased by £6.2m and US fundraising expenditure has increased by £6.2m.

CHARITY STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 30 April 2021

	Notes	Unrestricted funds 2021 £000	Unrestricted funds 2020 £000	Restricted funds 2021 £000	Restricted funds 2020 £000	Total 2021 £000	Total 2020 £000
Income							
Donations		**5,225**	2,818	**468,258**	338,927	**473,483**	341,745
Legacies		**125**	468	**21,685**	20,840	**21,810**	21,308
UK Government grants	4	**–**	–	**20,904**	–	**20,904**	–
		5,350	3,286	**510,847**	359,767	**516,197**	363,053
Charitable activities:							
Fee income		**9,890**	11,699	**20**	–	**9,910**	11,699
Investment income	5	**7,157**	8,171	**9,881**	13,501	**17,038**	21,672
Total income	6	**22,397**	23,156	**520,748**	373,268	**543,145**	396,424
Expenditure							
Charitable activities:							
Donations payable to charities		**65**	395	**435,777**	382,935	**435,842**	383,330
Other expenditure on charitable activities		**25,708**	27,365	**107**	–	**25,815**	27,365
Total expenditure	6	**25,773**	27,760	**435,884**	382,935	**461,657**	410,695
Net expenditure before net gains/(losses) on investments		**(3,376)**	(4,604)	**84,864**	(9,667)	**81,488**	(14,271)
Net gains/(losses) on financial investments		**(192)**	–	**123,446**	(42,555)	**123,254**	(42,555)
Net expenditure	6	**(3,568)**	(4,604)	**208,310**	(52,222)	**204,742**	(56,826)
Transfers between funds	25	**3,156**	9,476	**(3,156)**	(9,476)	**–**	–
Net movement in funds before other recognised gains/(losses)		**(412)**	4,872	**205,154**	(61,698)	**204,742**	(56,826)
Other recognised gains/(losses)							
Defined benefit pension plan:							
Actuarial gains/(losses)	30	**835**	(507)	**–**	–	**835**	(507)
Net movement in funds		**423**	4,365	**205,154**	(61,698)	**205,577**	(57,333)
Reconciliation of funds							
Total funds brought forward		**63,625**	59,260	**1,170,302**	1,232,000	**1,233,927**	1,291,260
Total funds carried forward	25	**64,048**	63,625	**1,375,456**	1,170,302	**1,439,504**	1,233,927

The notes on pages 57-99 form an integral part of these financial statements.

GROUP BALANCE SHEET

As at 30 April 2021

	Notes	Unrestricted funds 2021 £000	Unrestricted funds 2020 £000	Restricted funds 2021 £000	Restricted funds 2020 £000	CAF Bank balances and donor client balances 2021 £000	CAF Bank balances and donor client balances 2020 £000	Total 2021 £000	Total 2020 £000
Assets									
Balances at Bank of England		**41,317**	43,859	**1,289**	522	**375,151**	283,191	**417,757**	327,572
Loans and advances to banks									
Repayable on demand	10	**29,933**	27,680	**321,912**	259,753	**12,632**	11,169	**364,477**	298,602
Other	10	**–**	–	**323,576**	404,253	**–**	–	**323,576**	404,253
Loans and advances to customers	11	**346**	2,577	**23,039**	3,003	**124,506**	103,625	**147,891**	109,205
Debt securities	12	**–**	–	**79,800**	31,545	**885,876**	771,083	**965,676**	802,628
Financial investments	13	**2,421**	–	**772,539**	627,518	**–**	–	**774,960**	627,518
Other investments	14	**3,961**	818	**4,325**	3,820	**–**	–	**8,286**	4,638
Associate undertaking	15	**–**	3,273	**–**	81	**–**	–	**–**	3,354
Tangible fixed assets	16	**5,353**	5,650	**–**	–	**–**	–	**5,353**	5,650
Intangible fixed assets	17	**1,194**	–	**–**	–	**–**	–	**1,194**	–
Other debtors	18	**1,732**	1,278	**11,168**	5,492	**–**	–	**12,900**	6,770
Prepayments and accrued income		**7,584**	6,936	**20,667**	14,836	**3,443**	3,820	**31,694**	25,592
Pension scheme asset	30	**1,819**	1,082	**–**	–	**–**	–	**1,819**	1,082
Total assets		**95,660**	93,153	**1,558,315**	1,350,823	**1,401,608**	1,172,888	**3,055,583**	2,616,864
Liabilities									
CAF Bank depositor balances	19	**–**	–	**–**	–	**1,396,857**	1,156,473	**1,396,857**	1,156,473
CAF Give As You Earn and CAF Donate balances	20	**–**	–	**–**	–	**4,544**	4,792	**4,544**	4,792
Due to beneficiary charities	21	**–**	–	**10,312**	14,502	**–**	–	**10,312**	14,502
Other creditors	22	**4,855**	3,393	**7,918**	3,905	**192**	105	**12,965**	7,403
Accruals and deferred income		**2,568**	3,045	**152**	172	**15**	1,376	**2,735**	4,593
Provision for Corporation Tax		**3**	3	**–**	–	**–**	–	**3**	3
Repurchase agreement	23	**–**	–	**–**	–	**–**	10,142	**–**	10,142
Long-term loan	24	**19,753**	19,705	**–**	–	**–**	–	**19,753**	19,705
Total liabilities		**27,179**	26,146	**18,382**	18,579	**1,401,608**	1,172,888	**1,447,169**	1,217,613
Funds	25	**68,481**	67,007	**1,539,933**	1,332,244	**–**	–	**1,608,414**	1,399,251
Total liabilities and charitable funds		**95,660**	93,153	**1,558,315**	1,350,823	**1,401,608**	1,172,888	**3,055,583**	2,616,864

The notes on pages 57 to 99 form an integral part of these financial statements.

Approved by the Trustees and authorised for issue on 12 August, 2021 and signed on their behalf by



Roger Perkin FCA
Trustee



Mike Dixon FCA
Director of Finance and Operations

CHARITY BALANCE SHEET

As at 30 April 2021

"Registered charity number 268369"	Notes	Unrestricted funds 2021 £000	Unrestricted funds 2020 £000	Restricted funds 2021 £000	Restricted funds 2020 £000	Donor client balances 2021 £000	Donor client balances 2020 £000	Total 2021 £000	Total 2020 £000
Assets									
Loans and advances to banks									
Repayable on demand	10	**23,368**	22,399	**218,125**	165,821	**4,736**	4,897	**246,229**	193,117
Other	10	**–**	–	**323,576**	400,793	**–**	–	**323,576**	400,793
Loans and advances to customers	11	**346**	2,577	**23,039**	3,003	**–**	–	**23,385**	5,580
Debt securities	12	**–**	–	**78,135**	19,178	**–**	–	**78,135**	19,178
Financial investments	13	**2,421**	–	**714,511**	576,679	**–**	–	**716,932**	576,679
Other investments	14	**3,961**	818	**4,325**	3,820	**–**	–	**8,286**	4,638
Subsidiary undertakings	15	**41,925**	41,925	**–**	–	**–**	–	**41,925**	41,925
Associate undertaking	15	**–**	3,273	**–**	81	**–**	–	**–**	3,354
Tangible fixed assets	16	**5,225**	5,486	**–**	–	**–**	–	**5,225**	5,486
Other debtors	18	**1,509**	3,582	**9,969**	4,330	**–**	–	**11,478**	7,912
Prepayments and accrued income		**7,204**	6,522	**20,658**	14,730	**–**	–	**27,862**	21,252
Pension scheme asset	30	**1,819**	1,082	**–**	–	**–**	–	**1,819**	1,082
Total assets		**87,778**	87,664	**1,392,338**	1,188,435	**4,736**	4,897	**1,484,852**	1,280,996
Liabilities									
CAF Give As You Earn and CAF Donate balances	20	**–**	–	**–**	–	**4,544**	4,792	**4,544**	4,792
Due to beneficiary charities	21	**–**	–	**8,853**	14,101	**–**	–	**8,853**	14,101
Other creditors	22	**2,239**	2,528	**7,877**	3,860	**192**	105	**10,308**	6,493
Accruals and deferred income		**1,738**	1,806	**152**	172	**–**	–	**1,890**	1,978
Long-term loan	24	**19,753**	19,705	**–**	–	**–**	–	**19,753**	19,705
Total liabilities		**23,730**	24,039	**16,882**	18,133	**4,736**	4,897	**45,348**	47,069
Funds	25	**64,048**	63,625	**1,375,456**	1,170,302	**–**	–	**1,439,504**	1,233,927
Total liabilities and charitable funds		**87,778**	87,664	**1,392,338**	1,188,435	**4,736**	4,897	**1,484,852**	1,280,996

The notes on pages 57-99 form an integral part of these financial statements.

Approved by the Trustees and authorised for issue on 12 August, 2021 and signed on their behalf by



Roger Perkin FCA
Trustee



Mike Dixon FCA
Director of Finance and Operations

GROUP CASH FLOW STATEMENT

For the year ended 30 April 2021

	Notes	2021 £000	2021 £000	2020 £000	2020 £000
Cash flows from operating activities:					
Net cash provided by operating activities	26		**228, 636**		80,526
Cash flows from investing activities					
Increase in Cash Ratio Deposit with Bank of England		**(828)**		(242)	
Net decrease/(increase) in loans and advances to banks		**80,677**		(64,248)	
Net increase in debt securities		**(186,552)**		(103,541)	
Payments to acquire financial investments		**(137,225)**		(149,334)	
Proceeds on disposal of financial investments		**171,813**		170,747	
Payments to acquire other investments		**(294)**		(820)	
Proceeds on disposal of other investments		**–**		175	
Payments to acquire tangible fixed assets		**(4)**		(319)	
Payments to acquire intangible fixed assets		**(1,194)**		–	
Decrease in investment portfolio cash and settlements pending		**3,818**		4,279	
Settlement of repurchase agreement		**(10,142)**		–	
Receipts of Trust Funds investment income		**10,770**		14,718	
Net cash used in investing activities			**(69,161)**		(128,585)
Cash flows from financing activities					
Payments of interest on long-term loan		**(1,022)**		(1,022)	
Net cash used in financing activities			**(1,022)**		(1,022)
Change in cash and cash equivalents in the year			**158,453**		(49,081)
Cash and cash equivalents as at 1 May			**624,707**		672,668
Change in cash and cash equivalents due to exchange rate movements			**(3,221)**		1,120
Cash and cash equivalents as at 30 April			**779,939**		624,707
Represented by:					
Balances at Bank of England repayable on demand			**415,462**		326,105
Loans and advances to banks repayable on demand			**364,477**		298,602
			779,939		624,707

The notes on pages 57-99 form an integral part of these financial statements.

CHARITY CASH FLOW STATEMENT

For the year ended 30 April 2021

	Notes	2021		2020	
		£000	**£000**	£000	£000
Cash flows from operating activities:					
Net cash used in operating activities	26		**(2,086)**		(42,795)
Cash flows from investing activities					
Net decrease/(increase) in loans and advances to banks		**77,217**		(64,200)	
Net increase in debt securities		**(59,388)**		–	
Payments to acquire financial investments		**(116,456)**		(125,298)	
Proceeds on disposal of financial investments		**139,656**		131,526	
Payments to acquire other investments		**(294)**		(820)	
Proceeds on disposal of other investments		**–**		175	
Payments to acquire tangible fixed assets		**–**		(272)	
Decrease in investment portfolio cash and settlements pending		**5,766**		3,360	
Receipts of Trust Funds investment income		**9,788**		13,453	
Net cash provided by/(used in) investing activities			**56,289**		(42,076)
Cash flows from financing activities					
Payments of interest on long-term loan		**(1,022)**		(1,022)	
Net cash used in financing activities			**(1,022)**		(1,022)
Change in cash and cash equivalents in the year			**53,181**		(85,893)
Cash and cash equivalents as at 1 May			**193,117**		278,501
Change in cash and cash equivalents due to exchange rate movements			**(69)**		509
Cash and cash equivalents as at 30 April			**246,229**		193,117

The notes on pages 57-99 form an integral part of these financial statements.

1. Accounting policies

The principal accounting policies and judgements used in the preparation of the financial statements are:

1.1 Basis of preparation

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice: Accounting and Reporting by Charities (Charity SORP (FRS 102)), except for the adoption of a balance sheet format which the Trustees believe more clearly represents the group's financial assets and liabilities.

Monetary amounts in these financial statements are stated in pounds sterling, which is the functional and presentational currency, and are rounded to the nearest whole £1,000, except where otherwise indicated.

1.2 Going Concern

In order to assess the appropriateness of the going concern assumption basis, the Trustees have considered the group's financial position, liquidity, unrestricted reserves and forecasts for the foreseeable future, taking into account the principal risks to which the group is exposed. Recognising the uncertainty associated with predicting the economic impact of Covid-19, in particular, the Trustees have considered the impact of a severe economic outcome on CAF and its subsidiaries and the effectiveness of management actions that might be taken to mitigate the impact of this stress. Trustees have also considered the circumstances under which the operations of CAF and its subsidiaries would be unable to continue. After taking into account the current level of the group's cash and reserves and the financial performance of the group since 30 April 2021, the Trustees have concluded that the risk of this situation occurring is remote.

Accordingly and after making appropriate enquiries, the Trustees have a reasonable expectation that the group will be able to continue in operation and meet its liabilities as they fall due for at least 12 months from the date of signing this report. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

1.3 Fund accounting

The group holds restricted and unrestricted funds.

Fund classification is an area of significant judgement and is dealt with in Note 1.16 (a).

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects of the group.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors. Restricted funds comprise donations to the group which are held pending instructions for investment or onward donation to charitable organisations.

Further details of each fund are disclosed in note 25.

1.4 Income recognition

Income is recognised once the group has entitlement to the income, it is probable that the income will be received and the amount can be measured reliably.

