

Image: stock image



Giving more in tough times

Trustees' report and financial statements
for the year ended 30 April 2023

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.

Contents

Our year at a glance	04
Chair's report	06
Chief Executive's introduction	10
Our role and what we do	14
Enabling philanthropy	16
International reach	24
Charity resilience	30
Charity banking	38
Blueprint for the future	44
Financial review	50

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.

James Leigh-Pemberton

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 tailor-made 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.

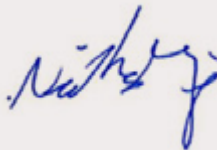
I am proud that along with our partners in the sector, our research played an important role in persuading the Government to allocate £100 million of financial support for charities responding to the cost-of-living crisis.

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.

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.



Image: Humraaz

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.

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.

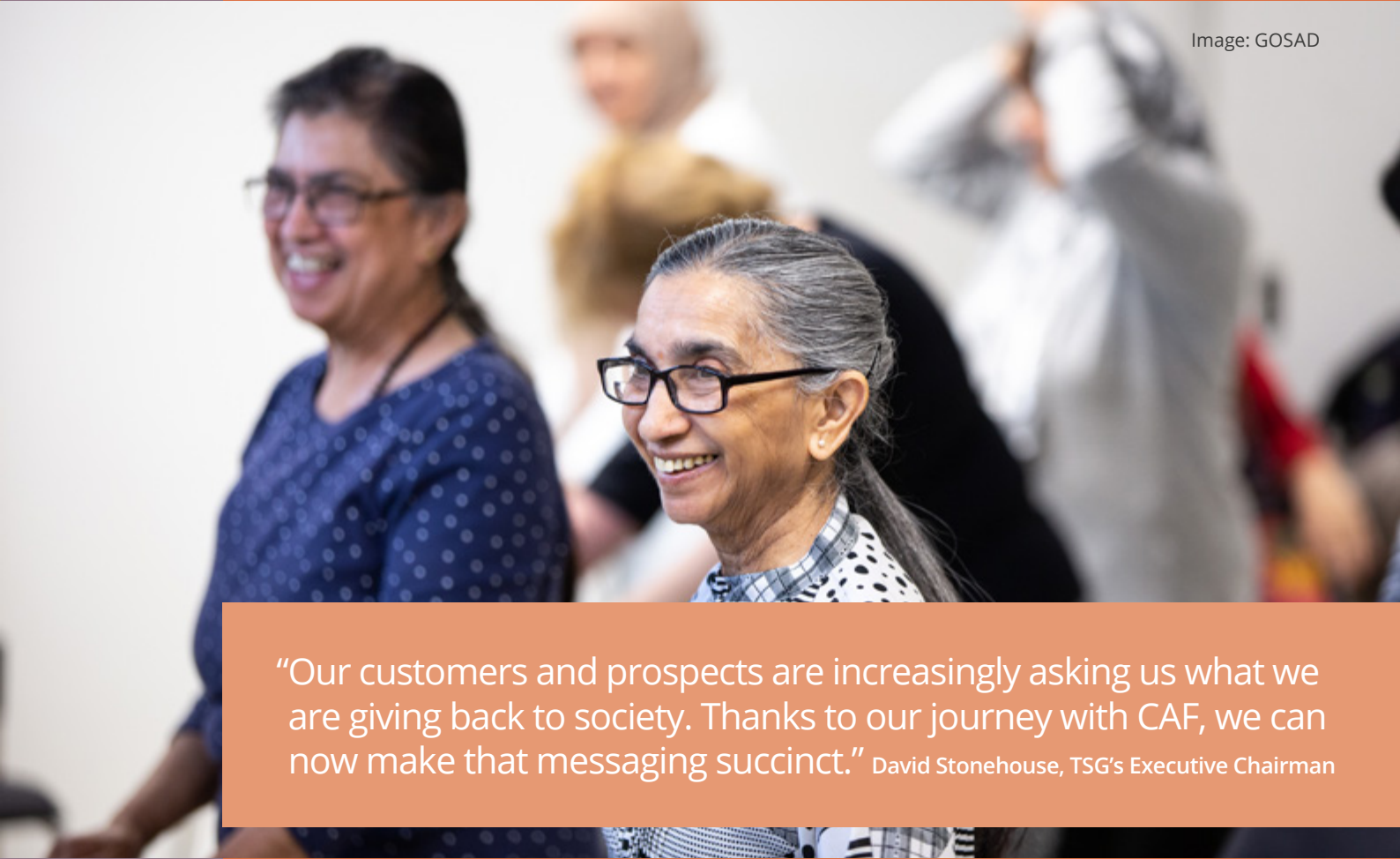


Image: GOSAD

“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

Image: © Donovan Wright for Kent Wildlife Trust

"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



The Mark Foundation[®] for Cancer Research

Scientific Symposium 2022



Image: The Mark Foundation

\$200m

Awarded grants in research from The Mark Foundation

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.



