



TOGETHER,

WE GIVE MORE

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

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

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

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SIR JAMES LEIGH-PEMBERTON, CVO
Chair of Trustees

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

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

In 1924, the National Council of Social Service set up a Charities Department to encourage giving to charities. This department was later renamed the Charities Aid Fund, and the National Council of Social Service became the National Council for Voluntary Organisations (NCVO). The progress that has been made since those early days is an uplifting story of endeavour over the century of partnership with our founder, the NCVO. Along the way, CAF has been instrumental in introducing important innovations that have helped to unlock much more generosity, such as Gift Aid and Payroll Giving. CAF has never forgotten its core purpose, which

is to encourage and help donors to give to support charities, and in collaboration with others, we have always sought to foster an even greater culture of giving for the future. Since NCVO established CAF as an independent organisation in 1974, we have worked closely with them to deliver on this aim, and we look forward in the years ahead to building together on our shared history in service of charities across the UK.

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

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

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

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

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

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

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

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

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

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

SIR JAMES LEIGH-PEMBERTON, CVO
Chair of Trustees

KEY HIGHLIGHTS DURING THE YEAR

PAID IN
£1.155BN+
donations to CAF group
£1.119bn donations to CAF group in 2023

PAID OUT
£1.132BN+
given to charities throughout CAF group
£1.024bn given to charities throughout CAF group in 2023

Chief Executive's introduction



NEIL HESLOP, OBE
Chief Executive

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

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

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

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

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

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

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

We were delighted to support Pro Bono Economics' Civil Society Summit in January, with partners including NCVO and ACEVO, which brought together senior

then Opposition figures, with hundreds of charities represented. I am pleased too that we were able to support the launch of Onward's research on philanthropy later the same week where the then Secretary of State insisted that we need look no further than her for a philanthropy champion in government.

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

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

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

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

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

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

NEIL HESLOP, OBE
Chief Executive

WHO WE ARE, WHAT WE DO





Who we are, what we do

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

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

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

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

100 YEARS OF GIVING

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

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

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

TOGETHER, WE GIVE MORE.



TRUST-BASED PHILANTHROPY

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

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

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

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

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

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

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

CAF CLIENT

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

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

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

Our impact advisory team worked with Landsec to find employment and education partners around

the UK. We also undertook a bespoke charity search and select exercise to help Landsec teams identify local causes and projects aligned to their programme priorities.

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

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

JENNIE COLVILLE
Head of ESG and Sustainability,
Landsec

CREATING OPPORTUNITIES, BUILDING FOR THE FUTURE

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

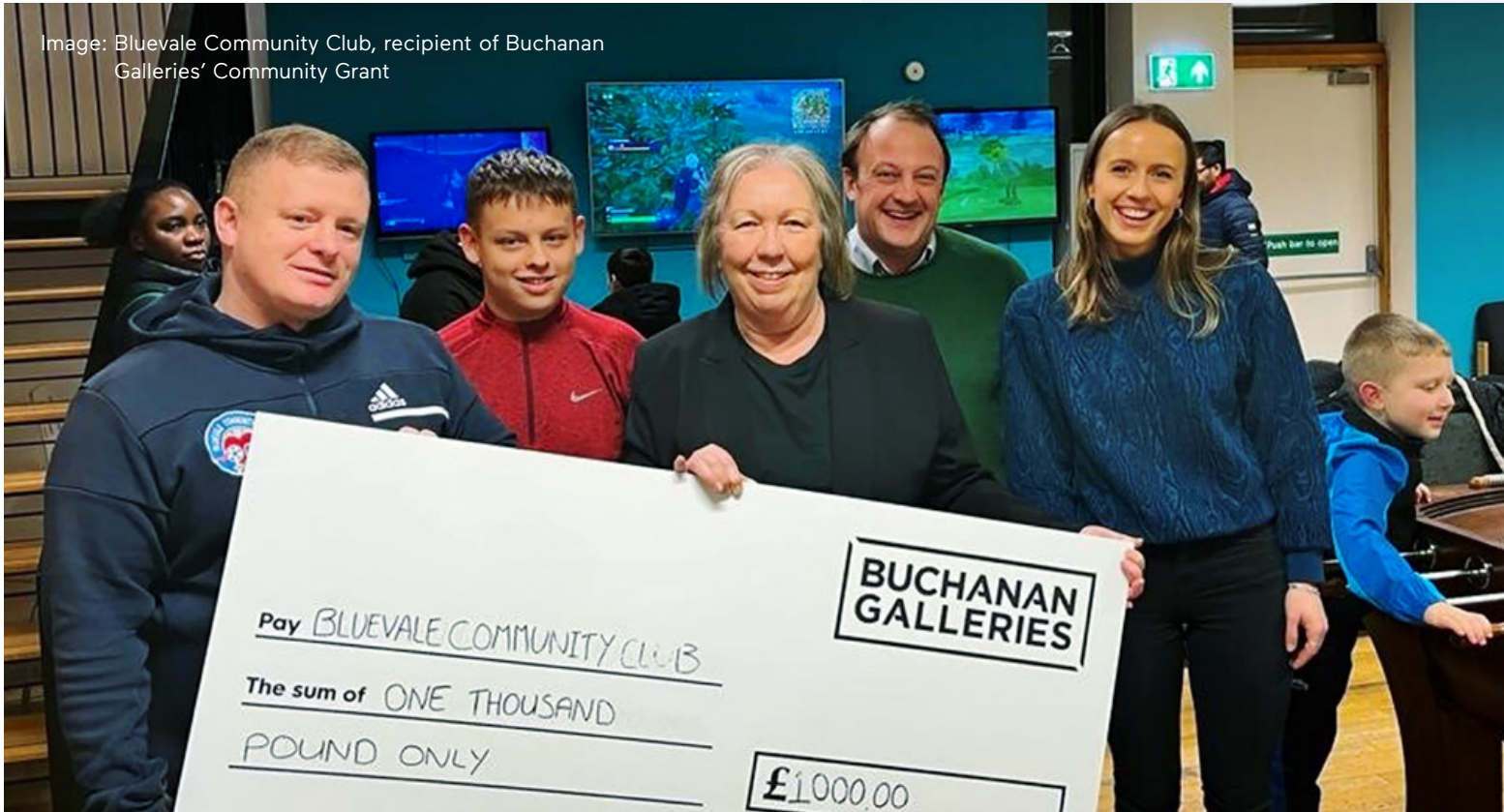




Image: The Deaf Academy in Exmouth

AMBITIOUS FOR THE FUTURE

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

ACCELERATING PROGRESS IN UNCERTAIN TIMES

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

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

Together Building Opportunity is CAF’s strategic plan to equip our people and organisation to be:

Future-focused

To innovate, think ahead and proactively tackle the challenges faced by the charitable sector and society.

Future-fit

To be ready for the demands of the next generation of giving and impact, enabling the communities we serve to succeed.

Our vision is to provide a global, digitally enabled platform for giving, connecting people so they can play their part. Our transformation journey began in 2021. Since then, we’ve worked to revitalise our organisational culture, structure and operations, including our products, services and people management processes.

Together, we have developed new, shared values, and delivered an ambitious people plan to reinvigorate our employee value proposition and unite our workforce. As a result, our employees are more engaged, our attrition rates are lower, and we have maintained the Investors in People Gold accreditation in the UK.

BY THE SECTOR, FOR THE SECTOR

From this strong foundation, we’re now building out the capabilities of CAF in the UK, US and Canada, so we can grow and deepen collaboration. We’re refreshing our products and services, streamlining our operations and continuing to modernise our technology and processes so we can deliver the highest-quality customer and client experience.

CAF was founded by the sector, for the sector. So, to help us shape our future, we’re consulting closely with charities, donors and other external experts as critical friends and collaborators. Only by listening to the people whose charitable ambitions we’re here to help realise, can we make sure we’re the organisation they need us to be.