1.4 (a) Donations and legacies

Donations received are recognised once the group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

In the event that a donation or grant is subject to conditions, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the group and it is probable that those conditions will be fulfilled.

Legacy donations are recognised on a case-by-case basis where there has been a grant of probate or notification has been made by executors that a distribution will be made. In the event that the gift is in the form of an asset other than cash, or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the group. Where legacies have been notified with an estimated value but the criteria for income recognition have not been met, then the legacies are treated as contingent assets and disclosed if material (see note 29).

Donations processed by the group acting in an agency role are recognised in the balance sheet. Such donations consist of amounts in respect of CAF Give As You Earn and CAF Donate services.

1.4 (b) UK Government grants

Income in respect of Government grants is recognised, in accordance with any applicable agreement, over the period to which the grant relates. Any underspends of the grants which are due to be returned are included within creditors.

1.4 (c) Fee income

Income in respect of grant administration services provided to grantmakers, which forms part of wider arrangements including the receipt and onward payment of funds to beneficiary charities, is recognised upon delivery of the administration services. Recognition of this income is dependent upon being able to measure reliably: the stage of completion, the costs incurred in delivering the service and the costs to complete the requirements of the service.

Loan arrangement fees are recognised using the effective interest method over the term of the loan. Non-utilisation fees on undrawn loans are recognised as income in the period they are earned.

1.4 (d) Investment income

Interest receivable on financial assets is recognised using the effective interest method. Dividends are recognised once the dividend has been declared and notification has been received of the value of the dividend due. Where investments are managed by external investment managers, this is normally upon notification by the investment manager of the dividend income.

1.5 Expenditure recognition

Expenditure is recognised as soon as there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Donations paid to charities principally represent donations by donor clients and are charged to the Statement of Financial Activities (SOFA) when both the group and beneficiary charities are notified in the normal course of business of an unconditional obligation to transfer funds. Amounts to be paid at a future date are included in creditors.

Grants payable are payments where the beneficiary charity has been formally notified in writing of the award. This notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. Grant awards that are subject to the recipient fulfilling performance conditions are accrued when any remaining unfulfilled conditions attaching to that grant are outside of the control of the group.

The provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the group that would permit the group to avoid making the future payment(s), settlement is probable and the effect of discounting is material. The discount rate used is the average rate of investment yield in the year in which the grant award is made.

CAF America works in partnership with US professional fundraising organisations. CAF America receives 100% of the donations collected, which it then grants, minus costs and fees paid to the fundraising organisations, to third-party beneficiary charities. The grants payable and associated fundraising fees and costs are recognised in accordance with the above recognition criteria for expenditure. No UK fundraising activities are undertaken.

1.6 Allocation of support costs

All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. Where support costs cannot be directly attributed to one or more categories, they are apportioned on the basis of staff headcount. No support costs are allocated to restricted funds.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

Irrecoverable VAT is charged as a cost.

1.7 Operating leases

Operating lease rentals are charged to the SOFA on a straight line basis over the term of the lease.

1.8 Pension costs

Details of the group's pension arrangements are set out in note 30. The following policies are applied to the recognition and measurement of costs and liabilities in respect of the pension plans.

Defined contribution pension plans

Pension contributions payable for the year in respect of defined contribution pension plans are recognised as an expense and as a liability, after deducting any amounts already paid.

Defined benefit pension plan

The CAF-specific defined benefit pension plan (Charities Aid Foundation Pension Scheme) is closed to both new members and benefit accrual. In accordance with the requirements of FRS 102, if CAF's obligations under the plan exceed the value of the plan's assets, CAF recognises a 'net defined benefit liability'. In the event of a winding up of the plan, the trust deed allows CAF to recover any surplus which may exist. Consequently, where the value of the plan's assets exceed CAF's obligation under the plan, CAF recognises a 'net defined benefit asset'.

The net defined benefit asset or liability is measured in accordance with the requirements of FRS 102 and is determined by an independent actuary. The net change in the defined benefit asset or liability during the period is recognised in the SOFA.

1.9 Foreign currency

Transactions in foreign currencies are translated to Sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to Sterling at the exchange rate ruling at that date.

The results of overseas operations are translated at the average annual rate of exchange and their balance sheets at the rates ruling at the balance sheet date.

Exchange differences arising, including those on the translation of opening net assets of overseas subsidiary undertakings, are taken to the SOFA.

1.10 Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.11 Tangible fixed assets

Tangible fixed assets, other than long-leasehold property, are stated at cost less accumulated depreciation and accumulated impairment losses.

Long-leasehold property is stated at fair value less any subsequent accumulated depreciation and impairment losses. Gains and losses on revaluation are recognised in the SOFA and accumulated in the revaluation reserve.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Group entities assess at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the SOFA on a straight line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

- Long-leasehold property — 50 years
- Long-leasehold and other leasehold improvements — Shorter of the remaining term of the lease or the useful economic life of the asset
- Furniture and fittings — up to 4 years
- Computer equipment — up to 3 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change in the pattern by which the group expects to consume an asset's future economic benefits.

1.12 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight line basis and charged to the SOFA over the asset's estimated economic life. The estimated useful lives are:

- Software development costs — 12 years

Intangible assets are assessed for impairment at each balance sheet date on completion of their development.

External spend to suppliers relates to software and system development. This is capitalised as the recognition criteria is always satisfied for assets that are separately acquired. Internal spend relates to staff costs that can be directly attributed to the project. These costs are also being capitalised as the recognition criteria for these are also met. Research costs were recognised in the SOFA when incurred.

1.13 Basic financial instruments

Investments

Investments may be held for two broad investment objectives:

- to generate income to support the group's charitable activities – 'Treasury assets' which include CAF Bank's investments, or
- to achieve capital appreciation and to generate income for CAF and CADF Charitable Trusts – 'Financial investments'.

Treasury assets

Debt securities are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Financial investments

Pools of investments are held for CAF Charitable Trusts, CAF America Donor Advised Funds and CAF American Donor Fund Trusts (collectively 'Trust funds') to achieve an investment return to fund future charitable donations. The value of the investments determines the funds available for donation at any point in time.

Basic financial instruments held as 'Financial investments' are, therefore, measured initially at fair value, which is normally the transaction price. Transaction costs are expensed in the SOFA (where material) if the investments are subsequently measured at fair value through profit or loss. Subsequent to initial recognition all types of investments, including debt securities, that can be measured reliably are measured at fair value with changes recognised in the SOFA. Where the fair value of such investments cannot be reliably measured because, for example they are not publicly traded, the investments are measured at cost less impairment.

Other investments

Investments in equity instruments, such as ordinary and preference shares, are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded (where material) if the investments are subsequently measured at fair value through profit or loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognised in the SOFA.

Investment properties are measured initially at fair value which is typically probate value. They are subsequently reviewed at each balance sheet date for any changes in fair value which is typically open market value.

Investments in subsidiaries

Investments in subsidiaries which consist of ordinary share capital, preference share capital and Additional Tier 1 (AT1) securities are carried at cost less impairment.

1.13 Basic financial instruments continued

Investment in associate

An associate is an entity in which the group has significant influence, but not control, over the operating and financial policies of the entity. Significant influence is presumed to exist when the investor holds between 20% and 50% of the equity voting rights.

The group's share of the profits less losses of associates is included in the group SOFA and its interest in their net assets is recorded on the balance sheet using the equity method.

In the parent financial statements, investments in associates are carried at cost less impairment.

Investments in subsidiaries held for subsequent resale

Interests held as part of an investment portfolio are deemed to be held with a view to subsequent resale. These interests are not consolidated but are included in the accounts of the investing entity at fair value with movements in the fair value recognised through the SOFA.

Loans and advances to banks

Loans and advances to banks comprise the group's cleared and uncleared balances held at clearing banks and deposits with an original maturity of five years or less. These are shown at the lower of cost or estimated realisable value.

Where a pool of 'Financial investments' is managed on a discretionary basis by an investment manager and the portfolio includes cash and cash deposits, those balances are included with the investment balance to reflect that the funds do not form part of day-to-day operational cash flows and balances.

CAF Bank depositor balances

CAF Bank depositor balances represent the value of deposits by account holders and are recorded as liabilities.

Debtors and creditors

Debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid.

Creditors are recognised where there is a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

Interest-bearing loans receivable and payable

Interest-bearing loans are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing loans are stated at amortised cost using the effective interest method, less any impairment losses.

Concessionary loans receivable and payable

Concessionary loans may be receivable from other charities as a result of social lending activity undertaken by CAF Venturesome and loans advanced by CAF Charitable Trusts. Such loans are advanced at concessionary (non-market) rates of interest, which may include interest-free loans. These are initially recognised at the amount advanced to the borrower and are subsequently measured at the amount advanced less amounts received less any impairment.

Concessionary loans may be payable in respect of funds advanced to support social lending undertaken by CAF Venturesome. Such loans are advanced at concessionary (non-market) rates and are usually interest-free loans. These are initially recognised at the amount advanced by the lender and are subsequently measured at the amount advanced less any amounts repaid to the lender.

1.14 Other financial instruments – financial instruments not considered to be 'Basic financial instruments'

Other financial instruments not meeting the definition of 'Basic financial instruments' are recognised initially at fair value. Subsequent measurement is at fair value with changes recognised in the SOFA, except for equity instruments which are not publicly traded and whose value cannot otherwise be measured reliably, which are measured at cost less impairment.

Derivative financial instruments are not held by the group, except where a pool of 'Financial investments' is managed on a discretionary basis by an investment manager and derivative financial instruments (such as forward currency exchange contracts) may be used to mitigate risk.

1.15 Impairment of assets

Financial assets (including trade and other debtors)

Financial assets including loans are assessed at each reporting date to determine whether there is objective evidence of impairment. Objective evidence can include default or delinquency by a borrower, restructuring of a loan or advance on terms the group would otherwise not consider, indications that a borrower or issuer may become insolvent, or a reduction in marketability of security.

The group considers evidence for impairment for loans and advances (including on-demand commitments) at both specific and collective level. If there is evidence of impairment leading to an impairment loss for an individual counterparty relationship, then the amount of the loss is determined as the difference between the carrying amount of the loan, including accrued interest, and the estimated recoverable amount. The estimated recoverable amount is measured as the present value of expected future cash flows discounted at the loan's original effective interest rate, including cash flows that may result from foreclosure less costs for obtaining and selling collateral. The carrying amount of the loan is reduced by the use of an allowance account and the amount of the loss is recognised in the SOFA.

1.15 Impairment of assets continued

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and loss experience for assets with credit risk characteristics similar to those in the group. In addition, the group uses its judgement to estimate the amount of an impairment loss, supported by historical loss experience data for similar assets. The use of such judgements and reasonable estimates is considered by management to be an essential part of the process.

Non-financial assets

The carrying amounts of the group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the SOFA.
An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Investment properties

Investment properties which are only acquired upon donation, usually by legacies, to the group are measured initially at probate valuation. Subsequent to initial recognition, investment properties are held at open market value.

1.16 Significant estimates and judgements

(a) Judgements

Classification of funds
Judgement has been applied in whether certain funds held in accordance with CAF's standard terms and conditions should be classified as restricted funds or designated funds under the SORP. These funds, which amount to £495.7m (2020: £407.5m), are held by CAF pending instruction for onward distribution to third party charities.

The Trustees consider that the following factors indicate that these funds held in CAF Charity Accounts, CAF Company Accounts and CAF Charitable Trusts are more appropriately classified as restricted funds:

- The SORP states that a restriction may result from a decision by the donor to support a specific purpose of the charity. So, although the standard terms and conditions of CAF do not themselves restrict the funds, the view of the Trustees is that the donor decision results in a restriction in substance.
- There is an expectation from the donor and users of the accounts that these funds will be used in line with the wishes of the donor.

In the ordinary course of business, there is no expectation that these funds will be used for any purposes other than onward distribution. This is supported by long-term business practice and the fact that use of these funds for CAF's own needs would likely be damaging to the business model and would only ever be contemplated in an extreme event.

Legacies

Judgement has been applied in recognising income from legacies gifted to CAF. Legacies are recognised as income where receipt is probable, which is determined from a review of a number of criteria including grant of probate, sufficiency of assets and the existence of any conditions to be met.

(b) Estimates

Pensions
An estimate has been made of the fair value of the assets and of the present value of the defined benefit obligations in respect of a defined benefit pension arrangement (the Charities Aid Foundation Pension Scheme), which is no longer available to staff (see note 30 for more information).

Fair value – estimations and assumptions in valuation models used
Where no market value is available for an investment or no recent transactions of an identical asset are available, an estimate is made of fair value using other valuation models. Such models include those in accordance with International Private Equity and Venture Capital Valuation Guidelines.

The charity carries its three investment properties at fair value, with changes in fair value being recognised in the SOFA. In February 2020 it engaged independent valuation specialists to determine the fair value of each of the three investment properties. Two of the valuations were performed in February 2020 before the onset of Covid-19. The valuation of the third property was not performed.

1.16 Significant estimates and judgements continued

The two valuations performed indicate a net uplift to the carrying value of the portfolio of properties of £480k. However, the onset and ongoing impact of Covid-19 creates doubt with regard to the assurance provided by those valuations. Whilst the housing market has seen some positive growth in 2020 and early 2021 due to a temporary increase in the SDLT threshold which has now ended, the impact of the pandemic remains uncertain

Consequently, the charity has made no adjustment to the carrying value of the portfolio of properties, with the only change in the year relating to renovation costs in respect of one property.

1.17 Entity status

CAF meets the definition of a Public Benefit Entity under FRS 102.

2. Consolidation

The group financial statements include the accounts of CAF (the charity) and its subsidiary undertakings for the year. The income and donations received and net movement in funds for CAF are disclosed in note 25.