US

International reach



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.

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.

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

Image: ©Islamic Relief

“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

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.

Convening causes

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 Némethi 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

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



Image: YMCA, Milton Keynes

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.

“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

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.



Image: Gesher School

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: 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

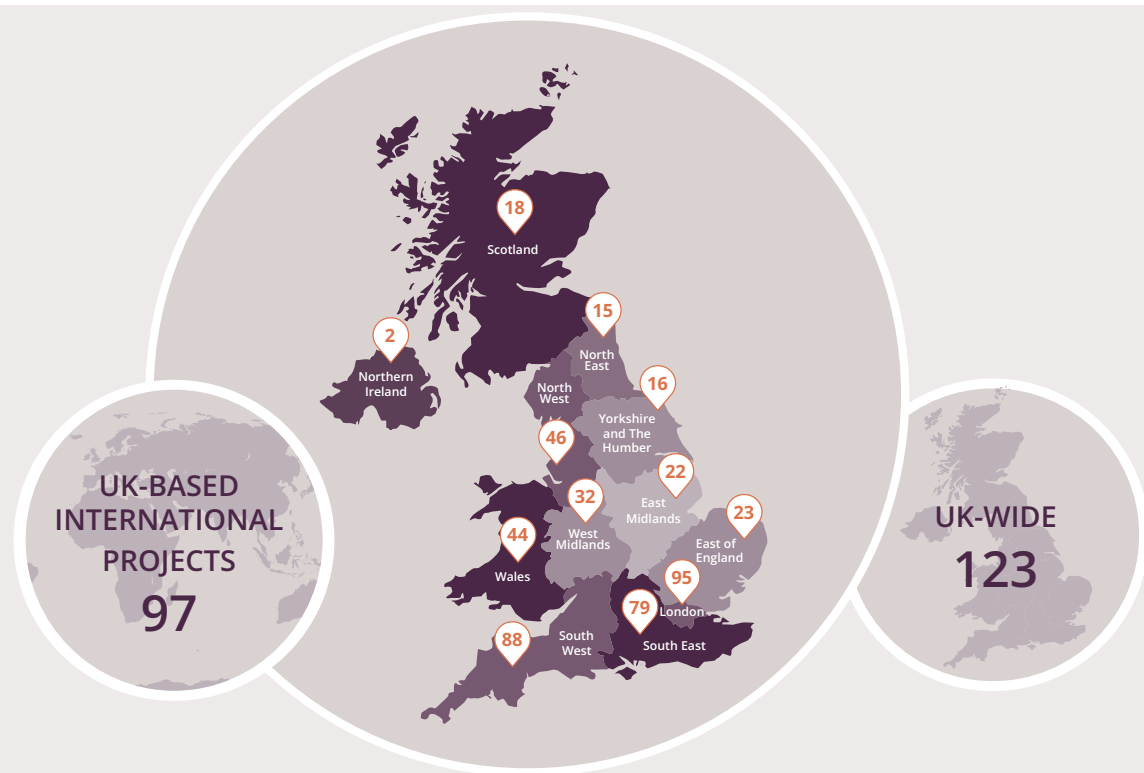
In November, we celebrated 20 years of social investment with Venturesome. When launched in 2002, it was one of the first funds of its kind in the country. We have since supported enterprises and charities all over the UK, including those with international projects, and made more than 700 social investments 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.



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




“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

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.


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



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



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.

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

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.



Image: MS-UK



Charity banking in the UK



Our international reach

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.



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.

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

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.	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.
	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.	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.
	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.	Our planning processes include comparison of projected reserves against the level of reserves required to support our ongoing operations and planned strategic growth.
	Modelling for other economic scenarios in the medium and longer term are also subject to consideration.	We continue to assess and monitor risks associated with evolving legislation as it impacts charitable work.
	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.	