This annual report documents our progress over the 2023/24 financial year.

MORE IMPACTFUL GIVING

The world of giving is changing, so CAF is changing too. We're investing to make sure that the expertise, products and services we provide help to realise the ambitions of the next generation of donors and funders.



KEY TRENDS WE'RE OBSERVING

With the largest-ever transfer of wealth in history under way, the next generation are expected to be the most significant charitable donors in history.

Interest is growing too in donating more complex assets, such as property, and leveraging capital through match-funding, social investment, and other innovative approaches. Alongside traditional areas of interest like education and youth engagement, more and more philanthropic funding is being committed to climate-related initiatives and issues like financial inclusion.

Similarly, many businesses are reassessing their corporate giving strategies post-pandemic. With regulators, investors, customers and employees increasingly interrogating their purpose and impact, they need to show clear measurable progress against essential business criteria, including sustainability and diversity, equity and inclusion.

More businesses are also adapting their employee engagement programmes. This includes initiatives like Payroll Giving, matching and fundraising. And a growing number of companies are considering establishing foundations to align their national and international giving activities and programmes more closely to their wider business strategy.

ACHIEVING GREATER PURPOSE AND IMPACT

At CAF, we want to make sure that our products and services can help everyone to navigate these changes and secure impact.

We're doing this by:

- Increasing accessibility – we are making it easier for our clients and partners to access what they need from us through stronger digital engagement and ensuring our products and services are easy to find and use.
- Ensuring clarity – we are simplifying as well as strengthening, the range of solutions we offer to reinforce CAF as the philanthropic partner of choice for donors, and to support non-profits across the world.
- Building connections – we are boosting the opportunities we create for charities and donors to come together and develop lasting, impactful relationships.

In 2023/24, as part of our strategy, we have improved the technology powering our Charity Search, so donors can more easily find and connect with the charities they want to support.

INDIVIDUAL AND PRIVATE CLIENTS

Whether it's a one-off donation, setting up long-term giving arrangements, or starting out on a new strategic philanthropic journey, we work with donors to develop a solution that can maximise their impact and is tax efficient.

This includes our world-class private client service for high-net-worth individuals. Through access to our Donor Advised Funds coupled with expert account management, we provide our clients with the advice and support they need to realise their giving ambitions.

Over the year, we've assisted professional advisers to ultra-high-net-worth individuals in facilitating their clients' more complex philanthropic plans. Working with our in-house Impact Accelerator, our client managers have also helped donors to develop their strategic approaches to giving directly – supporting them to identify and articulate why they give and the outcomes they want to achieve.

AWARD-WINNING TEAM

In 2023, our private client team won the Spear's Private Client Service Award in recognition of 'a year of milestones'.

THE YEAR AHEAD

Looking ahead, our priorities for our individual and private clients are to:

- Invest in service, continuing to ensure our clients' needs and ambitions are known, understood and met.
- Deepen engagement with the charity sector.
- Grow impact, through our strategic partnerships and impact-aligned investments.

SUPPORTING TRANSATLANTIC PHILANTHROPISTS

It's now almost 25 years since we brought our American Donor Fund to market in 1999. This was the first dual qualified charity, with a donor advised fund designed for donors to maximise the value of their gifts to charitable organisations by claiming eligible UK and US tax relief.

CAF is focused on continuing to improve and expand the expert, bespoke client service we offer dual US/UK taxpayers. In 2023/24, donations from our American Donor Fund (CADF) increased to over £150 million, rising from £103 million in 2022/23, to make this another record year. The donations payable to charities around the world was £112 million, increasing from £86 million in 2022/23.

A growing number of our clients work with us to take advantage of our robust charity verification and due diligence services. We are scaling this support to ensure donors can provide an even faster and more strategic response to global emergencies and other crises in a timely and responsible manner.

KEY HIGHLIGHTS DURING THE YEAR

MAJOR DONORS

£176.5m

paid out to charities worldwide from our private clients

REGULAR GIVERS

£99.2m

paid out to charities worldwide from our individual donors

£112.2m

given to charities worldwide from our CADF donors



Image credit: Michael Van Valkenburgh Associate, Inc.

A NATURAL TRANSFORMATION FOR THE FUTURE

Using our American Donor Fund, a Colgate University alum is funding a landscape revitalisation project that will support the university's work to connect academic disciplines and link up the different parts of their campus.

As a CAF client, the donor – who is American, but lives in the UK – worked with us to facilitate their gift of shares, simply and in compliance with UK and US law.

Our team based in London managed the necessary administrative and verification processes required for an overseas donation of this kind, giving our client the reassurance needed.

With this support, the university is transforming a previously unused, relatively degraded piece of land into beautiful pathways and plazas, where students can meet, study and relax, surrounded by trees and natural pools.

It will also fund infrastructure work essential to the university's future development plans.

CORPORATE DONORS AND EMPLOYEE GIVING

CAF works with ambitious businesses on corporate giving, employee giving and community programmes to help them realise even greater impact. As our research shows, almost half of people say they would be more inclined to work for a business if it donates to charitable causes.

PAYROLL GIVING

We launched Give as You Earn in the UK in 1987. Our sector-leading Payroll Giving service allows employees to donate to any UK charity straight from their salary before Income Tax is deducted.

In 2023/24, as a leading service provider for corporates, we've updated our employee engagement products – offering easy-to-use online giving options for fundraising and simplifying our matching service. As the UK's largest Payroll Giving provider, we've continued to promote this valuable funding stream for charities, supporting clients with creative ways to engage their employees.

This has included publishing new research into the public's views for Payroll Giving Month in February 2024 – *Payroll Giving: Attracting the next generation of donors* – which we're using to boost awareness and share recommendations for how employers can increase uptake.

CORPORATE GIVING

CAF offers a range of options for corporates wishing to make an impact through their giving.

As advisers to businesses on their giving strategies, we've enriched the insights and assistance we can provide our clients with our Impact Accelerator. This ranges from helping clients make the business case for giving, engaging stakeholders and evaluating impact, to brokering relationships with charity partners.

In addition, businesses have worked with us to establish their own foundations. By partnering with CAF, they don't need to register their corporate foundation as a standalone charity with the Charity Commission. Instead, we oversee their governance arrangements and can help with every aspect of creating and running a successful foundation, including strategy development and designing and delivering grants to charitable organisations from Ecuador to Eswatini.

As a result of expanding and deepening our product suite, we've supported our corporate clients to innovate. In 2023/24, we facilitated the collaboration between Nike and Spotify on the Make Moves Fund, promoting major girl-first initiatives that combine music and movement.

Furthermore, through our influencing work, we've advocated for giving being an essential part of a responsible business strategy, allowing organisations to demonstrate genuine commitment to securing impact and positive change. In July 2023, we published CAF's *Corporate giving by the FTSE 100* report reiterating this message.

“Charitable giving through our respective payroll schemes is a family affair. We’re all actively involved in community life, so it makes sense for my husband and I to discuss which charity we want to make a regular donation to with our children...”

“...My employer, RSA Insurance generously matches my contribution up to £50 per month... It’s a great feeling knowing that we’re maximising our impact tax-free, direct from our pay, with charities that matter to us, our family and friends!”

RUTH POULTEN
RSA Insurance

THE YEAR AHEAD

Looking ahead, our priorities for our corporate clients are to:

- Raise ambition – making the case to give at least 1% of pre-tax profits, and providing the strategic advice our clients need on how best to give.
- Drive engagement with Payroll Giving – helping everyone, from regular givers with a preferred charity to those who wish to donate their bonuses, to understand the value of this easy tax-efficient method of giving.
- Enable greater innovation and impact using CAF's broader expertise and networks, to strengthen our teams' connections with non-profits and the causes and communities they support.