Consolidated entities

The following entities are controlled by CAF and are consolidated in the group financial statements:

Trading subsidiaries

By way of mixed-motive investments, CAF owns 100% of the equity share capital of the following:

- CAF Bank Limited (registered in England & Wales – company number 01837656), a bank for charities authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority
- CAF Financial Solutions Limited (registered in England & Wales – company number 02771873), a company authorised and regulated by the Financial Conduct Authority, responsible for the marketing and promotion of regulated savings and investment products to customers of CAF and its subsidiaries
- CAF Investments Limited (registered in England & Wales – company number 07469408), the sponsor of an Open Ended Investment Company (OEIC), namely, FP CAF Investment Fund

UK registered charities

Southampton Row Trust Limited, which operates as the CAF American Donor Fund, is a UK charitable company registered with the Charity Commission (number 1079020) and is wholly-owned by CAF America (see below). CAF American Donor Fund supports cross-border tax-efficient giving by enabling individuals liable for tax in both the UK and USA to obtain tax relief on charitable gifts in each country.

Overseas charitable entities

CAF controls the following overseas charitable entities:

- CAF America, a US public charity recognised by the US Internal Revenue Service. CAF America provides US citizens with the opportunity to make tax-effective gifts for the support of overseas charities. CAF has the power to appoint and remove the members of CAF America at any time
- CAF Canada, a Canadian charity registered with the Canadian Revenue Agency which CAF and CAF America are the only members

Entities not consolidated

Good2Give (Australia), BCause (Bulgaria), CAF India, The 'CAF' Charitable Foundation for Philanthropy Development (CAF Russia), CAF Southern Africa, IDIS Brazil and TUSEV in Turkey all form our international network along with the CAF group. CAF does not have a controlling interest in these entities and consequently their results are not consolidated in the group financial statements.

Other than through investment as an account holder or unit holder, and fees earned for administration and marketing, the CAF group entities have no beneficial interest in the net assets of the following:

- CAF UK Equitrack Fund
- CAF Socially Responsible Portfolio
- IFSL CAF Investment Fund and its sub-funds
- CAF Managed Portfolio Service
- CAF 60 Day Notice account
- CAF 90 Day Notice Account
- CAF One Year Fixed Term Deposit Account
- CAF 12 Month Bond

Former associate undertaking

Charity Bank

CAF's past and ongoing intention is to be a long-term passive investor in Charity Bank, but does not intend to be a source of further capital as Charity Bank's needs grow.

During the year CAF's interest in Charity Bank reduced from 16.6% to 15.6%, with CAF's voting rights reducing from 22.9% to 19.7%. As a result of CAF's voting rights falling below 20%, CAF's investment in Charity Bank is reported within Other Investments as at 30 April 2021.

3. Results and net assets of subsidiaries

Due to the number of subsidiary undertakings, the disclosure required by the Charities SORP would result in information of excessive length being given. As a result, detailed information is only given for CAF America, CAF American Donor Fund and CAF Bank, whose results significantly affect the group accounts.

CAF Bank Limited	2021 £000	2020 £000
Profit and Loss Account		
Interest receivable	**10,059**	12,534
Interest payable	**(263)**	(1,035)
Net interest income	**9,796**	11,499
Other operating income	**1,415**	1,102
Administrative expenses	**(9,763)**	(10,109)
Loan loss provision	**(533)**	(1,201)
Profit on ordinary activities before taxation	**915**	1,291
Tax on profit on ordinary activities	**–**	(1)
Profit on ordinary activities after taxation	**915**	1,290
Profit and loss account balance brought forward	**–**	–
Charitable donation to CAF	**–**	(297)
Dividends payable to AT1 shareholders	**(990)**	(993)
Profit and loss account balance carried forward	**(75)**	–

	2021 £000	2020 £000
Balance Sheet		
Loans and advance to bank & Bank of England	**425,653**	333,844
Loans and advances to customers	**124,506**	103,625
Debt securities	**885,876**	771,083
Other assets	**5,247**	4,378
Total assets	**1,441,282**	1,212,930
Total liabilities		
Depositors' balances	**1,398,146**	1,156,995
Other liabilities	**1,861**	14,585
	1,400,007	1,171,580
Shareholders' funds	**41,275**	41,350
	1,441,282	1,212,930

3. Results and net assets of subsidiaries continued

CAF America	2021 £000	2020 £000
Statement of Financial Activities		
Donations and legacies receivable	**362,472**	211,397
Income from group entities	**1,887**	1,238
Fee income	**10,202**	5,160
Investment income	**422**	789
Total income	**374,983**	218,584
Donations paid to charities	**296,068**	166,078
Donations paid to group entities	**6,767**	4,636
Fundraising costs	**73,757**	6,206
Direct costs of charitable activities	**9,726**	4,820
Governance costs	**65**	62
Total expenditure	**386,383**	181,802
Net income before net gains/(losses) on investments	**(11,400)**	36,782
Net gains/(losses) on financial investments	**2,767**	(67)
Net income/(expenditure)	**(8,633)**	36,715
Funds brought forward	**77,894**	41,179
Funds carried forward	**69,261**	77,894

	2021 £000	2020 £000
Balance Sheet		
Total assets		
Unrestricted funds	**5,178**	4,270
Designated funds*	**67,839**	75,601
Total assets	**73,017**	79,871
Total liabilities		
Unrestricted funds	**2,297**	1,977
Designated funds*	**1,459**	–
Unrestricted funds	**3,756**	1,977
Total Funds		
Unrestricted funds	**2,882**	2,293
Designated funds*	**66,379**	75,601
Total funds	**69,261**	77,894
Total liabilities and funds	**73,017**	79,871

The comparatives for 2020 reflect a reclassification in respect of donations received as a result of US fundraising activity. Income from donations has increased by £6.2m and US fundraising expenditure has increased by £6.2m.

*These funds are designated for Donor Advised grantmaking purposes in CAF America but restricted for use within CAF America. Therefore, they are treated as restricted funds within the group accounts.

CAF American Donor Fund	2021 £000	2020 £000
Profit and Loss Account		
Donations receivable	**83,077**	79,399
Donations receivable from group entities	**327**	89
Investment income	**605**	1,233
Total income	**84,009**	80,721
Donations paid to charities	**63,236**	80,145
Donations paid to group entities	**12,519**	1,383
Direct costs of charitable activities	**6**	21
Direct costs paid to group entities	**406**	443
Governance costs	**38**	34
Total expenditure	**76,205**	82,026
Net income/(expenditure) before net gains/(losses) on investments	**7,804**	(1,305)
Net gains/(losses) on financial investments	**4,240**	(803)
Net income/(expenditure)	**12,044**	(2,108)
Funds brought forward	**76,298**	78,406
Funds carried forward	**88,342**	76,298

	2021 £000	2020 £000
Balance Sheet		
Total assets		
Unrestricted funds	**1,435**	1,458
Designated funds*	**87,087**	75,698
Total assets	**88,522**	77,156
Total liabilities		
Unrestricted funds	**180**	630
Designated funds*	**–**	228
Total liabilities	**180**	858
Funds		
Unrestricted funds	**1,255**	828
Designated funds*	**87,087**	75,470
Total funds	**88,342**	76,298
Total liabilities and funds	**88,522**	77,156

*These funds are designated for Donor Advised grantmaking purposes in the CAF American Donor Fund but restricted for use within the CAF American Donor Fund. Therefore, they are treated as restricted funds within the group accounts.

4. UK Government grants

During the year CAF received the following Government grants:

1) Department for Digital, Culture, Media and Sport (DCMS)

During the year CAF received a grant of £19.9m (2020: £nil) as part of the DCMS Community Match Challenge. Of this amount £19.3m (2020: £nil) was paid by way of grants to third-party charities with £0.5m (2020: £nil) applied to cover administrative costs incurred by CAF to complete the programme. The remaining £0.1m (2020: £nil) was included in creditors at 30 April 2021 and has since been returned to DCMS.

2) Foreign & Commonwealth Development Office (FCDO)

During the year CAF made payments to The "CAF" Charitable Foundation for Philanthropy Development (CAF Russia) of £1.0m (2020: £nil) on behalf of FCDO and received £0.7m (2020: £nil) from FCDO. At 30 April 2021 an amount of £0.3m is included in other debtors as due from FCDO.

3) Furlough Scheme

During the year CAF benefited from £77k (2020: £nil) of government grants under the Coronavirus Job Retention Scheme. In accordance with our accounting policy this credit is included in other income within the Income Statement over the same period as the staff costs for which it compensates.

5. Investment income

	Unrestricted		Restricted		Total	
Group	**2021 £000**	2020 £000	**2021 £000**	2020 £000	**2021 £000**	2020 £000
Interest on fixed interest securities and cash deposits	**6,018**	7,541	**577**	1,250	**6,595**	8,791
Dividends	**4**	104	**10,293**	13,558	**10,297**	13,662
Interest on concessionary loans to charities	**371**	228	**5**	–	**376**	228
	6,393	7,873	**10,875**	14,808	**17,268**	22,681
Charity						
Interest on fixed interest securities and cash deposits	**5,797**	6,844	**541**	926	**6,338**	7,770
Dividends	**989**	1,099	**9,335**	12,575	**10,324**	13,674
Interest on concessionary loans to charities	**371**	228	**5**	–	**376**	228
	7,157	8,171	**9,881**	13,501	**17,038**	21,672

6. Income and donations received and charitable activities

6.1 Group unrestricted funds

	Growing Philanthropy		Serving Charities				Total	
	Charity[1] £000	CAF America and subsidiaries[2] £000	Financial and donation services[3] £000	CAF International network[1] £000	Grantmaking and other £000	Other funds £000	**2021 £000**	2020 £000
Income								
Donations	2,082	797	71	–	121	2,623	**5,694**	2,809
Legacies	–	–	–	–	–	125	**125**	468
	2,082	797	71	–	121	2,748	**5,819**	3,277
Charitable activities:								
Fee income	5,399	10,693	4,767	292	340	–	**21,491**	17,206
CAF Bank net interest income	–	–	9,796	–	–	–	**9,796**	11,499
Investment income	5,489	225	386	–	69	224	**6,393**	7,873
Total income	12,970	11,715	15,020	292	530	2,972	**43,499**	39,855
Expenditure on charitable activities								
Donations paid to charities	–	–	45	–	–	20	**65**	568
Direct costs	6,608	10,450	12,039	804	1,353	1,211	**32,465**	29,853
Support costs								
Human resources	383	–	460	29	79	–	**951**	918
Property	729	–	874	56	150	–	**1,809**	1,858
Finance	625	–	748	48	129	–	**1,550**	1,961
Information systems	4,038	–	2,862	183	419	–	**7,502**	6,926
Governance costs	463	115	775	34	95	–	**1,482**	1,422
Total support costs	6,238	115	5,719	350	872	–	**13,294**	13,085
Total expenditure	12,846	10,565	17,803	1,154	2,225	1,231	**45,824**	43,506
Net income/(expenditure) before gains and losses	124	1,150	(2,783)	(862)	(1,695)	1,741	**(2,325)**	(3,651)
Net gains/(losses) on financial investments	–	–	–	–	–	(192)	**(192)**	6
Net income/(expenditure)	124	1,150	(2,783)	(862)	(1,695)	1,549	**(2,517)**	(3,645)

For the above table, and subsequent tables in this note, summary comparative information only has been provided as it is considered that the provision of full comparatives would add a disproportionate volume of additional information, compared with the benefit obtained by the reader of the accounts.

Notes:

1. Activities undertaken by CAF (the Charity).
2. Activities undertaken by CAF America, the CAF American Donor Fund and CAF Canada.
3. Activities undertaken by CAF, CAF Bank Limited, CAF Financial Solutions Limited and CAF Investments Limited.

6. Income and donations received and charitable activities continued

6.2 Charity unrestricted funds

	Growing Philanthropy			Serving Charities				Total	
	Major donors £000	Regular givers £000	Companies £000	Financial and donation services[1] £000	CAF International network £000	Grantmaking and sector support £000	Other funds £000	**2021 £000**	2020 £000
Income									
Donations	27	1,308	747	399	–	121	2,623	**5,225**	2,818
Legacies	–	–	–	–	–	–	125	**125**	468
	27	1,308	747	399	–	121	2,748	**5,350**	3,286
Charitable activities:									
Fee income	2,944	358	2,124	3,833	291	340	–	**9,890**	11,699
Investment income	3,285	974	1,230	386	–	69	1,213	**7,157**	8,171
Total income	6,256	2,640	4,101	4,618	291	530	3,961	**22,397**	23,156
Expenditure on charitable activities									
Donations paid to charities	–	–	–	45	–	–	20	**65**	395
Direct costs	2,310	1,528	2,770	2,772	804	1,353	1,211	**12,748**	14,526
Support costs									
Human resources	119	77	187	460	29	79	–	**951**	918
Property	226	147	356	874	56	150	–	**1,809**	1,858
Finance	194	126	305	748	48	129	–	**1,550**	1,961
Information systems	1,293	1,051	1,694	2,862	183	419	–	**7,502**	6,926
Governance costs	144	93	226	555	35	95	–	**1,148**	1,176
Total support costs	1,976	1,494	2,768	5,499	351	872	–	**12,960**	12,839
Total expenditure	4,286	3,022	5,538	8,316	1,155	2,225	1,231	**25,773**	27,760
Net expenditure before net losses on investments	1,970	(382)	(1,437)	(3,698)	(864)	(1,695)	2,730	**(3,376)**	(4,604)
Net losses on financial investments	–	–	–	–	–	–	(192)	**(192)**	–
Net income/(expenditure)	1,970	(382)	(1,437)	(3,698)	(864)	(1,695)	2,538	**(3,568)**	(4,604)

6.3 Unrestricted funds – Allocation of support costs

Support costs of charitable activities comprise costs of certain central functions, which underpin the delivery of our services to support donors, charities and the sector and are shared across more than one of our activities. These shared functions provide support in areas such as information systems, premises, human resources, finance, executive management and governance. Where the costs of these shared functions cannot be attributed directly to an area of our activities, they are allocated on the basis of staff headcount.