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.	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.
	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.	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.
	CAF is registered with the Financial Conduct Authority (FCA) for anti-money laundering purposes.	

NON-FINANCIAL RISKS

Risk	Mitigation	
REGULATORY	CAF Bank is authorised by the Prudential Regulation Authority (PRA) and regulated by the FCA and PRA.	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.
	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.	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.
	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.	The group is committed to ensuring that the appropriate resource is made available to adhere to regulatory requirements.
	Where the CAF group undertakes cross-border grantmaking, the local regulations of the receiving country are considered.	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.
	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.	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.	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.
	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 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.	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.
	CAF understands the importance of having clear and consistent positions on the issues facing the charitable sector, donors, corporate givers and government.	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.
	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.	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: <ul style="list-style-type: none">• 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.	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.
	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.	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.	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 purchase of fixed rate investments can result in unrealised discount or losses, that could crystallise in the event of disposal, impacting levels of reserves and regulatory capital.	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.

James Leigh-Pemberton

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

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.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

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.

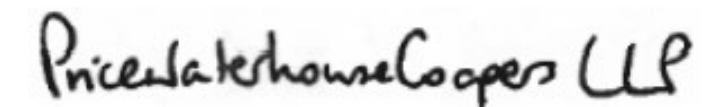
OTHER REQUIRED REPORTING

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

		Unrestricted funds		Restricted funds		Total	
		2023	2022	2023	2022	2023	2022
		Notes	£000	£000	£000	£000	£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

		Unrestricted funds		Restricted funds		Total	
		2023	2022	2023	2022	2023	2022
		Notes	£000	£000	£000	£000	£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

		Unrestricted funds		Restricted funds		CAF Bank balances and donor client balances		Total	
		2023	2022	2023	2022	2023	2022	2023	2022
Notes		£000	£000	£000	£000	£000	£000	£000	£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

		Unrestricted funds		Restricted funds		Donor client balances		Total	
		2023	2022	2023	2022	2023	2022	2023	2022
Notes		£000	£000	£000	£000	£000	£000	£000	£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		2022	
		£000	£000	£000	£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		2022	
		£000	£000	£000	£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.

	2023	2022		2023	2022
	£000	£000		£000	£000
CAF Bank Limited					
Profit and Loss Account			Balance Sheet		
Interest receivable	35,396	10,823	Loans and advances to		
Interest payable	(7,350)	(182)	banks & Bank of England	626,592	610,024
Net interest income	28,046	10,641	Loans and advances to		
Other operating income	1,647	2,062	customers	177,734	160,407
Administrative expenses	(18,472)	(11,774)	Debt securities	752,100	777,145
Loan loss provision	(573)	1,100	Other assets	15,108	8,468
Profit on ordinary activities before taxation	10,648	2,029	Total assets	1,571,534	1,556,044
Tax on profit on ordinary activities	(2,073)	(389)	Total liabilities		
Profit on ordinary activities after taxation	8,575	1,640	Depositors' balances	1,505,425	1,508,937
Profit and loss account balance brought forward	1,579	(61)	Other liabilities	14,636	4,178
Transferred from distributable reserve	1,000	-	Total liabilities	1,520,061	1,513,115
			Shareholders' funds	51,473	42,929
Profit and loss account balance carried forward	11,154	1,579	Total liabilities and shareholders' funds	1,571,534	1,556,044

Notes to the financial statements

3. Results and net assets of subsidiaries (continued)

	2023	2022		2023	2022
CAF America	£000	£000		£000	£000
Statement of Financial Activities			Balance Sheet		
Donations and legacies receivable	533,280	370,798	Total assets		
US fundraising programme income	25,678	77,481	Unrestricted funds	6,061	6,655
Income from group entities	278	408	Designated funds ¹	177,133	137,341
Fee income	13,323	10,672	Total assets	183,194	143,996
Investment income	3,103	480			
Total income	575,662	459,839	Total liabilities		
Donations payable to charities	490,027	319,165	Unrestricted funds	1,699	3,121
Donations payable to group entities	7,147	6,000	Designated funds ¹	4,090	1,529
US fundraising programme costs	21,328	61,718	Total liabilities	5,789	4,650
Direct costs of charitable activities	14,695	10,679	Total funds		
Governance costs	127	187	Unrestricted funds	4,362	3,534
Total expenditure	533,324	397,749	Designated funds ¹	173,043	135,812
			Total funds	177,405	139,346
Net income before net gains/(losses) on investments	42,338	62,090	Total liabilities and funds	183,194	143,996
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			