KEY HIGHLIGHTS DURING THE YEAR

£85.0m

paid out to charities worldwide

£21.1m

paid out to charities through GAYE

STRENGTHEN CHARITY RESILIENCE

As a charity, we understand the value and the challenges of being a non-profit organisation. We're focused on giving charities the strategic insight, tools and assistance they need to be resilient and ready for the future.



Image: The Deaf Academy in Exmouth



ACCELERATING IMPACT

A thriving and effective charitable sector is essential to ensure a strong social fabric and economy. But too many charities must still balance rising costs and squeezed incomes with ever-increasing demand for their services.

We're committed to strengthening charity resilience by doing what we can to ease the external pressures that social purpose organisations face and to support them to succeed, however uncertain the future.

Over the year, we've continued to build our in-house Impact Accelerator. This team of experts advise social purpose organisations on best-practice approaches and can provide much-needed flexible financing, through social investment loans and grants, to help charities and social enterprises strengthen their resilience and achieve impact.

We work with donors, such as corporates, individuals, foundations and government, to deploy their funds in more strategic, effective and innovative ways.

OUR SIX CHARACTERISTICS FOR CHARITY RESILIENCE

Informed by our decades-long work across the giving world, we've identified six characteristics that reinforce a charity's resilience and potential to achieve sustainable success. These comprise understanding purpose, being financially and operationally fit, evidencing impact, prioritising people and culture, being well-networked, and having external awareness.

We use these characteristics to help charities reflect on their capabilities and prioritise areas for improvement to empower them to adapt and thrive. They're also helping us to shape and hone the support we provide through our grantmaking programmes.

The Charity Resilience Index tracked how charities are experiencing and responding to the cost-of-living crisis in the UK. The December 2023 wave surveyed 653 charities.

65%

Almost two-thirds of charities said that demand had increased compared with a year ago, with nearly a third (32%) saying it had increased substantially.

50%

Half of the charities surveyed said they were at full capacity for their services – including 35% of charities that said they could not help anyone else, and 15% that reported they had been forced to turn people away.

61%

Six in ten charities said they were generally having to do more with less compared with the same time in the previous year.

KEYSTONE FUND

£2.9M
fund awarded.

113
Keystone Fund grants
awarded.

96
charitable organisations
received Keystone Fund
grants.

With resilience at its core, our Keystone Fund focuses on small, local or specialist charities that work to address social equity in the UK. It provides a programme of unrestricted grants, alongside access to substantive practical support and networking opportunities, such as webinars, to equip these charities for the long term.

This year, the Keystone Fund awarded £2.9 million to 96 charitable organisations. We're using the feedback we receive from participants on the value of unrestricted and flexible grants to inform donors on how to give more impactfully, as well as drawing on the challenges and successes they share to shape our influencing work.

Initial grant reporting indicates positive progress towards resilience. And over the next two years, we will monitor the grants to understand the impact of the fund for social equity charities and their communities.



Image: The Sports Trust

THE
VENTURESOME
IMPACT FUND

CAF has been providing social investment to social enterprises, charities and community groups since 2002. In March 2024, we launched our updated social investment offering, the Venturesome Impact Fund, to support social purpose organisations across the UK that are delivering impactful outcomes for their community and/or for the environment.

Based on our research and consultation with the charitable sector about their needs, we have sought to remove any unnecessary barriers to the fund. It is cause universal, and always open to applications to ensure organisations have access to this affordable, flexible finance throughout the year. With many of our social investments structured as unsecured loans, this fund is attractive to organisations that struggle to access finance from banks due to their lack of assets, such as property, to be used as collateral.

We are delighted to have already committed investments into three diverse organisations, across the education, sports and arts sectors. And our team is working through a further £10 million of financing requests from impactful organisations.

Thanks to our generous donors, CAF's private and corporate clients, as well as other charitable foundations, the fund size is already £10 million and our aim is to grow this to £15 million in the coming year.



“This is an important and exciting journey for us and all of those who use our services now or in the future. Without the support of CAF social investment, we would not have this fantastic resource and as such will always be incredibly thankful for your help.”

BELINDA HADFIELD
Service Manager,
Alternatives Activity Centre

DRIVING
GREATER GIVING

For charities to survive and thrive, the sector needs a constructive and collaborative relationship with government, as well as a greater understanding of philanthropy among policymakers.

This has been a priority for us in 2023/24. We’ve built positive relationships with policymakers on a range of issues relating to philanthropy and charity resilience.

Our research and policy insights have played a key role in helping to build these relationships and drive media coverage, highlighting the challenges faced by the sector.

Recognising we can achieve more by working with others than we can alone, we’ve focused on cross-sector collaboration. This has included working with other sector infrastructure bodies as part of the

Civil Society Group, as well as with policy institutes, think tanks and other influential bodies. As part of this, on behalf of donors, we have strengthened our partnerships with organisations, such as Pro Bono Economics (PBE), the Beacon Collaborative, New Philanthropy Capital (NPC), Onward, Centre for Cities and the Centre for Social Justice (CSJ), to generate debate and ideas for how government can best support and encourage more philanthropy in the UK.

Major highlights from the year include supporting the launch of Onward’s landmark report on encouraging philanthropy, *Giving Back Better*, PBE’s Civil Society Summit and CSJ’s ‘Big Listen’ events, as well as backing NPC’s 2024 *State of the Sector* research, *Ready for a reset*, and Centre for Cities’ *Donation nation: The geography of charitable giving in the UK*.

In addition to our research, these projects produced recommendations for policymakers and supported our call for government to work with the sector to develop a National Strategy for Philanthropy and Charitable Giving. We’ve reinforced this call through all our engagement with politicians, including at party conferences and events in Parliament.

Together, we achieved significant senior-level engagement with politicians and policymakers from across the political spectrum, generating increased interest in innovations to support, recognise and unlock more giving across the country.

With the new Government set to operate within a tight fiscal and economic environment, we will continue our collaborative approach to advance policy areas important to the sector and ensure the role and potential of civil society is recognised and realised in 2024/25.

MAXIMISING OUR FUTURE IMPACT

To boost CAF’s ongoing impact, we’re refreshing our organisation’s theory of change. Across our activities, we want to make sure that we’re able to deliver and show measurable progress towards a fair and sustainable future for all. Supported by our Impact Accelerator, we are defining and refining the outputs and indicators for our work. This will help us develop our updated impact framework later in 2024.

CAF DONATE

8,400

charities

£400m

in donations and
Gift Aid

Since the 2014 launch of CAF Donate – our digital tool that charities can use for their own fundraising – we have helped over 10,000 charities raise £400 million in donations and Gift Aid.



Image: The Deaf Academy in Exmouth

EXTENDING INTERNATIONAL REACH

CAF is committed to facilitating and expanding giving across borders. We're strengthening our partnerships across the world and extending our reach for donors.

4.