No support costs are allocated to restricted funds.

Notes:

1. CAF's income and expenditure arising from activities delivered by CAF (CAF Venturesome and CAF Donate), management fees received from its subsidiaries (CAF Bank Limited and CAF Financial Solutions Limited) and CAF's associated costs.

6.4 Group restricted and endowment funds

	Growing Philanthropy		Serving Charities			Total	
	Charity[1] £000	CAF America and subsidiaries[2,4,5] £000	Financial and donation services[3] £000	CAF International network[1] £000	Grantmaking and sector support[1] £000	**2021 £000**	2020 £000
Income							
Donations	448,579	460,488	500	–	1,930	**911,497**	636,634
Legacies	21,685	–	–	–	–	**21,685**	21,231
Government grants	–	–	–	989	19,915	**20,904**	–
	470,264	460,488	500	989	21,845	**954,086**	657,865
Fee income	–	–	20	–	–	**20**	–
Investment income	9,876	994	5	–	–	**10,875**	14,808
Total income	480,140	461,482	525	989	21,845	**964,981**	672,673
Expenditure on charitable activities							
Donations paid to charities	410,087	375,933	(70)	970	24,463	**811,383**	639,892
Direct costs	–	–	50	–	57	**107**	–
	410,087	375,933	(20)	970	24,520	**811,490**	639,892
Expenditure on US fundraising	–	73,757	–	–	–	**73,757**	6,206
Total expenditure	410,087	449,690	(20)	970	24,520	**885,247**	646,098
Net income/(expenditure) before net gains/ (losses) on investments	70,053	11,792	545	19	(2,675)	**79,734**	26,575
Net gains/(losses) on financial investments	123,446	7,665	–	–	–	**131,111**	(43,001)
Net income/(expenditure)	193,499	19,457	545	19	(2,675)	**210,845**	(16,426)

The group receives and holds some donations in currencies other than sterling; principally US dollars. Foreign currency translation differences arise upon their subsequent distribution for charitable purposes, usually in the original currency, or upon translation of such funds held at the balance sheet date. Net income includes foreign currency translation losses of £11.14m (2020: gains of £3.00m).

Terms and conditions vary between products. As a result, a proportion of investment income on restricted funds awaiting charitable distribution is allocated to unrestricted funds (see note 6.1).

Notes:

1. Activities undertaken by CAF (the Charity).
2. Activities undertaken by CAF America, the CAF American Donor Funds and CAF Canada.
3. Activities undertaken by CAF, CAF Bank Limited, CAF Financial Solutions Limited and CAF Investments Limited.
4. Donations received in the USA by CAF America include $120m received via US professional fund raising firms. These donations, minus associated fundraising costs, are then granted to third-party charities.
5. The comparatives for 2020 reflect a reclassification in respect of donations received as a result of US fundraising activity. Income from donations has increased by £6.2m and US fundraising expenditure has increased by £6.2m.

6.5 Charity restricted and endowment funds

	Growing Philanthropy			Serving Charities			Total	
	Major donors[1] £000	Regular givers £000	Companies £000	CAF Venturesome £000	CAF International network £000	Grantmaking £000	**2021 £000**	2020 £000
Income								
Donations	201,259	107,831	156,738	500	–	1,930	**468,258**	338,927
Legacies	21,685	–	–	–	–	–	**21,685**	20,840
Government grants	–	–	–	–	989	19,915	**20,904**	–
	222,944	107,831	156,738	500	989	21,845	**510,847**	359,767
Fee income	–	–	–	20	–	–	**20**	–
Investment income	9,876	–	–	5	–	–	**9,881**	13,501
Total income	232,820	107,831	156,738	525	989	21,845	**520,748**	373,268
Expenditure on charitable activities								
Donations paid to charities	157,875	114,108	138,431	(70)	970	24,463	**435,777**	382,935
Direct costs	–	–	–	50	–	57	**107**	–
Total expenditure	157,875	114,108	138,431	(20)	970	24,520	**435,884**	382,935
Net income/(expenditure) before net gains/(losses) on investments	74,945	(6,277)	18,307	545	19	(2,675)	**84,864**	(9,667)
Net gains/(losses) on debt securities	–	–	–	–	–	–	**–**	–
Net gains on financial investments	123,446	–	–	–	–	–	**123,446**	(42,555)
Net income/(expenditure)	198,391	(6,277)	18,307	545	19	(2,675)	**208,310**	(52,222)

CAF receives and holds some donations in currencies other than sterling; principally US dollars. Foreign currency translation differences arise upon their subsequent distribution for charitable purposes, usually in the original currency, or upon translation of such funds held at the balance sheet date. Net income includes foreign currency translation losses of £2.27m (2020: gains of £0.89m).

Terms and conditions vary between products. As a result, a proportion of investment income on restricted funds awaiting charitable distribution is allocated to unrestricted funds (see note 6.2).

6.6 Restricted funds – Payments to NCVO

We have links with a large number of charities through the provision of financial and administration services, as well as with our founder, NCVO. Despite the economic fall out of the pandemic £2.12m was paid to NCVO during the year (2019/20: £2.11m).

7. Governance costs

Governance costs include the following amounts:

	Group		Charity	
	2021 £000	2020 £000	**2021 £000**	2020 £000
Internal audit	**248**	285	**67**	134
Fees payable to the external auditor, net of VAT:				
Audit of financial statements	**619**	466	**334**	234
Other services	**34**	8	**34**	8
Trustees' indemnity insurance	**-**	43	**45**	36

8. Staff costs

	Charity		CAF America and subsidiaries		CAF Bank and other trading subsidiaries		Group	
	2021 £000	2020 £000	**2021 £000**	2020 £000	**2021 £000**	2020 £000	**2021 £000**	2020 £000
Salaries and wages	**13,713**	13,963	**3,305**	2,654	**4,248**	3,989	**21,266**	20,606
Social security costs	**1,280**	1,388	**210**	175	**399**	341	**1,889**	1,904
Defined contribution scheme pension costs	**1,273**	1,391	**234**	**174**	**333**	269	**1,840**	**1,834**
Training and welfare	**382**	483	**427**	**365**	**1**	1	**810**	**849**
	16,648	17,225	**4,176**	**3,368**	**4,981**	4,600	**25,805**	25,193
Other pension costs (see note 30)	**202**	267	**–**	**–**	**–**	–	**202**	**267**
	16,850	17,492	**4,176**	3,368	**4,981**	4,600	**26,007**	25,460

Throughout this note, where employees of the charity are assigned to duties exclusively for one of CAF's subsidiaries, the associated staff costs and employee numbers are included within the figures for 'CAF America and subsidiaries' or for 'CAF Bank and other trading subsidiaries'.

Included within salaries and wages are redundancy and termination costs totalling £357k for the group and the charity (2020: £63k for the group and £4k for the charity).

8. Staff costs continued

Employee emoluments

Emoluments include gross salary, taxable benefits and one-off end-of-contract payments such as redundancy, but exclude pension contributions and pension allowances (made through salary sacrifice or otherwise).

The number of employees, including the Chief Executive of CAF, whose total emoluments exceeded £60,000 during the year is as follows:

	Charity		CAF America and subsidiaries		CAF Bank and other trading subsidiaries		Group	
	2021 Number	2020 Number	**2021 Number**	2020 Number	**2021 Number**	2020 Number	**2021 Number**	2020 Number
£60,001 – £70,000	**15**	8	**2**	2	**3**	1	**20**	11
£70,001 – £80,000	**6**	8	**4**	2	**1**	4	**11**	14
£80,001 – £90,000	**5**	3	**–**	2	**–**	–	**5**	5
£90,001 – £100,000	**1**	4	**1**	–	**–**	–	**2**	4
£100,001 – £110,000	**–**	2	**1**	–	**–**	–	**1**	2
£110,001 – £120,000	**1**	1	**–**	–	**2**	–	**3**	1
£120,001 – £130,000	**3**	1	**–**	–	**1**	2	**4**	3
£130,001 – £140,000	**–**	2	**1**	–	**–**	–	**1**	2
£150,001 – £160,000	**1**	–	**–**	–	**–**	–	**1**	–
£160,001 – £170,000	**–**	–	**–**	–	**1**	–	**1**	–
£170,001 – £180,000	**1**	–	**–**	–	**–**	–	**1**	–
£190,001 – £200,000	**–**	1	**–**	–	**–**	–	**–**	1
£200,001 – £210,000	**–**	–	**–**		**1**	–	**1**	–
£230,001 – £240,000	**–**	–	**–**	1	**–**	–	**–**	1
£240,001 – £250,000	**–**	1	**–**	–	**–**	–	**–**	1
£260,001 – £270,000	**–**	–	**1***	–	**–**	–	**1***	–
	33	31	**10**	7	**9**	7	**52**	45

*The highest paid role in the year ended 30 April 2021 is the President and CEO of CAF America and subsidiaries whose emoluments are paid in US dollars.

8. Staff costs continued

The Chief Executive of CAF was a position held by two individuals in the year ended 30 April 2021.

Sir John Low was in post until 30 September 2020 and received salary and benefits of £95k for the five months from 1 May 2020. For the year to 30 April 2020 Sir John Low received salary and benefits of £209k, a bonus of £35k which was donated to a CAF Charitable Trust account and employer pension contributions of £10k.

Neil Heslop assumed the role of Chief Executive on 1 October 2020 and received salary and benefits of £126k and employer pension contributions of £10k for the seven months to 30 April 2021.

Pension contributions and pension allowances paid in respect of the employees included in the preceding table together with each Chief Executive of CAF are as follows:

Pension contributions

	Charity		CAF America and subsidiaries		CAF Bank and other trading subsidiaries		Group	
	2021 Number	2020 Number	**2021 Number**	2020 Number	**2021 Number**	2020 Number	**2021 Number**	2020 Number
Number of employees	**33**	31	**10**	**7**	**9**	7	**52**	**45**
	£000	£000	**£000**	£000	**£000**	£000	**£000**	£000
The aggregate value of those contributions	**203**	207	**102**	69	**84**	56	**389**	332

Employee numbers

The average number of employees during the year was:	Charity		CAF America and subsidiaries		CAF Bank and other trading subsidiaries		Group	
	2021 Number	2020 Number	**2021 Number**	2020 Number	**2021 Number**	2020 Number	**2021 Number**	2020 Number
Full-time and part-time employees	**354**	403	**66**	**42**	**112**	115	**532**	**560**
Full-time equivalent	**325**	368	**53**	42	**110**	108	**488**	518

Average number of full-time equivalent employees analysed by function:	**2021**	2020
Major donors	**55**	61
Regular givers	**36**	**37**
Companies	**86**	**99**
Financial and donation services	**102**	**99**
CAF International network[1]	**9**	**25**
Grantmaking and sector support	**36**	**46**
Governance	**1**	**1**
Charity	**325**	**368**
CAF America and subsidiaries	**53**	**42**
CAF Bank and other trading subsidiaries	**110**	**108**
Group	**488**	**518**

1. The average number of full-time equivalent employees during 2020 includes eight employees of CAF Russia which ceased to be a subsidiary during 2020.

The key management personnel of the group are the Executive Committee of CAF. Total salary and employee benefits received by key management personnel during the year amounted to £1,164,984 (2020: £1,095,248) plus pension contributions and pension allowances of £81,284 (2020: £86,026). Employers' National Insurance contributions amounted to £134,527 (2020: £131,325). No amounts were paid to third parties for management services during the year.

The Trustees receive no remuneration for their services, but may be reimbursed for out-of-pocket expenses in respect of attending meetings and carrying out duties on behalf of CAF. Expenses of £218 (2020: nil) were reimbursed during the year.

9. Taxation

CAF is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is exempt from taxation in respect of income or capital gains received within categories covered by Part 10 of the Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

During the year, no tax charge or credit (2020: charge of £1,000) arose for the group which is attributable to adjustments for disallowed expenditure in CAF Bank.