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)

	2023	2022		2023	2022
CAF American Donor Fund	£000	£000		£000	£000
Statement of Financial Activities			Balance Sheet		
Donations and legacies receivable	104,117	94,678	Total assets		
Donations receivable from group entities	-	139	Unrestricted funds	1,411	1,778
Investment income	2,474	930	Designated funds ¹	133,737	115,491
Total income	106,591	95,747	Total assets	135,148	117,269
Donations payable to charities	85,571	62,211			
Donations payable to group entities	1,524	5,617	Total liabilities		
Direct costs of charitable activities	10	24	Unrestricted funds	175	126
Direct costs paid to group entities	1,621	531	Designated funds ¹	1,279	5
Governance costs	65	60	Total liabilities	1,454	131
Total expenditure	88,791	68,443	Funds		
			Unrestricted funds	1,236	1,651
Net income before net gains/(losses) on investments	17,800	27,304	Designated funds ¹	132,458	115,487
Net gains/(losses) on financial investments	(1,618)	(1,162)	Total funds	133,694	117,138
Net income before other recognised gains/(losses)	16,182	26,142	Total liabilities and funds	135,148	117,269
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			

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		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
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		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
£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
	£000	£000	£000	£000
Maturity				
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
	£000	£000	£000	£000	£000	£000	£000	£000
Restricted funds								
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
	£000	£000	£000	£000
Maturity				
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)

Group	Cost	Amortisation	Book value
	£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

Charity	Cost	Amortisation	Book value
	£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
	£000	£000	£000	£000
Restricted funds				
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.

Group	Level 1		Level 3		Total	
	2023	2022	2023	2022	2023	2022
	£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	
	£000		£000		£000	
Group						
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	
	£000		£000		£000	
Charity						
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 improvements	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

			At 1 May 2022	Income and donations received	Expenditure on charitable activities	Transfers	Taxation and recognised gains & losses	At 30 April 2023
	Notes		£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

			At 1 May 2021	Income and donations received	Expenditure on charitable activities	Transfers	Taxation and recognised gains & losses	At 30 April 2022
	Notes		£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

	At 1 May	Income and	Expenditure	Recognised		At 30 April
	2022	donations received	on charitable activities	Transfers	gains & losses	2023
Group	£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)

	At 1 May	Income and	Expenditure	Recognised		At 30 April
	2022	donations received	on charitable activities	Transfers	gains & losses	2023
Charity	£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	Income and	Expenditure	Recognised		At 30 April
	2021	donations received	on charitable activities	Transfers	gains & losses	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
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	Income and	Expenditure	Recognised		At 30 April
	2021	donations received	on charitable activities	Transfers	gains & losses	2022
	£000	£000	£000	£000	£000	£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

	At 1 May 2022	Cash flows	Foreign exchange movements	Other non-cash changes	At 30 April 2023
	£000	£000	£000	£000	£000
Group					
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

	At 1 May 2022	Cash flows	Foreign exchange movements	Other non-cash changes	At 30 April 2023
	£000	£000	£000	£000	£000
Charity					
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	
	2023	2022	2023	2022	2023	2022
Group	£000	£000	£000	£000	£000	£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	
	2023	2022	2023	2022	2023	2022
Charity	£000	£000	£000	£000	£000	£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.

	2023		2022	
	Book Value	Market Value	Book Value	Market Value
	£000	£000	£000	£000
Treasury assets by class:				
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

	2023		2022	
	Book Value	Book Value	Book Value	Book Value
	£000	% of Book	£000	% of Book
Treasury assets by credit rating:				
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	Up to 3	3 months to	6 months	1 year to	Over 5	Other	Total
	day	months	6 months	to 1 year	5 years	years	items	
	£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

National Westminster Bank PLC

332 High Holborn

London

WC1V 7PS

Charities Aid Foundation

25 Kings Hill Avenue

Kings Hill

West Malling

Kent ME19 4TA

T: 03000 123 000

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