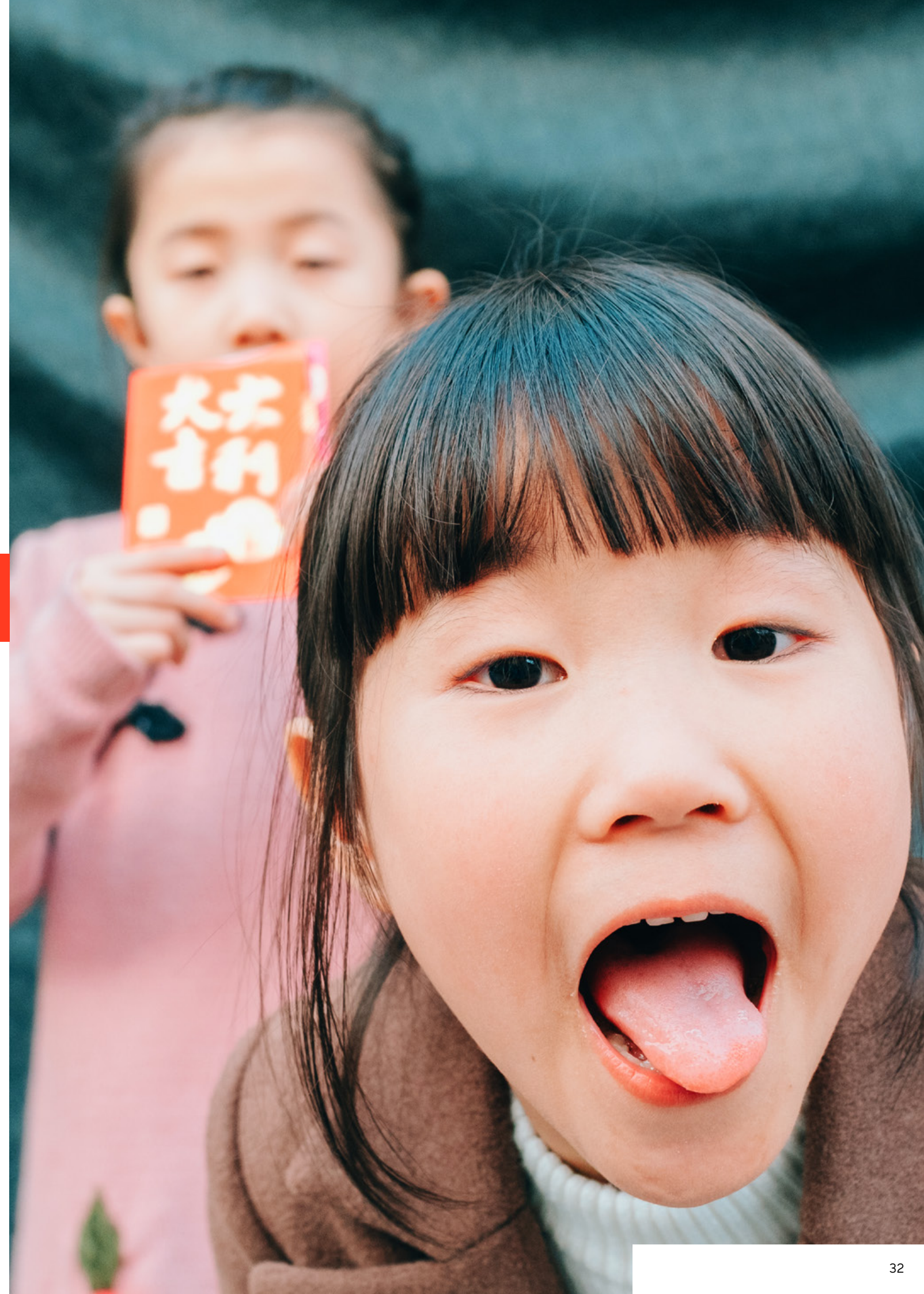




Image: International Grantmaking Symposium

OUR INTERNATIONAL TEAM

We bring together donors and charities committed to securing a fairer, more sustainable future with global communities. We draw on local expertise and best-practice approaches, to manage risk effectively, operate to the highest regulatory standards and amplify local voices.

We are thought leaders in international giving and aim to bring together experience from around the world. Over the year, our global webinar programme has shared in-country expertise to help donors achieve the greatest impact with their giving.

INTERNATIONAL GRANTMAKING SYMPOSIUM

In November 2023, CAF America partnered with the United Nations Development Programme to host the eighth International Grantmaking Symposium (IGS).

The symposium brought together funders and donors from across the charitable sector, empowering them to support more charities around the world that would otherwise be unable to benefit from their generous donations. This includes sharing the knowledge and resources needed to give effectively, with as much impact as possible.

GLOBAL EMERGENCY RELIEF

Over the year, CAF and its donors have supported humanitarian response to disasters and crises around the world, from wildfires in Chile and earthquakes in Morocco to the ongoing efforts to help people displaced or affected by war. We have also helped sustain support for long-term recovery in the case of disasters like the earthquakes impacting Turkey and Syria.

CAF America has partnered with local, trusted organisations to facilitate donations that address urgent needs in the immediate aftermath of disasters. Our US team also tracks regulatory sanctions and changes that may impact giving, ensuring compliance with the laws that govern cross-border giving.



A COMPLEX GIFT FOR CONSERVATION MADE SIMPLE

CASE STUDY

Most donors in the United States give money to their preferred causes, but many philanthropists want to use other more complex assets they own for charitable purposes, such as privately held business interests, real estate or art.

In 2023, one such donor worked with CAF America to give 100% interest in a privately held company to Fundecodes, a non-profit based in Costa Rica that manages land for conservation and sustainable development purposes throughout the country.

The asset in question was a holding company for a collection of tracts of land, and Fundecodes accepted this donation to ensure their conservation and future integration into the National Park System in Costa Rica.

CAF America used an equivalency determination review to make the gift possible. This involves making a good-faith determination that an overseas organisation would be considered equivalent to a US public charity. It allows US foundations to grant capital assets to foreign grantees without needing to collect annual reports for the usable lifetime of the donated asset.

CAF America completed the donation furthering Fundecodes' mission of conservation and sustainable land management in Costa Rica, while also maintaining US tax benefits for the donor.

WORKING TOGETHER

The CAF Network is a partnership of independent organisations spread across five continents. Together, we are committed to breaking down barriers to giving and driving global progress.

We also partner with membership bodies and other international organisations to enable safe and effective cross-border giving and advocate for philanthropy around the world. These include the Asia Venture Philanthropy Network (AVPN), Philanthropy Europe Association (Philea) and Worldwide Initiatives for Grantmaker Support (WINGS). We also work with the Transnational Giving Europe (TGE) Network, which CAF helped establish to support cross-border philanthropy across Europe.

Growing our network

Our CAF Network partners are experts in their region and, together, we work to encourage effective and compliant giving to anywhere in the world. We share knowledge on pressing causes and issues like tax regulation that impact cross-border giving. We also promote philanthropy and enable agile, targeted interventions where there is the greatest need.

In 2023/24, we were proud to welcome RACI (The Argentine Network for International Cooperation), the Ghana Philanthropy Forum (GPF), the Kenya Community Development Foundation (KCDF), and the Pakistan Centre for Philanthropy (PCP) as new partners. This almost doubled our network from six to 10 non-profit organisations, with more to come.

In June 2023, we hosted three days of discussion and debate at the CAF Network Leadership Conference, which brought together established and future network partners as well as international membership organisations. The result was enhanced collaboration and cooperation on issues such as disaster relief, blended-finance models and the localisation agenda.

Continuing to thrive

In 2023/24, our valued network partners, OneStage India (registered as CAF India) and the Southern Africa Philanthropy Foundation (formerly Charities Aid Foundation Southern Africa) launched their new brand identities, reinforcing their position as independent organisations. We look forward to continuing to champion their incredible work.

“

“Drawing on our 27 years of experience, we believe in the importance of working with local communities, as the architects of their own development, and that successful international giving relies on strong local partnerships built around an in-depth understanding of community dynamics.”

GRACE MAINGI
Executive Director,
Kenya Community Development
Foundation (KCDF)

CAF WORLD GIVING INDEX

INDONESIA

ranks as the world’s most generous nation for the sixth year running.

UKRAINE

recorded the world’s largest year-on-year increase in index score in 2022.

Tracking global trends in generosity

The CAF World Giving Index is one of the largest studies into giving and charitable activity ever undertaken, with over two million people interviewed since it began in 2009.

The index ranks 142 countries and alongside collecting key demographics and social attitudes, asks whether people have donated to charity, volunteered their time to an organisation, and helped a stranger or someone they don’t know who needed help in the last month.

In 2023, our analysis also focused on the role of religion in giving, the links between giving and happiness and whether people who migrated have different giving habits.

“Workplace Giving Australia continues to grow its success in serving corporate and charity clients in Australia. Our refreshed strategy to grow workplace giving in Australia in 2024 has benefited from a strong relationship with CAF and the extended international network.”