10. Loans and advances to banks

	Unrestricted funds		Restricted and endowment funds		CAF Bank balances and donor client balances		Total	
Group	**2021 £000**	2020 £000	**2021 £000**	2020 £000	**2021 £000**	2020 £000	**2021 £000**	2020 £000
Repayable on demand	**29,933**	27,680	**321,912**	259,753	**12,632**	11,169	**364,477**	298,602
Remaining maturity of other loans and advances:								
Less than 6 months	**–**	–	**156,050**	160,051	**–**	–	**156,050**	160,051
Over 6 months to 1 year	**–**	–	**20,026**	70,702	**–**	–	**20,026**	70,702
Over 1 year to 5 years	**–**	–	**147,500**	173,500	**–**	–	**147,500**	173,500
	29,933	27,680	**645,488**	664,006	**12,632**	11,169	**688,053**	702,855

	Unrestricted funds		Restricted and endowment funds		Donor client balances		Total	
Charity	**2021 £000**	2020 £000	**2021 £000**	2020 £000	**2021 £000**	2020 £000	**2021 £000**	2020 £000
Repayable on demand	**23,368**	22,399	**218,125**	165,821	**4,736**	4,897	**246,229**	193,117
Remaining maturity of other loans and advances:								
Less than 6 months	**–**	–	**156,050**	156,991	**–**	–	**156,050**	156,991
Over 6 months to 1 year	**–**	–	**20,026**	70,302	**–**	–	**20,026**	70,302
Over 1 year to 5 years	**–**	–	**147,500**	173,500	**–**	–	**147,500**	173,500
	23,368	22,399	**541,701**	566,614	**4,736**	4,897	**569,805**	593,910

11. Loans and advances to customers

	Unrestricted funds		Restricted and endowment funds		CAF Bank balances and donor client balances		Total	
	2021 £000	2020 £000	**2021 £000**	2020 £000	**2021 £000**	2020 £000	**2021 £000**	2020 £000
Concessionary loans:								
CAF Venturesome loans to charities	**346**	2,577	**2,159**	352	**–**	–	**2,505**	2,929
CAF Charitable Trust loans to charities	**–**	–	**20,880**	2,651	**–**	–	**20,880**	2,651
Charity	**346**	2,577	**23,039**	3,003	**–**	–	**23,385**	5,580
CAF Bank loans to charities and social investments	**–**	–	**–**	–	**124,506**	103,625	**124,506**	103,625
CADF loans to charities	**–**	–	**–**	–	**–**	–	**–**	–
Group	**346**	**2,577**	**23,039**	3,003	**124,506**	103,625	**147,891**	109,205

	Group		Charity	
Maturity	**2021 £000**	2020 £000	**2021 £000**	2020 £000
Amounts receivable in less than one year				
CAF Venturesome loans to charities	**2,746**	2,367	**2,746**	2,367
CAF Charitable Trust loans to charities	**814**	2,571	**814**	2,571
CAF Bank loans	**7,347**	4,635	**–**	–
CADF loans to charities	**57**	57	**–**	–
	10,964	9,630	**3,560**	4,938
Amounts receivable in one to five years				
CAF Venturesome loans to charities	**2,359**	2,683	**2,359**	2,683
CAF Charitable Trust loans to charities	**20,759**	766	**20,759**	766
CAF Bank loans	**25,038**	20,344	**–**	–
CADF loans to charities	**7**	56	**–**	–
	48,163	23,849	**23,118**	3,449
Amounts receivable in more than five years				
CAF Venturesome loans to charities	**243**	875	**243**	875
CAF Charitable Trust loans to charities	**7**	14	**7**	14
CAF Bank loans	**95,552**	81,421	**–**	–
	95,802	82,310	**250**	889
Less: Deferred income and provisions				
CAF Venturesome loans to charities	**(2,843)**	(2,996)	**(2,843)**	**(2,996)**
CAF Charitable Trust loans to charities	**(700)**	(700)	**(700)**	**(700)**
CAF Bank loans	**(3,431)**	(2,775)	**–**	–
CADF loans to charities	**(64)**	(113)	**–**	–
	(7,038)	(6,584)	**(3,543)**	(3,696)
Total loans	**147,891**	109,205	**23,385**	5,580

12. Debt securities

	Group				Charity			
	Book value		Market value		Book value		Market value	
Restricted funds	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
Listed:								
Multilateral financial institutions	**18,909**	19,178	**19,145**	19,433	**18,909**	19,178	**19,145**	19,433
Fixed coupon corporate bonds	**59,226**	–	**59,046**	–	**59,226**	–	**59,046**	–
	78,135	19,178	**78,191**	19,433	**78,135**	19,178	**78,191**	19,433
Unlisted:								
Certificates of deposit	**1,665**	12,367	**1,665**	12,367	**–**	–	**–**	–
	1,665	12,367	**1,665**	12,367	**–**	–	**–**	–
	79,800	31,545	**79,856**	31,800	**78,135**	19,178	**78,191**	19,433
CAF Bank balances and donor client balances								
Listed:								
UK government	**–**	63,036	**–**	63,102	**–**	–	**–**	–
Multilateral financial institutions	**758,564**	536,545	**760,657**	540,386	**–**	–	**–**	–
Fixed coupon corporate bonds	**24,093**	43,521	**24,399**	43,657	**–**	–	**–**	–
Floating rate corporate bonds	**83,398**	107,981	**84,458**	107,876	**–**	–	**–**	–
	866,055	751,083	**869,514**	755,021	**–**	–	**–**	–
Unlisted:								
Certificates of deposit	**19,821**	20,000	**19,983**	20,029	**–**	–	**–**	–
	19,821	20,000	**19,983**	20,029	**–**	–	**–**	–
	885,876	771,083	**889,497**	775,050	**–**	–	**–**	–
Total debt securities	**965,676**	802,628	**969,353**	806,850	**78,135**	19,178	**78,191**	19,433

	Group		Charity	
	Book value		Book value	
Maturity	**2021 £000**	2020 £000	**2021 £000**	2020 £000
1 day to 8 days	**–**	914	**–**	–
Over 8 days to 3 months	**67,382**	2,071	**–**	–
3 months to 6 months	**33,670**	100,093	**1,658**	–
6 months to 1 year	**240,253**	85,907	**1,604**	–
	341,305	188,985	**3,262**	–
1 year to 5 years	**499,924**	613,643	**57,065**	19,178
	841,229	802,628	**60,327**	19,178
5 years and over	**124,447**	–	**17,808**	–
Total debt securities	**965,676**	802,628	**78,135**	19,178
Unamortised premiums	**(8,732)**	(4,272)	**(4,535)**	(678)

In accordance with FRS 102 debt securities are measured at amortised cost using the effective interest method.

12. Debt securities continued

Group	Cost £000	Amortisation £000	Book value £000
Restricted funds			
At 1 May 2020	32,479	(934)	31,545
Acquisitions	61,891	14	61,905
Redemptions	(12,313)	262	(12,051)
Amortisation	–	(492)	(492)
Foreign exchange gains	(1,096)	(11)	(1,107)
At 30 April 2021	80,961	(1,161)	79,800
CAF Bank balances and donor client balances			
At 1 May 2020	774,047	(2,964)	771,083
Acquisitions	293,668	(505)	293,163
Redemptions	(178,308)	21,352	(156,956)
Amortisation	–	(21,414)	(21,414)
At 30 April 2021	889,407	(3,531)	885,876
Total	970,368	(4,692)	965,676

Charity	£000	£000	£000
Restricted funds			
At 1 May 2020	19,914	(736)	19,178
Acquisitions	59,388	–	59,388
Amortisation	–	(431)	(431)
At 30 April 2021	79,302	(1,167)	78,135

13. Financial investments

Unrestricted funds

Financial investments held for the unrestricted funds of the charity principally consist of US Treasury notes held for the benefit of CAF in two US trusts. The investments are expected to be converted to cash in the next twelve months.

	Charity and group	
Unrestricted funds	**2021 £000**	2020 £000
Additions	**7,554**	–
Disposals	**(4,941)**	–
Net investment losses	**(192)**	–
At 30 April 2021	**2,421**	–
Historical cost of investments	**2,613**	–

	Level 1	
Represented by:	**2021 £000**	2020 £000
Unlisted investments:		
Overseas Government fixed interest	**2,398**	–
Unit trusts and other pooled investments	**23**	–
	2,421	–

Restricted funds

The following tables show the carrying amounts of investments held by the group at fair value and represent restricted funds held for CAF Charitable Trusts, CAF America and CAF Canada Donor Advised Funds and CAF American Donor Fund Trusts (collectively ' Trust funds'). They do not include fair value information for other financial assets and liabilities held by the group which are not measured at fair value.

Nature of Trust funds

Trust funds are held pending onward donation instructions from clients. Until such instructions are received there is no constructive obligation or liability to pay a defined amount within a set time period. Donors typically hold a proportion of their funds in cash in order to meet their short-term giving expectations and invest funds to meet their medium-to long-term philanthropic objectives. Donors plan donations by reference to the market values and liquidity profile of the assets held for their trust fund.

	Group		Charity	
Restricted funds	**2021 £000**	2020 £000	**2021 £000**	2020 £000
At 1 May 2020	**613,938**	632,371	**563,677**	590,960
Additions	**222,006**	195,315	**192,272**	165,047
Disposal proceeds	**(204,278)**	(170,747)	**(172,120)**	(149,775)
Net investment gains/(losses)	**131,111**	(43,001)	**123,446**	(42,555)
	762,777	613,938	**707,275**	563,677
Investment portfolio cash and settlements pending	**9,762**	13,580	**7,236**	13,002
At 30 April 2021	**772,539**	627,518	**714,511**	576,679
Historical cost of investments	**608,305**	575,597	**561,892**	527,831

Measurement of fair values

The group uses the following hierarchy to estimate the fair value of financial investments held for unrestricted and restricted funds:

Level 1: The quoted price for an identical asset in an active market.

Level 2: When quoted prices are unavailable, the fair value is taken as the price of a recent transaction for an identical asset. No investments were held in this category as at 30 April 2021 or 30 April 2020.

Level 3: If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, a valuation technique is used to estimate the fair value. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations. If the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed, the assets are valued at cost less impairment until a reliable measure of fair value becomes available.

13. Financial investments continued

	Level 1		Level 3		Total	
Group	**2021 £000**	2020 £000	**2021 £000**	2020 £000	**2021 £000**	2020 £000
Represented by:						
Listed securities:						
UK Government fixed interest	**7,081**	6,620			**7,081**	6,620
Overseas Government fixed interest	**2,346**	3,210			**2,346**	3,210
Other fixed interest	**8,967**	8,474			**8,967**	8,474
UK equities	**35,120**	26,215			**35,120**	26,215
Overseas equities	**33,738**	18,952			**33,738**	18,952
CAF investment funds:						
IFSL CAF UK Equity Fund	**67,686**	56,005			**67,686**	56,005
IFSL CAF Fixed Interest Fund	**29,183**	29,763			**29,183**	29,763
CAF UK Equitrack Fund	**37,625**	36,006			**37,625**	36,006
IFSL CAF International Equity	**17,404**	15,077			**17,404**	15,077
IFSL CAF Alternative Strategies	**7,432**	7,167			**7,432**	7,167
Unit trusts and other pooled investments	**486,785**	388,318			**486,785**	388,318
Investment trusts	**27,411**	16,813			**27,411**	16,813
Unlisted investments:						
UK	**–**	–	**1,999**	1,318	**1,999**	1,318
	760,778	612,620	**1,999**	1,318	**762,777**	613,938
Investment portfolio cash and settlements pending	**9,762**	13,580	**–**	–	**9,762**	13,580
	770,540	626,200	**1,999**	1,318	**772,539**	627,518

Charity	**£000**	£000	**£000**	£000	**£000**	£000
Represented by:						
Listed securities:						
UK Government fixed interest	**7,081**	6,620	**–**	–	**7,081**	6,620
Overseas Government fixed interest	**1,616**	1,216	**–**	–	**1,616**	1,216
Other fixed interest	**8,967**	7,707	**–**	–	**8,967**	7,707
UK equities	**34,847**	26,042	**–**	–	**34,847**	26,042
Overseas equities	**28,919**	16,072	**–**	–	**28,919**	16,072
CAF investment funds:						
IFSL CAF UK Equity Fund	**67,686**	55,864	**–**	–	**67,686**	55,864
IFSL CAF Fixed Interest Fund	**29,183**	29,763	**–**	–	**29,183**	29,763
CAF UK Equitrack Fund	**37,625**	31,687	**–**	–	**37,625**	31,687
IFSL CAF International Equity	**17,388**	15,065	**–**	–	**17,388**	15,065
IFSL CAF Alternative Strategies	**7,432**	7,167	**–**	–	**7,432**	7,167
Unit trusts and other pooled investments	**437,566**	348,513	**–**	–	**437,566**	348,513
Investment trusts	**26,966**	16,643	**–**	–	**26,966**	16,643
Unlisted investments:						
UK		–	**1,999**	1,318	**1,999**	1,318
	705,276	562,359	**1,999**	1,318	**707,275**	563,677
Investment portfolio cash and settlements pending	**7,236**	13,002	**–**	–	**7,236**	13,002
	712,512	575,361	**1,999**	1,318	**714,511**	576,679

14. Other investments

Group and charity	Unrestricted funds 2021 £000	Unrestricted funds 2020 £000	Restricted and endowment funds 2021 £000	Restricted and endowment funds 2020 £000	Total 2021 £000	Total 2020 £000
Investment properties	**509**	465	**3,820**	3,820	**4,329**	4,285
Unlisted investments	**3,422**	323	**505**	–	**3,927**	323
Other investments	**30**	30	**–**	–	**30**	30
At 30 April 2021	**3,961**	818	**4,325**	3,820	**8,286**	4,638

Group and charity	£000	£000	£000
As at 1 May 2020	818	3,820	4,638
Additions	294	–	294
Transfer from associate undertakings	3,273	81	3,354
Reclassification	(424)	424	–
At 30 April 2021	3,961	4,325	8,286

Due to the uncertainties of property values as a result of Covid-19 the charity has made no adjustment to the carrying value of the portfolio of properties. There was no evidence of impairment of any of the properties held at 30 April 2021.

CAF's voting rights in Charity Bank fell below 20% during the year and, as a result, the investment has been transferred into Other Investments (see note 15).

15. Subsidiary and associate undertakings

Group	Associate under-taking £000	Total £000
At 1 May 2020	3,354	3,354
Group's share of profits/(losses)	–	–
Transfer to other investments	(3,354)	(3,354)
At 30 April 2021	–	–

Charity	Trading subsidiaries £000	Associate under-taking £000	Total £000
At 1 May 2020	41,925	3,354	45,279
Impairment	–	–	–
Transfer to other investments	–	(3,354)	(3,354)
At 30 April 2021	41,925	–	41,925

Details of the entities held as subsidiary and the former associate undertaking are disclosed in note 2 of these financial statements.

CAF's voting rights in Charity Bank fell below 20% as at 30 April 2021 and, as a result, the investment has been transferred into Other Investments (see note 14).