DAVID MANN
Chief Executive Officer,
Workplace Giving Australia

INFLUENCING GLOBAL CHANGE

The year 2023 was the halfway point of the UN’s Sustainable Development Agenda, yet progress towards the Sustainable Development Goals (SDGs) is behind schedule, and the financing needed to achieve these goals is increasing as development needs grow. A timely report from CAF America set out the extent of philanthropic support for the SDGs among its clients to date, and we used our presence at the conference events of the 78th UN General Assembly in September 2023 to promote philanthropy and collaborative efforts to address the funding gap.

This year, we were also proud to lead work with colleagues around the world on the submission relating to civil society organisations to the UN Special Rapporteur on the Rights to Freedom of Peaceful Assembly and Association.

Alongside fellow contributors, such as the Council on Foundations, Philea and WINGS, we used this work to highlight how individuals, civil society, business and government can together build stronger, more sustainable societies and create progress towards the SDGs.

THE YEAR AHEAD

Our international partnerships have the power to impact lives for the better around the world. In the year ahead, we will grow and strengthen our network of partners. Our aim is to foster global collaboration and inspire action through thought leadership, working at the forefront of philanthropy.

Together, we will share regional expertise and innovative solutions to grow cross-border giving and make sure aid reaches those who need it most.

By uniting our efforts, and with a shared purpose, we’re committed to building on our impact and driving meaningful change around the world.





LONG-TERM PROTECTION FOR A VALUABLE HABITAT

Image: Mark and Julie Mills

Committed environmentalists, Mark and Julie Mills helped Ned, a 15-year-old naturalist save a 69-acre plot of land – important for its old growth habitat – in New South Wales, Australia.

When Ned discovered the area was at risk of development, he alerted Local Land Services. With long-standing connections to the area, Mark and Julie – who are Australian but based in London for work – heard about the issue and wanted to help.

Working with CAF, they made a AUD\$1.5 million donation to Biodiversity Legacy Ltd, an Australian not-for-profit charity dedicated to supporting those who want to protect biodiversity and ensure the equitable transfer of land to future generations.

Supporting our clients, CAF worked up an agreement that the funds be used specifically to purchase the land. In partnership with the charity, Julie and Mark were able to make sure that the title was transferred into a safe-ownership structure, securing its in-perpetuity protection with ongoing locally led stewardship. CAF also completed the relevant administrative and verification processes.

Through their collaboration with CAF, Mark and Julie were able to use Gift Aid to add 25% to the value of their gift.

The in-perpetuity protection of the land provides the platform for establishing the ‘Ned’s Forest Education Program’ – a ‘living laboratory’ for native species and base for ongoing protection, monitoring, experiential study and training.

In February 2024, the Jewish Museum of Berlin opened an exhibit titled “My verses are like dynamite,” featuring Curt Bloch’s *Het Onderwater Cabaret*, a collection of 95 magazines produced while Bloch was in hiding in the occupied Netherlands during the Second World War. Bloch, a German Jew, designed and wrote each booklet as an act of creative resistance. The booklets contain original poetry, art and satirical commentary on world news, as well as documentation of Bloch’s experience in hiding.

Receiving the collection from Bloch’s family in 2022, CAF America lent it to the Jewish Museum of Berlin for study, rehabilitation and exhibition. Now extended, the exhibit has been a tremendous success with huge interest in the works and story.

CAF America’s partnership with the Bloch family and the Jewish Museum of Berlin showcases how philanthropy can take many forms and create multifaceted impact – both preserving the past while looking to the future.

“Any time that an almost completely unknown work of this calibre comes to the fore, it’s very significant. The overwhelming majority of writings that were created in hiding were destroyed. If they weren’t, they’ve come to the public attention before now. So, it’s tremendously exciting.”

AUBREY POMERANCE
Exhibition curator

SHARING THE HET ONDERWATER CABARET COLLECTION

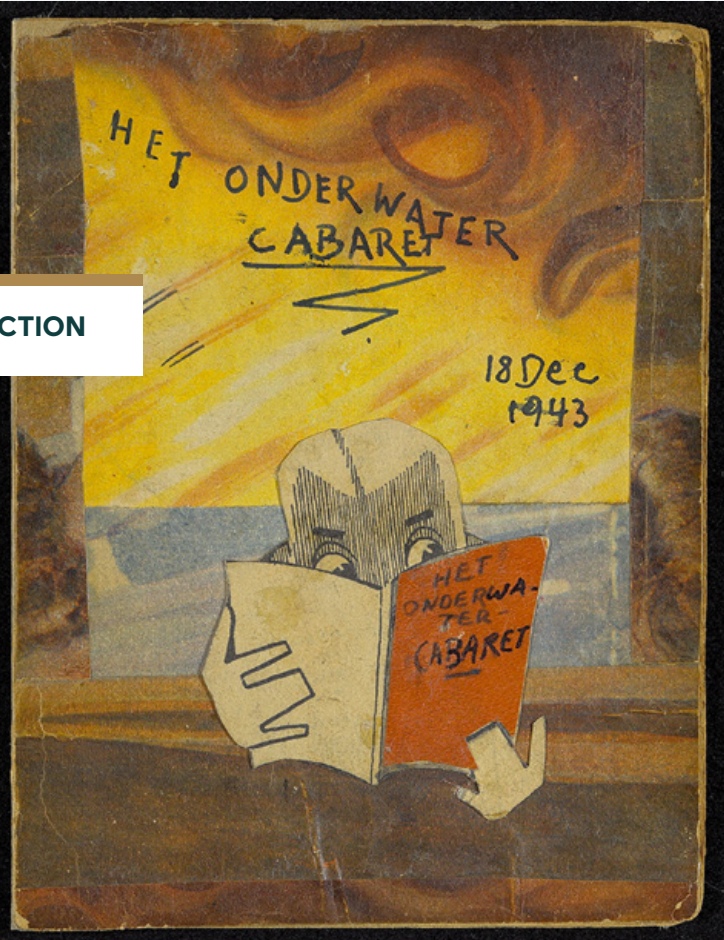


Image left: Curt Bloch
Image right: Het Onderwater Cabaret

CHARITY FINANCIAL SERVICES

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

5.



Image: The Deaf Academy in Exmouth

CAF Bank was established 40 years ago to offer sustainable financial services for small and medium-sized charities, and this remains our driving purpose today. We're supported in this by our sister organisation, CFSL, which provides investment and saving options for charities.

SUPPORTING OUR CHARITY CUSTOMERS

Around 45% of CAF Bank's charity and social enterprise customers are small organisations, so most of the people we talk to are volunteers rather than finance professionals. We understand the range of support they need, both financial and advisory.

Our objective is to deliver continual improvements to customer service and efficiency, thereby maintaining a financially robust and sustainable business model.

A TRUSTED BANKING PARTNER

Building on this, we want to help our customers bank in the way they choose. We know that, for many, cash management remains a core requirement and, this year, we expanded our range of services on offer to enable customers to manage cash and cheques through Post Offices, giving them greater flexibility.

Choosing the right bank account from the multitude of options available can also be overwhelming. For the past year, we have been working with UK Finance, other banks and the voluntary sector to advocate for more banking options for charities.



Image: Milton Keynes YMCA

HELPING TO TACKLE FRAUD

Fraud is now the most common crime in England and Wales and highlighting the pitfalls has become essential to our work. We share with customers our seven golden rules – the information we will never ask for – and our online Security Centre provides tips and guidance for avoiding email, phone-based and online scams.

We understand how hard charities work to raise funds, and the imperative of managing this money well for the benefit of the people they support. To further minimise the risk of fraud and errors, we have implemented our Confirmation of Payee service.

SUPPORTING CHARITIES TO BUILD RESILIENCE

While the economic volatility of the past couple of years has slowed, the day-to-day cost of living continues to affect charities through demand for services, reduced income and higher costs.

Assisting our customers to build resilience remains a priority. In 2023/24, we ran webinars for charity leaders and trustees that cover topics, such as effective planning and risk management, to help ease the pressures they experience. Our Charity Resource Hub has remained a vital tool that can help social enterprises look to the future when household budgets are still squeezed.

Strategy and objectives

CAF Bank's core principles are:

- Providing services for small and medium-sized charities and organisations with social purpose.
- Offering services that our customers want at a fair and transparent cost.
- Progressively realigning our lending activity around the single aim of supporting charitable and social purpose organisations and projects.
- Improving customer service and customer satisfaction.
- Continuing to drive efficiency and improvement through process simplification and investment in technology.

We are incredibly committed to our customers. We were delighted to be commended in the 'Best Charity Banking Provider' category at the Business Moneyfacts Awards 2024 and ranked joint first place for overall customer satisfaction in the 2024 Charity Banking Survey.

ACHIEVING A SUSTAINABLE FUTURE

For us, building resilience also means helping our customers to grow more sustainably now – for example, by tackling the energy performance of properties – and in the years ahead, as they work to achieve their sustainability ambitions for the future.

In October 2023, we issued our first Green Loan, a form of finance specifically designed to fund projects that contribute towards a sustainability goal, to Stockwood Community Benefit Society. This enabled the organisation to continue farming using environmentally beneficial methods. It has also refinanced the installation of a ground source heat pump and 170 solar panels, which can generate 50kW of clean electricity to power the pump system. These provide clean renewable energy for heating and cooling Stockwood’s business park.

We are building our pipeline of similar opportunities and, together with the ESG funds of CFSL, they form a comprehensive suite of green finance products for our charity customers.

Turning inward to our own sustainability ambitions, we are proud CAF Bank has been named one of the UK’s greenest banks by environmental organisation Bank.Green.

INVESTING IN THE FUTURE

As CAF Bank evolves, the charities we serve remain our focus. Making sure we give our customers a more efficient, modern banking experience is behind the significant investment we have made in our digital modernisation programme. On course to be delivered later in 2024, this will begin to transform our services and will give us the platform to scale and support more charities in the future.

Image: Reform Restore Respect

TRANSFORMING YOUNG PEOPLE’S LIVES

When Francis Osei-Appiah set out to change the lives of young people in Kent and Medway, he could never have imagined just how transformative his work would be. But 12 years later, his anti-crime workshops have helped 41,000-plus children in 419 schools across the county.

Francis set up the charity Reform Restore Respect to stop people taking the same path he did. As a former gang member who served nine years in prison, he saw the impact of his choices on his life and the people around him, especially his family.

His success in Kent and Medway has led Francis to take his message nationwide, for example, supporting the police and National Crime Agency. Yet, until recently, his charity was being hampered by a lack of support from its former high street bank. Time spent on the phone to call centres meant less time available for the charity’s vital work.

Following a recommendation from one of the charity’s Trustees, Reform Restore Respect made the switch to CAF Bank in July 2023 and has not looked back.

With its banking sorted, the future of the charity and the young people it supports is looking even brighter.

“I wish I had gone to CAF Bank straight away. Now my advice to any new charity is to go to CAF Bank.”

FRANCIS OSEI-APPIAH
CEO and founder,
Reform Restore Respect

BLUEPRINT FOR THE FUTURE

We want to empower our people, along with the charities and donors that make up the giving world, with the connections, infrastructure and support they need to realise their goals.

6.





OUR PEOPLE MISSION

CAF’s People Mission is to establish a leading great and safe place to work, wherever our people are located across the world. We want to attract, retain and develop the best talent at all levels, establishing CAF as an employer that is world-renowned for its high-performing, purpose-driven people from all backgrounds.

Following the successful delivery of our ambitious People Plan to support the first phase of CAF’s Together Building Opportunity strategy, we’re now rolling out the CAF People Plan 2023–26. This aims to align our global organisation behind our shared values, purpose and people principles, creating a consistent employee experience.

A STRONG FOUNDATION

Starting in the UK, over the last two years, we have focused on uniting our workforce. This involved refreshing our employee value proposition and creating a culture where every voice matters and our employees feel a strong, lasting sense of belonging. In that time, the average voluntary employee turnover in CAF in the UK has reduced from 13.6% in 2022/23, to 10.2% this year. At the end of 2023/24, it stood at 7.8%.

During 2023/24, we have continued to enhance our employee experience:

- Developing our internal communications framework to deliver regular, timely and consistent messaging across CAF.
- Providing opportunities for those who work at CAF to progress their careers and individual personal growth; and for the future, building our career development pathways.
- Designing a more flexible and equitable reward framework.
- Offering a portfolio of benefits that give employees greater agency and choice over how they spend their time and balance their responsibilities at work and home.
- Taking a holistic approach to employee wellbeing.

CAF Group People Plan Principles

OUR PEOPLE MISSION

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

OUR PEOPLE STRATEGY

To find great people to do our great work and keep them, optimising retention so our teams and individuals can perform consistently highly in the work they deliver for CAF.

OUR VALUES

Act with integrity

Move forward together

Shape the change

OUR COMMON BOND

Our strength as a group will be found within the breadth and depth of diverse skills, knowledge and experience our CAF community of people possesses.

OUR EMPLOYEE EXPERIENCE

To design and develop an employee experience like no other that brings together our worldwide workforce aligned to one group mission.

ENSURING EVERY VOICE MATTERS

Our Employee Council raises our people’s voices. In 2023/24, members have participated in:

- Delivering our Together Building Opportunity strategy.
- Evolving our approach to Diversity, Equity, Inclusion and Belonging (DEI&B).
- Supporting our plans to inspire and engage employees and the wider sector, during our centenary.

A TRANSFORMATIONAL
DEI&B STRATEGY

We know that the more diverse and inclusive our organisation becomes, the more creative and impactful we will be.

As a group, we are developing a new multi-year generational programme to transform DEI&B within CAF. Together, we are taking action to build an environment where everyone feels valued, respected, empowered and included – regardless of their age, gender, sex, sexual orientation, disability, race, ethnicity, socio-economic background, religion or beliefs – to create a true sense of belonging.

Working with an independent expert in high-trust workplaces, culture change and DEI&B, we have brought together representatives from across CAF to discuss what DEI&B means to them. We will use these insights to design the principles of our future DEI&B improvement programme.

Our Nominations, Remuneration and Culture Committee will use the same DEI&B principles in their annual review of our Board’s performance and procedures, considering our commitment to equality, diversity and inclusion at all levels.



CAF EMPLOYEE SURVEY 2024

94%

are willing to go the extra mile to help CAF succeed.

93%

understand how their work contributes to the success of CAF.

95%

feel proud to work for an organisation that has the purpose to accelerate progress towards a fair and sustainable future.

OUR APPROACH TO PAY

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

- Fair and equitable
- Competitive
- Transparent

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

CAF has developed a discretionary Group Performance Incentive – linked to our performance management framework and end-of-year performance of the organisation – that recognises high performance and behaviours aligned to our values in a fair and transparent way.

GENDER PAY GAP

At CAF, we know our gender pay gap is predominantly the result of men being over-represented in managerial roles, and women being over-represented in administrative and support roles – compared with the organisation’s overall ratio of women to men.

As of 5 April 2023, our median gender pay gap is 27.8%, in favour of men. This compares with the UK median pay gap of 14.3% (Office for National Statistics). Our mean pay gap is 25.6%, compared with a UK mean of 13.2% (Office for National Statistics). For 2023, there was a 3.0 percentage point increase in the mean average and a 0.1 percentage point decrease in the median average when compared with 2022. When comparing 2023 with 2017, there was a 2.4 percentage point decrease in the mean average and a 6.4 percentage point decrease in the median average.