16. Tangible fixed assets

Group – unrestricted funds	Long leasehold property and improvements	Other leasehold improvements	Furniture, fittings and computer equipment	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 May 2020	5,307	571	2,693	8,571
Additions	–	–	4	4
Disposals	–	–	(19)	(19)
Foreign exchange movements	–	(6)	4	(2)
At 30 April 2021	5,307	565	2,682	8,554
Depreciation				
At 1 May 2020	150	333	2,438	2,921
Charged in year	155	57	90	302
On disposal	–	–	(19)	(19)
Foreign exchange movements	–	–	(3)	(3)
At 30 April 2021	305	390	2,506	3,201
Net book value				
At 30 April 2021	5,002	175	176	5,353
At 30 April 2020	5,157	238	255	5,650

Charity – unrestricted funds				
	£000	£000	£000	£000
Cost or valuation				
At 1 May 2020	5,307	456	2,535	8,298
Additions	–	–	–	–
Disposals	–	–	–	–
At 30 April 2021	5,307	456	2,535	8,298
Depreciation				
At 1 May 2020	150	302	2,360	2,812
Charged in year	155	46	60	261
On disposal	–	–	–	–
At 30 April 2021	305	348	2,420	3,073
Net book value				
At 30 April 2021	5,002	108	115	5,225
At 30 April 2020	5,157	154	175	5,486

Long leasehold property

The long leasehold property consists of the lease to the year 2190 on the land and buildings occupied by CAF as its principal place of business. The property is held at valuation and was valued at 30 April 2019 by CBRE, Chartered Surveyors. The valuation was carried out in accordance with the guidelines of the Royal Institution of Chartered Surveyors. The open market value, on a vacant possession basis, at that date was estimated at £5.24m.

A revaluation in accordance with appropriate professional guidelines will be carried out when needed to ensure valuation is kept up-to-date.

The historical cost carrying value of the property and improvements at the balance sheet date was £3.44m (2020: £3.55m).

17. Intangible fixed assets

Group – unrestricted funds	Total £000
Cost or valuation	
At 1 May 2020	–
Additions	1,194
At 30 April 2021	1,194
Amortisation	
At 1 May 2020	–
Charged in year	–
At 30 April 2021	–
Net book value	
At 30 April 2021	1,194
At 30 April 2020	–

Intangible fixed assets represent software development costs associated with the development of a banking system expected to be available for use in the first half of 2022. They have been capitalised in accordance with FRS 102 Section 18, Intangible Assets other than Goodwill. Costs relate to those paid to suppliers for the new system and its project management as well as staff costs that can be directly attributed to the development project.

18. Other debtors

	Unrestricted funds		Restricted funds		Total	
Group	**2021 £000**	2020 £000	**2021 £000**	2020 £000	**2021 £000**	2020 £000
Income tax recoverable	**–**	–	**8,697**	3,686	**8,697**	3,686
Other debtors	**1,732**	1,278	**2,471**	1,806	**4,203**	3,084
	1,732	1,278	**11,168**	5,492	**12,900**	6,770
Charity	**£000**	£000	**£000**	£000	**£000**	£000
Amounts due from subsidiary undertakings	**1,171**	3,286	**–**	–	**1,171**	3,286
Income tax recoverable	**–**	–	**7,498**	2,525	**7,498**	2,525
Other debtors	**338**	296	**2,471**	1,805	**2,809**	2,101
	1,509	3,582	**9,969**	4,330	**11,478**	7,912

All balances fall due within one year.

19. CAF Bank depositor balances

Group	CAF Bank balances and donor client balances 2021 £000	2020 £000
Repayable on demand	**1,379,691**	1,137,318
Repayable within 30 days	**17,166**	19,155
	1,396,857	1,156,473

20. Donor client balances

The following are donations to other charities which are being processed by CAF.

Group and charity	At 1 May 2020 £000	Amounts received £000	Amounts paid to charities £000	Donations paid to CAF £000	At 30 April 2021 £000
CAF Give As You Earn	4,168	71,913	(28,911)	(43,015)	**4,155**
CAF Donate	602	43,972	(44,185)	–	**389**
	4,770	115,885	(73,096)	(43,015)	**4,544**
Other donor client balances	22	–	(12)	(10)	**–**
	4,792	115,885	(73,108)	(43,025)	**4,544**

Group and charity	At 1 May 2019 £000	Amounts received £000	Amounts paid to charities £000	Donations paid to CAF £000	At 30 April 2020 £000
CAF Give As You Earn	4,409	68,554	(28,232)	(40,563)	4,168
CAF Donate	39	34,154	(33,591)	–	602
	4,448	102,708	(61,823)	(40,563)	4,770
Other donor client balances	52	101	(113)	(18)	22
	4,500	102,809	(61,936)	(40,581)	4,792

Other charitable funds

In addition to the above, the group manages the following charitable funds on behalf of other trusts and foundations through its Global Trustee service. The investments are maintained in segregated portfolios held in the name of the relevant entity. None of these amounts are included in the financial statements of CAF or the group.

	2021 £000	2020 £000
Investments	**92,697**	95,737
Money market deposits and bank balances	**88**	68
	92,785	95,805

21. Amounts due to beneficiary charities

Group	Restricted and endowment funds 2021 £000	Restricted and endowment funds 2020 £000
Payable within 1 year	**10,047**	12,971
Payable after more than 1 year	**265**	1,531
	10,312	14,502

Charity	£000	£000
Payable within 1 year	**8,588**	12,570
Payable after more than 1 year	**265**	1,531
	8,853	14,101

Amounts due to beneficiary charities represent constructive obligations, principally in respect of longer term grants.

22. Other creditors

Group	Unrestricted funds 2021 £000	Unrestricted funds 2020 £000	Restricted and endowment funds 2021 £000	Restricted and endowment funds 2020 £000	CAF Bank balances and donor client balances 2021 £000	CAF Bank balances and donor client balances 2020 £000	Total 2021 £000	Total 2020 £000
Payable on acquisition of investments	**–**	–	**419**	5	**–**	–	**419**	5
Trade creditors	**457**	912	**–**	–	**–**	–	**457**	912
Tax and social security	**488**	457	**–**	–	**–**	–	**488**	457
Other creditors	**3,910**	2,024	**7,499**	3,900	**192**	105	**11,601**	6,029
	4,855	3,393	**7,918**	3,905	**192**	105	**12,965**	7,403

Charity	Unrestricted funds 2021 £000	Unrestricted funds 2020 £000	Restricted and endowment funds 2021 £000	Restricted and endowment funds 2020 £000	Donor client balances 2021 £000	Donor client balances 2020 £000	Total 2021 £000	Total 2020 £000
Payable on acquisition of investments	**–**	–	**419**	5	**–**	–	**419**	5
Trade creditors	**457**	377	**–**	–	**–**	–	**457**	377
Tax and social security	**485**	454	**–**	–	**–**	–	**485**	454
Other creditors	**1,297**	1,697	**7,458**	3,855	**192**	105	**8,947**	5,657
	2,239	2,528	**7,877**	3,860	**192**	105	**10,308**	6,493

Included within other creditors are amounts totalling £1.50m (2020: £1.49m) repayable to seven (2020: six) third party investors of CAF Venturesome. Amounts are repayable within three or six months from receipt of written instruction. These concessionary loans do not bear interest and amounts are repaid net of any losses incurred.

23. Repurchase agreements

Repurchase agreements total £nil (2020: £10.14m). The corresponding carrying value of assets of £nil (2020: £10.04m) sold under sale and repurchase agreements is included within debt securities (note 12). Amounts relate to group unrestricted funds only.

24. Long-term loan

Group and charity	Carrying value 2021 £000	2020 £000
Unrestricted funds		
At 1 May 2020	**19,705**	19,660
Amortisation of capitalised costs	**50**	47
Interest payable for the year	**1,020**	1,020
Interest paid	**(1,022)**	(1,022)
At 30 April 2021	**19,753**	19,705

Payable	Carrying Value 2021 £000	2020 £000
3 months to 6 months	**49**	50
5 years and over	**19,704**	19,655
	19,753	19,705

In April 2016 Retail Charity Bonds plc (RCB) launched the CAF Retail Charity Bond, which was issued through and is listed on the London Stock Exchange Retail Bonds platform. RCB raised £20m from the issue of this bond.

The full amount of the funds raised by RCB have been loaned to CAF under the terms of a loan agreement between CAF and RCB.

The loan is repayable in full in April 2026. Interest is payable at a rate of 5% per annum.

CAF was advanced £19.6m net of the bond issue costs. The bond issue costs of £0.4m, together with other costs of £0.2m associated with the advance of this loan, including legal and accountancy fees, have been capitalised and are being amortised over the term of the loan.

25. Statement of funds

Group	Notes	At 1 May 2020 £000	Income and donations received £000	Expenditure on charitable activities £000	Transfers £000	Recognised gains and losses £000	At 30 April 2021 £000
Unrestricted funds	25.1	67,007	43,499	(45,824)	3,156	643	**68,481**
Restricted funds	25.2	1,332,244	964,981	(885,247)	(3,156)	131,111	**1,539,933**
		1,399,251	1,008,480	(931,071)	–	131,754	**1,608,414**
Charity							
Unrestricted funds	25.1	63,625	22,397	(25,773)	3,156	643	**64,048**
Restricted funds	25.2	1,170,302	520,748	(435,884)	(3,156)	123,446	**1,375,456**
		1,233,927	543,145	(461,657)	–	124,089	**1,439,504**

25. Statement of funds continued

Group	Notes	At 1 May 2019 £000	Income and donations received £000	Expenditure on charitable activities £000	Transfers £000	Recognised gains and losses £000	At 30 April 2020 £000
Unrestricted funds	25.1	61,746	39,855	(43,506)	9,413	(501)	67,007
Restricted funds*	25.2	1,355,737	672,673	(643,822)	(9,390)	(42,954)	1,332,244
Endowment funds	25.2	2,346	–	(2,276)	(23)	(47)	–
		1,419,829	712,528	(689,604)	–	(43,502)	1,399,251
Charity							
Unrestricted funds	25.1	59,260	23,156	(27,760)	9,476	(507)	63,625
Restricted funds	25.2	1,229,654	373,268	(380,659)	(9,453)	(42,508)	1,170,302
Endowment funds	25.2	2,346	–	(2,276)	(23)	(47)	–
		1,291,260	396,424	(410,695)	–	(43,062)	1,233,927

* The values in the table above for group restricted funds and for total group funds reflect a reclassification in respect of donations received as a result of US fundraising activity. Income from donations has increased by £6.2m and US fundraising expenditure has increased by £6.2m.

25.1 Unrestricted funds

Group	At 1 May 2020 £000	Income and donations received £000	Expenditure on charitable activities £000	Transfers £000	Recognised gains and losses £000	**At 30 April 2021 £000**
General funds	65,396	43,499	(45,824)	3,209	643	**66,923**
Property revaluation reserve	1,611	–	–	(53)	–	**1,558**
	67,007	43,499	(45,824)	3,156	643	**68,481**
Charity						
General funds	62,014	22,397	(25,773)	3,209	643	**62,490**
Property revaluation reserve	1,611	–	–	(53)	–	**1,558**
	63,625	22,397	(25,773)	3,156	643	**64,048**

Group	At 1 May 2019 £000	Income and donations received £000	Expenditure on charitable activities £000	Transfers £000	Recognised gains and losses £000	At 30 April 2020 £000
General funds	60,082	39,855	(43,506)	9,466	(501)	65,396
Property revaluation reserve	1,664	–	–	(53)	–	1,611
	61,746	39,855	(43,506)	9,413	(501)	67,007
Charity						
General funds	57,596	23,156	(27,760)	9,529	(507)	62,014
Property revaluation reserve	1,664	–	–	(53)	–	1,611
	59,260	23,156	(27,760)	9,476	(507)	63,625

General funds – comprise accumulated operating surpluses, income from investments, legacies and other gifts received.

Property revaluation reserve – represents the difference between the net book value and the historical cost of the long leasehold property occupied by CAF as its head office.

Transfers from restricted funds to unrestricted funds – represents funds previously held as restricted funds from which the donors have lifted the restriction. Transfers from restricted funds during the year include £2.3m from donor accounts dormant for over 10 years and £0.2m from a CAF Charitable Trust, the trusts upon which the funds were held by CAF had failed, where in both circumstances the funds have been applied for the general charitable purposes of CAF. A further £0.5m was transferred from restricted funds representing costs attributable to the DCMS Community Match Challenge project (see note 4).

25. Statement of funds continued

25.2 Restricted funds

Group	At 1 May 2020 £000	Income and donations received £000	Expenditure on charitable activities £000	Transfers £000	Recognised gains and losses £000	**At 30 April 2021 £000**
Growing philanthropy						
Major donors						
CAF Charitable Trusts	974,136	222,338	(157,875)	4,625	123,446	**1,166,670**
Regular givers						
CAF Charity Accounts	102,221	70,409	(79,497)	4,888	–	**98,021**
CAF Give As You Earn Charity Accounts	36,067	37,422	(34,284)	(196)	–	**39,009**
	138,288	107,831	(113,781)	4,692	–	**137,030**
Companies						
CAF Company accounts	40,991	149,971	(138,431)	4,857	–	**57,388**
Charity	1,153,415	480,140	(410,087)	14,174	123,466	**1,361,088**
CAF America*	75,600	362,802	(369,822)	(4,965)	2,767	**66,382**
CAF American Donor Fund	75,469	83,557	(64,222)	(11,957)	4,241	**87,088**
CAF Canada	10,873	15,123	(15,646)	–	657	**11,007**
CAF America and subsidiaries	161,942	461,482	(449,690)	(16,922)	7,665	**164,477**
Financial and donation services						
CAF Venturesome accounts	7,745	525	20	477	–	**8,767**
CAF International network						
CAF Russia grant programmes	3	989	(970)	–	–	**22**
Grantmaking and sector support						
CAF Coronavirus Emergency Fund	3,879	1,462	(5,072)	(246)	–	**23**
Community Match Challenge	–	19,833	(19,357)	(476)	–	**–**
CAF discretionary funds	5,008	2	(10)	187	–	**5,187**
Other funds	251	548	(81)	(350)	–	**368**
	9,138	21,845	(24,520)	(885)	–	**5,578**
	1,332,244	964,981	(885,247)	(3,156)	131,111	**1,539,933**

* The values in the table above reflect a reclassification for CAF America in respect of donations received as a result of US fundraising activity. Income from donations has increased by £6.2m and expenditure has increased by £6.2m.