We are committed to equity, fairness and transparency across our organisation. We know that to achieve greater pay parity and narrow our gender pay gap, we must recruit and promote more women into senior roles at CAF. To do this, we are reviewing

how we recruit and how we retain and develop the talent we already have. While these actions will make a difference over the longer term, we are also making more-immediate term interventions to improve pay equity, for example, through our 2023/24 review of pay and Our Deal.

OUR PAY AND CAF DEAL REVIEW

Our annual pay review assesses the pay of current employees and their roles against market data, accounting for our financial performance, the funds available and other external data.

Although inflation and cost-of-living pressures are easing, we know economic conditions remain challenging. Recognising, as well as the higher proportion of women than men in our roles grade A-C, we took a tiered approach to this year’s pay award for our UK workforce – with employees in the lower pay bandings receiving the largest increase. The three tiers are:

- 5% to roles in grade A-C.
- 3% for roles Grades D and above earning up to £99,999 (based on FTE salary).
- 2% Grade D and above earning above £99,999 (based on FTE salary).

These changes to salary were effective from 1 May 2024.

SAFEGUARDING

Everyone at CAF is responsible for ensuring the safety and protection of our colleagues and those who use or benefit from the services we provide. In September 2023, we updated our Safeguarding and Vulnerability Policy.

This policy applies to all CAF entities and employees, as well as those who use or benefit from the services we provide. As our policy states, at CAF:

- The welfare of individuals is paramount.
- Everyone has the right to be protected from harm.

- We take all allegations, suspicions of harm and concerns seriously and respond to them swiftly, fairly and appropriately.
- We expect everyone to work in partnership to promote the safeguarding of individuals in all areas of CAF’s work.

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

A MORE SUSTAINABLE FUTURE

Sustainability is receiving greater focus across the charity sector. For CAF, it’s embedded in our purpose to accelerate progress in society towards a fair and sustainable future for all. We’re clear in our commitments to the environment and society, and we’re making progress. But we also recognise that we’re at the beginning of our journey and there’s more for us to do.

We have made a commitment to achieve net-zero by 2050 across all our UK operations.

The first step in realising this commitment is for us to understand our own organisational emissions so we can take meaningful action to reduce them. Building on a previous emissions review, we are in the process of measuring our Scope 1 and 2 emissions. This will act as a baseline for our future work in this area.

Informed by this analysis, we will develop an action plan setting out how we make our own operations as sustainable as possible, before looking at how we can expand the scope of our measurements in future years.

Examples of our progress so far include working with our employee pension provider to ensure that our Default Fund (the default fund that employees’ pension contributions go into) is 98% ESG-aligned.

Our London office runs on 100% renewable energy, and we have recently renegotiated the energy contract for our Kings Hill office. As a result, by autumn 2025, it too will run on 100% renewable power – rising from 60% currently.

In addition, we’ve amended our supplier and procurement procedures to ensure ESG considerations are included in both the selection of new suppliers and our management of existing partners.

Our wholly owned subsidiary, CAF Bank is subject to different regulatory expectations regarding sustainability. They are, therefore, setting a template for action on sustainability, which we will aim to follow to ensure more consistency across our group.

CAF BANK SUSTAINABILITY

CAF Bank provides transactional banking services and lending to charities and social purpose enterprises across the UK. We have strict criteria that all lending activity must have a social purpose and, therefore, we do not provide finance to companies whose primary business involves fossil fuel extraction, processing or sale; and/or traditional petrol or diesel vehicle manufacturing.

CAF Bank reviews its lending criteria on a regular basis to ensure these standards are upheld. We also recognise the risks that environmental change poses to our business and to the work of the charities and communities we support. We have integrated physical and transition risks associated with climate change into CAF Bank’s enterprise risk management framework.

CAF Bank maintains a conservative portfolio of treasury investments that is governed by the Bank’s internal Treasury Policy. This details what we will and will not invest in, as well as detailing the ESG considerations that apply when making investment decisions.

In addition, CAF Bank’s treasury portfolio is subject to quarterly screening through the publicly available Sustainalytics ESG risk-rating tool.

HELPING CLIENTS ACHIEVE THEIR GOALS

Increasingly, the charities and donors we work with have environmental concerns at the heart of their impact objectives. Our products and services aim to assist them in achieving these goals.

OUR WORK WITH CORPORATE AND PRIVATE CLIENTS

We collaborate with corporate and individual donors to help them realise greater impact through their giving, and more are strengthening their focus on supporting environmental and global causes.

Our pioneering social impact fund is increasing the investment of philanthropic capital in social enterprises and community organisations working to deliver a fairer, sustainable world.



Image: Toynbee Hall

GREEN LOANS

CAF Bank provides Green Loans to help charities finance projects that contribute to environmentally beneficial ‘green’ projects. This might be funding a development that meets certain environmental criteria or building standards, retrofitting for energy efficiency, transitioning to sustainable energy sources, or delivering sustainable waste management. CAF Bank Green Loans are aligned to the Loan Market Association Green Loan principles.



ESG INVESTMENT FUND RANGE

Through our wholly owned subsidiary, CFSL, we provide a range of three ESG Funds, designed specifically to meet the needs of charities and charitable investors investing for profit and a fairer, greener future.

All funds are actively managed by LGT Wealth Management and have exposure to ESG-focused investments through a broad range of asset classes and investments across different industries and geographical regions.



Image: Stockwood Community Benefit Society

FUTURE FOCUSED

Throughout its history, CAF has been at the forefront of innovation in the charitable sector. Our Renew programme aims to reinforce our ability to contribute and shape the future: modernising our technology and processes, streamlining our operations and enhancing our customer experience.

This year, we've worked alongside colleagues from CAF America and a team of external experts to scope the programme and optimise a model for future collaboration, growth and efficiency.

Based on this discovery phase, we are working to identify the support, resources and partnerships we need for implementation, alongside a detailed timeline for delivery.

THE POSSIBILITIES OF AN AI-ENABLED FUTURE

As part of our future-focused work, we are exploring the potential of AI to bring greater innovation to the non-profit sector, grow giving and connect funds to charity needs worldwide.

Starting with our own organisation, we are piloting the use of AI tools to help improve productivity, alongside investigating the possibilities of using AI in support of our global charity database. Our Chief Executive, Neil Heslop – who has been a long-term advocate for the rights of disabled people in the UK, and across the world – is seeking to champion accessibility with this technology across CAF and the philanthropic landscape.

We want to help the wider sector navigate the possibilities and challenges this technology brings. For charities, this means grappling with the practicalities of implementation, such as employee adoption and training, as well as dealing with their donors' opinions about AI.

At the beginning of 2024, we launched our first research into this subject, looking at what the public think of charities using AI. We asked over 6,000 people across ten countries for their views.

TOGETHER, WE GIVE MORE

Reinforcing our strategy to align all parts of CAF, including CAF America, CAF Canada and CAF American Donor Fund, we have launched our refreshed brand, creating a single global theme of 'Together, we give more'.

Our new identity is inspired by our unique position in the giving world: at the meeting point of government, donors, and charities.

Although the CAF brand narrative will continue to evolve with our organisation, this represents the completion of a programme of work to put our values and purpose – **to accelerate progress towards a fair and sustainable future for all** – at the heart of our organisation.



FINANCIAL REVIEW

The financial year ended 30 April 2024 has continued to see challenging economic and financial conditions for charitable giving in the UK and around the world. While inflation has come down, the ongoing cost-of-living crisis and geopolitical uncertainties continue to add pressure on individuals and organisations to manage their costs.





Image: Stockwood Community Benefit Society

As well as retaining good control of our costs in this period, the stability of CAF’s position has been helped by additional income from interest earned as rates have increased and remained higher for longer than anticipated. We have been able to achieve this, despite the adverse economic environment, while continuing to distribute record levels of funding to charities and social enterprises in the UK and around the world. Growth has been particularly notable in CAF America, the group’s North American subsidiary, for income from third-party giving platforms. This has allowed us to achieve greater impact working with our donors and partners, and to invest in the future of our organisation.