25. Statement of funds continued

25.2 Restricted funds continued

Charity	At 1 May 2020 £000	Income and donations received £000	Expenditure on charitable activities £000	Transfers £000	Recognised gains and losses £000	**At 30 April 2021 £000**
Major donors						
CAF Charitable Trusts	974,136	232,820	(157,875)	(5,857)	123,446	**1,166,670**
Regular givers						
CAF Charity Accounts	102,221	70,409	(79,497)	4,888	–	**98,021**
CAF Give As You Earn Charity Accounts	36,067	37,422	(34,611)	131	–	**39,009**
	138,288	107,831	(114,108)	5,019	–	**137,030**
Companies						
CAF Company accounts	40,991	156,738	(138,431)	(1,910)	–	**57,388**
Charities						
CAF Venturesome accounts	7,745	525	20	477	–	**8,767**
International						
CAF Russia grant programmes	3	989	(970)	–	–	**22**
Sector Support						
CAF Coronavirus Emergency Fund	3,879	1,462	(5,072)	(246)	–	**23**
Community Match Challenge	–	19,833	(19,357)	(476)	–	**–**
CAF discretionary funds	5,008	2	(10)	187	–	**5,187**
Other funds	251	548	(81)	(350)	–	**368**
	9,138	21,845	(24,520)	(885)	–	**5,578**
	1,170,302	520,748	(435,884)	(3,156)	123,446	**1,375,456**

25. Statement of funds continued

25.2 Restricted funds continued

Group	At 1 May 2019 £000	Income and donations received £000	Expenditure on charitable activities £000	Transfers £000	Recognised gains and losses £000	At 30 April 2020 £000
Growing philanthropy						
Major donors						
CAF Charitable Trusts	1,019,145	190,813	(176,166)	(17,148)	(42,508)	974,136
Regular givers						
CAF Charity Accounts	103,748	67,538	(73,313)	4,248	–	102,221
CAF Give As You Earn Charity Accounts	35,142	33,986	(32,966)	(95)	–	36,067
	138,890	101,524	(106,279)	4,153	–	138,288
Companies						
CAF Company accounts	54,589	75,186	(91,998)	3,214	–	40,991
Charity	1,212,624	367,523	(374,443)	(9,781)	(42,508)	1,153,415
CAF America*	39,673	211,644	(172,663)	(3,432)	378	75,600
CAF American Donor Fund	77,595	80,383	(80,799)	(907)	(803)	75,469
CAF Canada	8,084	11,868	(9,058)	–	(21)	10,873
CAF America and subsidiaries	125,352	297,689	(256,314)	(4,339)	(446)	161,942
Financial and donation services						
CAF Venturesome accounts	8,323	(4)	(749)	175	–	7,745
CAF International network						
CAF Russia grant programmes	778	439	(1,525)	311	–	3
CAF Foundation for Philanthropy	728	205	(933)	–	–	–
	1,506	644	(2,458)	311	–	3
Grantmaking and sector support						
CAF Coronavirus Emergency Fund	–	43	(1,482)	5,318	–	3,879
CAF discretionary funds	7,615	5	(2,011)	(601)	–	5,008
Other funds	317	567	(159)	(474)	–	251
	7,932	615	(3,652)	4,243	–	9,138
	1,355,737	672,673	(643,822)	(9,390)	(42,954)	1,332,244
Endowments						
CAF Russia:						
Endowment Fund	758	–	(735)	–	(23)	–
The Ford Foundation	1,588	–	(1,541)	(23)	(24)	–
	2,346	–	(2,276)	(23)	(47)	–
	1,358,083	672,673	(646,098)	(9,413)	(43,001)	1,332,244

* The values in the table above reflect a reclassification for CAF America in respect of donations received as a result of US fundraising activity. Income from donations has increased by £6.2m and expenditure has increased by £6.2m.

25. Statement of funds continued

25.2 Restricted funds continued

Charity	At 1 May 2019 £000	Income and donations received £000	Expenditure on charitable activities £000	Transfers £000	Recognised gains and losses £000	At 30 April 2020 £000
Major donors						
CAF Charitable Trusts	1,019,143	190,870	(176,166)	(17,203)	(42,508)	974,136
Regular givers						
CAF Charity Accounts	103,746	67,540	(73,313)	4,248	–	102,221
CAF Give As You Earn Charity Accounts	35,142	33,986	(32,976)	(85)	–	36,067
	138,888	101,526	(106,289)	4,163	–	138,288
Companies						
CAF company accounts	54,589	79,511	(92,278)	(831)	–	40,991
CAF Venturesome						
CAF Venturesome accounts	8,323	(4)	(749)	175	–	7,745
CAF International network						
CAF Russia grant programmes	779	749	(1,525)	–	–	3
Grantmaking						
CAF Coronavirus Emergency Fund	–	43	(1,482)	5,318	–	3,879
CAF discretionary funds	7,615	5	(2,011)	(601)	–	5,008
Other funds	317	567	(159)	(474)	–	251
	7,932	615	(3,652)	4,243	–	9,138
	1,229,654	373,268	(380,659)	(9,453)	(42,508)	1,170,302
Endowments						
CAF Russia:						
Endowment Fund	758	–	(735)	–	(23)	–
The Ford Foundation	1,588	–	(1,541)	(23)	(24)	–
	2,346	–	(2,276)	(23)	(47)	–
	1,232,000	373,268	(382,935)	(9,476)	(42,555)	1,170,302

Restricted funds comprise:

a. **CAF Charitable Trusts** – consist of capital gifted to CAF and the related investment income. The capital is held in accordance with CAF's investment policy for CAF Charitable Trusts and investment gains or losses are credited or charged to the funds. These funds may only be used to make payments to other charities as instructed by the donor.

b. **CAF Charity Accounts, CAF Company Accounts and CAF Give As You Earn Charity Accounts** – represent amounts gifted to CAF by individual and corporate donors which are held in accounts until disbursed to charities on behalf of the donor.

c. **CAF Venturesome accounts** – represent funds set aside by CAF donors to complement the funds assigned by the Trustees for CAF Venturesome.

d. **CAF Social Impact Fund** – represents funds set aside by CAF donors to support the activities of the CAF Social Impact Fund.

e. **CAF America, CAF American Donor Fund and CAF Canada** – represent undistributed donations received by each of these charities. The boards of these entities review, validate and approve donors' suggestions for distributions to charities worldwide.

f. **CAF Russia grant programmes** – represent historical funds received by CAF's branch in Russia from institutional donors which may only be used to make payments to charities in the former Soviet Union in accordance with restrictions imposed by the donor.

25.2 Restricted funds continued

g. CAF Foundation for Philanthropy Development – represent funds received from institutional donors which may only be used to make payments to charities in the former Soviet Union in accordance with restrictions imposed by the donor. The Foundation became independent during 2019/20 and is no longer part of the CAF group.

h. CAF Coronavirus Emergency Fund – represents funds set aside by and gifted to CAF by individual and corporate donors in response to the Coronavirus pandemic. Grants from the fund are awarded to small charities.

i. Community Match Challenge – represent funds received by CAF from DCMS in respect of the Community Match Challenge created in response to the Coronavirus pandemic. Grants from the fund are awarded to small charities.

j. CAF discretionary funds – represent funds available to support the sector at Trustees' discretion.

k. CAF Russia endowments – The principals were maintained in segregated funds and the income from each used to support CAF's operations in Russia. CAF operations in Russia were brought together within the newly independent CAF Russian Foundation in 2019/20 and the original donors agreed that these funds could be granted to endow the CAF Russian Foundation.

Transfers between restricted funds

Transfers between restricted funds occur where a donor gives funds into a range of restricted funds and subsequently requests a transfer between the funds.

26. Cash flow statement

	Group		Charity	
	2021 £000	2020 £000	**2021 £000**	2020 £000
Net income/(expenditure) for the year	**208,328**	(20,071)	**204,742**	(56,826)
Adjustments for:				
Depreciation	**302**	264	**261**	244
Losses on disposal of tangible fixed assets	**–**	–	**–**	–
(Gains)/losses on financial investments	**(130,919)**	42,995	**(123,254)**	42,555
Release of provision on other investments	**–**	(26)	**–**	(26)
Amortisation and other revaluations of debt securities	**23,504**	2,909	**431**	266
Amortisation of capitalised costs of borrowing	**50**	47	**50**	47
Non–cash transactions:				
In specie transfers and share gifts	**(54,930)**	(45,981)	**(45,965)**	(21,500)
Defined benefit pension plan expense	**202**	267	**202**	267
Interest on long-term loan	**1,022**	1,022	**1,022**	1,022
Investment income receivable on Trust Funds	**(10,875)**	(14,808)	**(9,881)**	(13,501)
(Increase)/decrease in loans and advances to customers	**(38,686)**	(11,631)	**(17,805)**	1,533
(Increase)/decrease in other assets and prepayments	**(12,129)**	2,042	**(10,085)**	4,119
(Decrease)/increase in amounts due to beneficiary charities	**(4,190)**	2,138	**(5,248)**	1,739
Increase/(decrease) in other liabilities and accruals	**3,704**	(722)	**3,727**	(2,113)
Pension deficit reduction plan payments	**(104)**	(404)	**(104)**	(404)
(Decrease)/increase in donor client balances	**(248)**	292	**(248)**	292
Increase in CAF Bank depositor balances	**240,384**	123,313	**–**	–
Unrealised (gains)/losses on foreign currency	**3,221**	(1,120)	**69**	(509)
Net cash provided by/(used in) operating activities	**228,636**	80,526	**(2,086)**	(42,795)

27. Operating lease commitments

At the balance sheet date the group and CAF had total commitments under non-cancellable operating leases for land and buildings as set out below:

	Land and Buildings		Other		Total	
Group	**2021 £000**	2020 £000	**2021 £000**	2020 £000	**2021 £000**	2020 £000
Operating lease payments falling due:						
Within one year	**589**	603	**160**	–	**749**	603
Between one and five years	**1,256**	1,705	**253**	–	**1,509**	1,705
After more than five years	**382**	663	**–**	–	**382**	663
	2,227	2,971	**413**	–	**2,640**	2,971

The amounts charged to the SOFA totalled £0.81m (2020: £0.78m) in respect of land and buildings and £0.07m (2020: £nil) in respect of other assets.

	Land and Buildings		Other		Total	
Charity	**2021 £000**	2020 £000	**2021 £000**	2020 £000	**2021 £000**	2020 £000
Operating lease payments falling due:						
Within one year	**391**	391	**160**	–	**551**	391
Between one and five years	**405**	796	**253**	–	**658**	796
After more than five years	**–**	–	**–**	–	**–**	–
	796	1,187	**413**	–	**1,209**	1,187

The amounts charged to the SOFA totalled £0.43m (2020: £0.45m) in respect of land and buildings and £0.07m (2020: £nil) in respect of other assets.

28. Financial commitments and contingent liabilities

At the balance sheet date the group was committed to the following:

	2021 £000	2020 £000
Grant commitments	**–**	258
CAF Venturesome loans	**2,491**	2,554
Charity	**2,491**	2,812
CAF Bank:		
Commitments to customers	**36,779**	33,439
Other commitments	**–**	5,323
Group	**39,270**	41,574

Grant commitments to beneficiary charities

At the balance sheet date the group had no commitments to pay donations from restricted funds to beneficiary charities which were subject to certain conditions being met by the charities.

CAF Venturesome loans to charities

At the balance sheet date CAF Venturesome and CAF Social Impact Fund were committed to provide concessionary loans to charities, subject to certain conditions being met. No liability has been recorded in the balance sheet for these loans. The commitments become due or expire within one year (if the charity no longer needs the funding).

28. Financial commitments and contingent liabilities continued

CAF Bank commitments to customers

At the balance sheet date CAF Bank had commitments comprising amounts yet to be drawn under loan or overdraft agreements.

CAF Bank – other commitments

At 30 April 2020 CAF Bank was committed to the purchase of a covered bond with a book value of £5,323,000 which had not settled by this date.

29. Contingent assets

At the balance sheet date, the charity had been notified of a number of legacies for which probate was not yet granted or other factors indicated that these legacies should not be recognised as income. The aggregate value of those legacies was £8.1m (2020: £4.9m).

30. Pension obligations

During the year CAF participated in the following pensions.

a. **Hargreaves Lansdown** – The Hargreaves Lansdown scheme is a defined contribution self-invested group pension. Since 1 July 2012 new employees have been enrolled into this scheme and from 1 May 2016 all current employees contributed to this scheme only.

From 1 April 2019, upon auto-enrolment the employee contribution rate is 2.67% of basic salary and CAF contributed 6.33%. After three months employees are able to elect to increase their contribution rate to either 3% or 5.67% of basic salary, with CAF contributing 6% or 11.33% respectively.

b. **The Charities Aid Foundation Pension Scheme** – The Charities Aid Foundation Pension Scheme is a defined benefit scheme established on 15 September 2015 and is closed to new employees and further benefit accrual. The Charities Aid Foundation Pension Scheme was established solely to receive a transfer from the Growth Plan, a multi-employer section of The Pensions Trust in which CAF was a participating employer.

The results of the actuary's estimate of the scheme's assets and liabilities at 30 April 2021, based on assumptions used for FRS 102 are as follows:

i. Amounts recognised in the balance sheet:

	2021 £000	2020 £000
Present value of liabilities	**(17,308)**	(18,235)
Fair value of assets	**19,127**	19,317
Net defined benefit asset	**1,819**	1,082

ii. Amounts included in the SOFA under FRS 102:

	2021 £000	2020 £000
Scheme expenses	**218**	305
Interest on asset	**(16)**	(38)
Total expense recognised in the SOFA	**202**	267

30. Pension obligations continued

iii. Movement in the net defined benefit asset/liability:

	2021 £000	2020 £000
Net defined benefit asset at 1 May 2020	**1,082**	1,452
Pension cost in SOFA	**(202)**	(267)
Employer contributions	**104**	404
Actuarial gains/(losses)	**835**	(507)
Removal/remeasurement of asset limit	**–**	–
Net defined benefit asset at 30 April 2021	**1,819**	1,082

iv. Movement in present value of the defined benefit obligation:

	2021 £000	2020 £000
Defined benefit obligation at 1 May 2020	**18,235**	16,335
Interest on obligation	**286**	403
Actuarial losses	**(448)**	1,912
Benefits paid	**(765)**	(415)
Defined benefit obligation at 30 April 2021	**17,308**	18,235

v. Movement in fair value of scheme assets:

	2021 £000	2020 £000
Fair value of the scheme assets at 1 May 2020	**19,317**	17,787
Interest on scheme assets	**302**	441
Actuarial experience gains	**387**	1,405
Contributions by the employer	**104**	404
Scheme expenses	**(218)**	(305)
Benefits paid	**(765)**	(415)
Fair value of scheme assets at 30 April 2021	**19,127**	19,317

vi. Major categories of the scheme assets as a percentage of total assets are as follows:

	2021 Allocation	2020 Allocation
Equities	**13%**	27%
Corporate bonds	**24%**	20%
Government bonds	**11%**	7%
Cash	**24%**	7%
Property	**4%**	8%
LDI funds	**10%**	14%
Annuity policies	**14%**	17%
	100%	100%

The scheme does not invest directly in property occupied by the employer or in financial securities issued by the employer.

30. Pension obligations continued

vii. Principal assumptions at the balance sheet date

	2021	2020
Discount rate	**2.0% pa**	1.6% pa
Inflation measured by Retail Price Index (RPI)	**3.2% pa**	2.6% pa
Inflation measured by Consumer Price Index (CPI)	**2.6% pa**	2.0% pa
Pension increases in deferment	**0.0% pa**	0.0% pa
Pension increases in payment:		
CPI capped at 5% pa	**2.6% pa**	2.0% pa
CPI capped at 2.5% pa	**2.2% pa**	1.8% pa
Exchange of pension for cash on retirement	**50% of members assumed to exchange 25% of their pension sum for a cash sum**	50% of members assumed to exchange 25% of their pension sum for a cash sum
Base mortality table	**90% of rates implied by S3PXA**	90% of rates implied by S3PXA
Mortality projection basis	**CMI (Core) 2019 projection with a long-term rate of improvement of 1.5% p.a. for males and 1.0% p.a. for females**	CMI (Core) 2019 projection with a long-term rate of improvement of 1.5% p.a. for males and 1.0% p.a. for females
Life expectancy of a male aged 65 at accounting date	**87.8 yrs**	87.8 yrs
Life expectancy of a male aged 65 20 years from accounting date	**89.5 yrs**	89.5 yrs
Life expectancy of a female aged 65 at accounting date	**89.8 yrs**	89.8 yrs
Life expectancy of a female aged 65 20 years from accounting date	**91.0 yrs**	90.9 yrs

31. Transactions with related parties

Other than the matters detailed below, none of the Trustees nor any connected persons had a material or beneficial interest in any contract or undertaking with CAF, other than in the ordinary course of business, nor in the shares of its subsidiary companies.

One of CAF's trustees is the Chair of NCVO. Donations paid by CAF, during the year, included £2,124,234 (2020: £2,106,032) to NCVO under the terms of CAF's Declaration of Trust. The amount due to NCVO at 30 April 2021 was £584,123 (2020: £423,736).

32. Post balance sheet events

There have been no events since the balance sheet date that are required to be adjusted for, or to be disclosed.

33. CAF Bank financial instruments and risk management

CAF Bank is a wholly owned subsidiary of CAF and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

The group's risk management framework and principal risks, including those applicable to CAF Bank, are set out in the Risk Management Report within the Trustees' Report. CAF Bank's exposure to its principal risks, which are those associated with holding financial instruments, is further described below:

33.1 Credit Risk

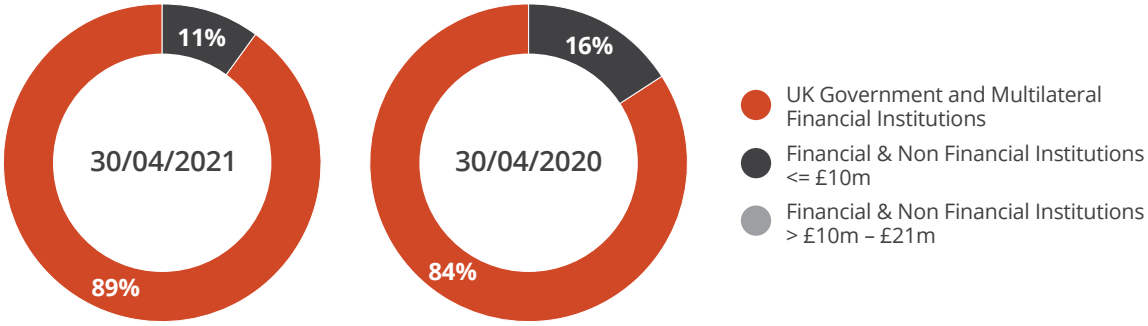
The following tables set out CAF Bank's principal financial instruments from which credit risk arises.

	2021		2020	
Treasury assets by class:	**Book Value £000**	**Market Value £000**	Book Value £000	Market Value £000
Listed:				
UK government	**–**	**–**	63,036	63,102
Multilateral financial institutions	**758,564**	**760,657**	536,545	540,386
Fixed coupon corporate bonds	**24,093**	**24,399**	43,521	43,657
Floating rate corporate bonds	**83,398**	**84,458**	107,981	107,876
	866,055	**869,514**	751,083	755,021
Unlisted:				
Certificates of deposit	**19,821**	**19,983**	20,000	20,029
Debt securities	**885,876**	**889,497**	771,083	775,050
Balances at Bank of England	**417,756**	**417,756**	327,571	327,571
Loans and advances to banks	**7,897**	**7,897**	6,273	6,273
	1,311,529	**1,315,150**	1,104,927	1,108,894

	2021		2020	
Treasury assets by credit rating: Category (Fitch equivalent credit rating)	**Book Value £000**	**% of Book**	Book Value £000	% of Book
UK government	**417,756**	**31.87%**	390,609	35.35%
AAA	**752,985**	**57.41%**	526,185	47.62%
AA+	**83,071**	**6.33%**	82,893	7.50%
AA	**–**	**0.00%**	4,238	0.38%
AA-	**25,485**	**1.94%**	48,937	4.43%
A+	**22,351**	**1.70%**	52,065	4.72%
A	**9,881**	**0.75%**	–	0.00%
	1,311,529	**100.00%**	1,104,927	100.00%

33.1 Credit Risk continued

Treasury assets by exposure value:



Lending

CAF Bank's policies include maximum exposure values, and limits to manage concentration risk by sector. Exposure to geographical area is monitored. At 30 April 2021, the largest loan was £4.8m (2020: £4.9m). The maximum aggregate exposures to any one sector (social housing) and geographical area were 53% and 29% respectively (2020: 55% and 26% respectively).

Loans, overdrafts and BACS facilities are subject to regular monitoring of loan performance and individual annual review. Administration of the loan book is outsourced to BCM Mortgage Services Ltd who provide regular management information on a loan by loan and aggregated basis. A provision of £802k has been made at 30 April 2021 reflecting losses that may have been incurred but not yet identified (2020: £707k) and £1,376k has been provided for specific loan provisions (2020: £938k). No overdrafts were written off during the year (2020: none).

One loan was in arrears at 30 April 2021 (2020: none).

Secured and unsecured lending

	2021 £000	2020 £000
Gross loans and advances to customers	**127,937**	106,400
Contingent liabilities and commitments	**36,779**	33,439
	164,716	139,839
Amounts included within the above:		
Secured on property	**164,716**	139,805
Unsecured:		
Loans	**–**	–
Overdrafts	**–**	34
	164,716	139,839

As at 30 April 2021 the average loan to value ratio across the lending portfolio was 53% (2020: 54%).

33.2 Liquidity and Funding Risk

CAF Bank holds liquidity buffer eligible assets of £1,174m (2020: £916m), excluding assets pledged as security under repurchase agreements. Liquidity buffer assets comprise investments in the Bank of England Reserve Account, UK Gilts, Treasury Bills and multilateral development banks.

33.3 Market and Interest Rate Risk

The following tables set out details of the maturity and duration of financial instruments held by CAF Bank.

Non-maturity (on-demand) deposits are behaviourally adjusted as follows:

Current accounts	
£0-£249,999	2-3 years
£250,000 – £999,999	1-2 years
Over £1m	6-12 months

Assets and liabilities analysed by interest rate pricing time periods:

At 30 April 2021	Next day 2021 £000	Up to 3 months 2021 £001	3 months to 6 months 2021 £000	6 months to 1 year 2021 £000	1 year to 5 years 2021 £000	Over 5 years 2021 £000	Other items 2021 £000	**Total 2021 £000**
Assets								
Balances at Bank of England	415,461	2,295	–	–	–	–	–	**417,756**
Loans and advances to banks	7,897	–	–	–	–	–	–	**7,897**
Loans and advances to customers	115,004	–	–	–	9,502	–	–	**124,506**
Debt securities	–	337,166	32,012	207,175	202,453	106,641	429	**885,876**
Prepayments and accrued income	–	–	–	–	–	–	4,053	**4,053**
Intangible fixed assets	–	–	–	–	–	–	1,194	**1,194**
	538,362	339,461	32,012	207,175	211,955	106,641	5,676	**1,441,282**
Liabilities								
Customer accounts	788,350	–	–	84,088	525,704	–	4	**1,398,146**
Repurchase agreements	–	–	–	–	–	–	–	**–**
Other liabilities	–	–	–	–	–	–	1,848	**1,848**
Accruals and deferred income	–	–	–	–	–	–	13	**13**
Shareholders' funds	–	–	–	–	–	–	41,275	**41,275**
	788,350	–	–	84,088	525,704	–	43,140	**1,441,282**
Interest rate sensitivity gap	(249,988)	339,461	32,012	123,087	(313,749)	106,641	(37,464)	**–**
Impact of 2% change in interest rates	–	(234)	(236)	(1,809)	13,479	(11,310)	–	**(110)**

33.3 Market and Interest Rate Risk continued

Assets and liabilities analysed by interest rate pricing time periods continued:

At 30 April 2020	Next day 2020 £000	Up to 3 months 2020 £000	3 months to 6 months 2020 £000	6 months to 1 year 2020 £000	1 year to 5 years 2020 £000	Over 5 years 2020 £000	Other items 2020 £000	Total 2020 £000
Assets								
Balances at Bank of England	326,104	1,467	–	–	–	–	–	327,571
Loans and advances to banks	6,273	–	–	–	–	–	–	6,273
Loans and advances to customers	95,473	–	–	–	8,152	–	–	103,625
Debt securities	–	236,724	49,952	69,858	413,576	–	973	771,083
Prepayments and accrued income	–	240	–	–	–	–	4,138	4,378
	427,850	238,431	49,952	69,858	421,728	–	5,111	1,212,930
Liabilities								
Customer accounts	662,804	–	–	52,429	430,289	–	11,473	1,156,995
Repurchase agreements	–	10,142	–	–	–	–	–	10,142
Other liabilities	–	–	–	–	–	–	4,197	4,197
Accruals and deferred income	–	–	–	–	–	–	246	246
Shareholders' funds	–	–	–	–	–	–	41,350	41,350
	662,804	10,142	–	52,429	430,289	–	57,266	1,212,930
Interest rate sensitivity gap	(234,954)	228,289	49,952	17,429	(8,561)	–	(52,155)	–
Impact of 2% change in interest rates	–	6	(370)	(257)	635	–	–	14

33.4 Other categories of risk

- Reputational risk
- Regulatory risk
- Operational risk
- Cyber risk
- Strategy and Mission risk
- Financial Crime risk

The group approach to exposure to and management of each of the above risks is described in the group Risk Management Report and includes particular reference to CAF Bank in respect of regulatory and operational risk.

33.5 Capital Management

CAF Bank aims at all times to maintain an adequate level of capital to support the development of its business and to meet regulatory capital requirements.

Business and capital plans are drawn up annually covering a three-year period and approved by CAF Bank's Board. The plans ensure that adequate levels of capital are maintained by CAF Bank to support its strategy. This is integrated with CAF Bank's annual planning process.

The capital plan takes the following into account:

- Current and anticipated future regulatory capital requirements
- Increases in demand for capital due to business development, including planned lending growth
- Potential demand for capital from market shocks or stresses
- Available supply of capital and capital raising options
- Achieving a minimum required leverage ratio; and
- Internal controls and governance for managing the Bank's risk, operations and capital.

CAF Bank undertakes a detailed capital adequacy assessment to support its capital requirements. Each material risk is assessed, relevant mitigants considered, and appropriate levels of capital determined. The capital adequacy assessment is a key part of CAF Bank's risk and planning framework and a minimum capital requirement is assessed and agreed with the PRA. CAF Bank's internal capital adequacy assessment is regularly updated.

CAF Bank's capital resources comprise:

	2021 £000	2020 £000
Ordinary share capital	**29,350**	29,350
Distributable reserves	**1,000**	1,000
Additional tier 1 capital	**11,000**	11,000
Profit and loss account	**(75)**	–
	41,275	41,350

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Cyrus Ardalan
Matt Hammerstein
Anne Heal (resigned 23 November 2020)
Tiina Lee
Roger Perkin FCA
Janet Pope
Sir Ernest Ryder
David Shalders (appointed 15 July 2020)
Dr Priya Singh (appointed 23 November 2020)
Susannah Storey CB

Executive committee
Neil Heslop, OBE, Chief Executive
Mike Dixon FCA, Director of Finance and Operations
Mark Greer, Managing Director of Philanthropy Services
Ted Hart, CEO of International Corporate Services
David Jessop, Director of People
Angus Macfarlane, Director of Transformation
Nora Sakaan, Director of Brand and Marketing
Alison Taylor, CEO of Charity Services

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