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

RESTRICTED FUNDS AND DONOR CLIENT BALANCES

Donations received by CAF and subsequently paid to charities represent the principal movements in our restricted and donor client balances. The restricted funds principally relate to the services we provide to donors through CAF Charitable Trusts,

CAF Accounts, CAF Company Accounts, CAF America and CAF American Donor Fund. Donor client balances consist of donations received by us and subsequently paid to other charities through CAF Give As You Earn and CAF Donate.

	Donations, legacies, grants & investment income		Donations payable to charities	
	2023/24 £m	2022/23 £m	2023/24 £m	2022/23 £m
Restricted funds per Group Statement of Financial Activities (SOFA)	1,089	1,071	1,065	956
Less: US fundraising programme costs	-	(21)	-	-
	1,089	1,050	1,065	956
Donor client balances (note 21 to the Financial Statements)	107	111	68	69
Less: CAF Give As You Earn receipts transferred to restricted funds and included in the Group SOFA	(41)	(42)	(1)	(1)
Net donor client balances	66	69	67	68
Total	1,155	1,119	1,132	1,024

We have illustrated earlier in this report how the value of funds we have sent to charities around the world has exceeded £1.13bn (2023: £1.02bn). The continuing generosity of donors using our services in the UK and US enabled this level of support, with donations received again exceeding £1.15bn.

At 30 April 2024, restricted funds held in respect of our services, offering donors flexibility to suggest donations at a later date and to maintain philanthropic capital, increased to £1.85bn (2023: £1.75bn). Restricted funds benefited from the high level of receipts, particularly in the US and from the addition of investment income of £23.8m

(2023: £14.4m). Our financial investments benefited from significant gains of £73.5m (2023: losses of £10.8m) contributing to their aggregate market value rising to £979.6m at 30 April 2024 (2023: £836.8m), and total assets growing from £1.78bn to £1.87bn.

Our donor client balances, which reflect donations in the course of processing for CAF Give As You Earn and CAF Donate, stood at £6.2m (2023: £7.1m).

Image: Disasters Emergency Committee (DEC)



CAF BANK DEPOSITS

CAF Bank’s charity customers continue to provide a strong and stable base of deposits and a robust funding position underpins CAF Bank’s activity. During the year, deposits dropped to £1.42bn (£1.50bn 2022/23), reversing balance increases during Covid.

CAF BANK LENDING

Although the economic environment remains challenging, committed loans and advances to customers continued to grow in 2023/24, rising from £226.0m as at 30 April 2023 to £254.8m at 30 April 2024. Within this total, loans to charities and social housing organisations increased by £36.2m. We are also encouraged by the lending pipeline. As at 30 April 2024, CAF Bank has £32.2m of loans sanctioned pending final agreement and commitment (at 30 April 2023: £34.0m).

Given the inflationary environment and ongoing cost-of-living pressures, CAF Bank has continued to monitor and analyse both its collective and specific loan provisions. The quality of its loan book remains strong. As at 30 April 2024, the collective provision is determined as £1.8m (at 30 April 2023: £1.1m). The cost of living and the inflationary environment have impacted charities directly and through their donor base. This has resulted in specific provisions of £0.6m at 30 April 2024 (30 April 2023: £0.6m).

CAF BANK LIQUIDITY, INVESTMENT PORTFOLIO AND CAPITAL

CAF Bank’s liquidity position remains strong: as at 30 April 2024, 45% of deposits were held in unencumbered cash, almost all deposited with the Bank of England. In addition, CAF Bank holds a long-term investment portfolio that consists of high-quality bonds, primarily AAA-rated, equating to a further 44% of

deposits. This portfolio is held to maturity and is measured at amortised cost.

Historical rises in bond market interest rates post Covid resulted in an unrealised mark-to-market (MTM) loss on CAF Bank’s investment portfolio. Given that bond positions are held to maturity, this MTM loss remains hypothetical and would only be realised if CAF Bank sold the bonds.

In August 2023, CAF Bank issued £15.0m of subordinated debt to CAF. As this was not required for capital purposes, in April 2024 CAF Bank repaid £10.0m of the subordinated debt leaving a balance of £5.0m. Since the year end, the balance of £5.0m has been converted into a subordinated debt instrument that can be converted to Additional Tier 1 regulatory capital, should additional capacity be required to support CAF Bank’s lending to charities and social purpose enterprises.

UNRESTRICTED FUNDS

At 30 April 2024, group unrestricted funds stood at £98.5m (2023: £84.1m), an increase of £14.4m (2023: £7.4m).

Total income increased to £106.1m (2023: £76.4m). The impact of the rise in interest rates in the UK and US has been significant, with CAF Bank's net interest income increasing from £28.0m to £44.8m for 2023/24. Investment income, including interest receivable, grew to £29.3m (2023: £17.2m).

For many years, CAF and the group were impacted by low interest rates, but the higher interest rates during the year have afforded us additional income enabling us to mitigate the effects of inflationary increases on our costs and to pursue our plans for growth through change and investment with greater confidence. Total expenditure of £91.4m (2023: £69.3m) includes additional expenditure resulting from the initial steps of our growth and transformation plans, but also from the rapid scaling up of activity for CAF America and the impact of inflation on our staff costs.

Transfers from restricted funds during the year were £3.2m (2023: £6.1m). They include transfers from funds for which the original donor or legator had provided no wishes for the distribution of funds upon their death. In accordance with terms and conditions, £0.6m (2023: £1.5m) was also transferred from CAF Charity Accounts that were closed. These and other funds transferred from restricted funds are applied for the general charitable purposes of CAF.

RESERVES AND CAPITAL POLICY

CAF's policy is to maintain across the group, but not exceed, an appropriate level of capital and reserves to support the activities of its regulated subsidiaries.

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

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

In determining the appropriate level of capital and reserves, Trustees consider the nature of the group's activities and the risks inherent in our financially based activities, including credit risk, liquidity risk and interest rate risk, along with other risks to which CAF and the group are exposed.

They also consider future capital requirements and changes in our operating environment, including regulatory changes, which may also impact the level of retained reserves or the levels of reserves we are required to maintain in the future.

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

Although, as a result of the significant level of liquid assets held, the increase in interest rates has been beneficial for the group, the Trustees are mindful of factors that may affect the group negatively in the future. Interest rates are forecast to fall but not to the same extent that they were pre-pandemic. A fall in interest rates would have a negative impact in the medium- to longer-term once deposit rates that have already been locked in for shorter periods have matured.

Past experience of the economic crises that have arisen since 2008, however, provide evidence that donors who chose to give via CAF and the group are resilient and giving by individuals remains broadly protected from economic changes. Therefore, the Trustees and respective boards and committees of CAF and its subsidiaries continue to closely monitor these matters and to work with their respective Executive Committees to respond as required to these pressures.

Group and charity unrestricted funds, which represent our reserves, stood at £98.5m (2023: £84.1m) and £66.1m (2023: £67.8m) respectively. This level of reserves at 30 April 2024 is considered to be sufficient to support the ongoing activities and development of the group and the charity.

CAF INVESTMENT POLICIES AND PERFORMANCE

Overview and governance

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

Policies

CAF UNRESTRICTED FUNDS

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

CAF TRUSTS RESTRICTED FUNDS

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

OTHER CAF RESTRICTED FUNDS

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

SUBSIDIARIES

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

Measurement and performance

Performance of investments held for unrestricted and restricted funds is reported monthly to the CAF Executive and quarterly to the IFIC. Performance is compared to benchmarks for individual funds where these have been agreed. Key Risk Indicators monitor the position of portfolios against agreed risk appetites.

SUBSIDIARIES

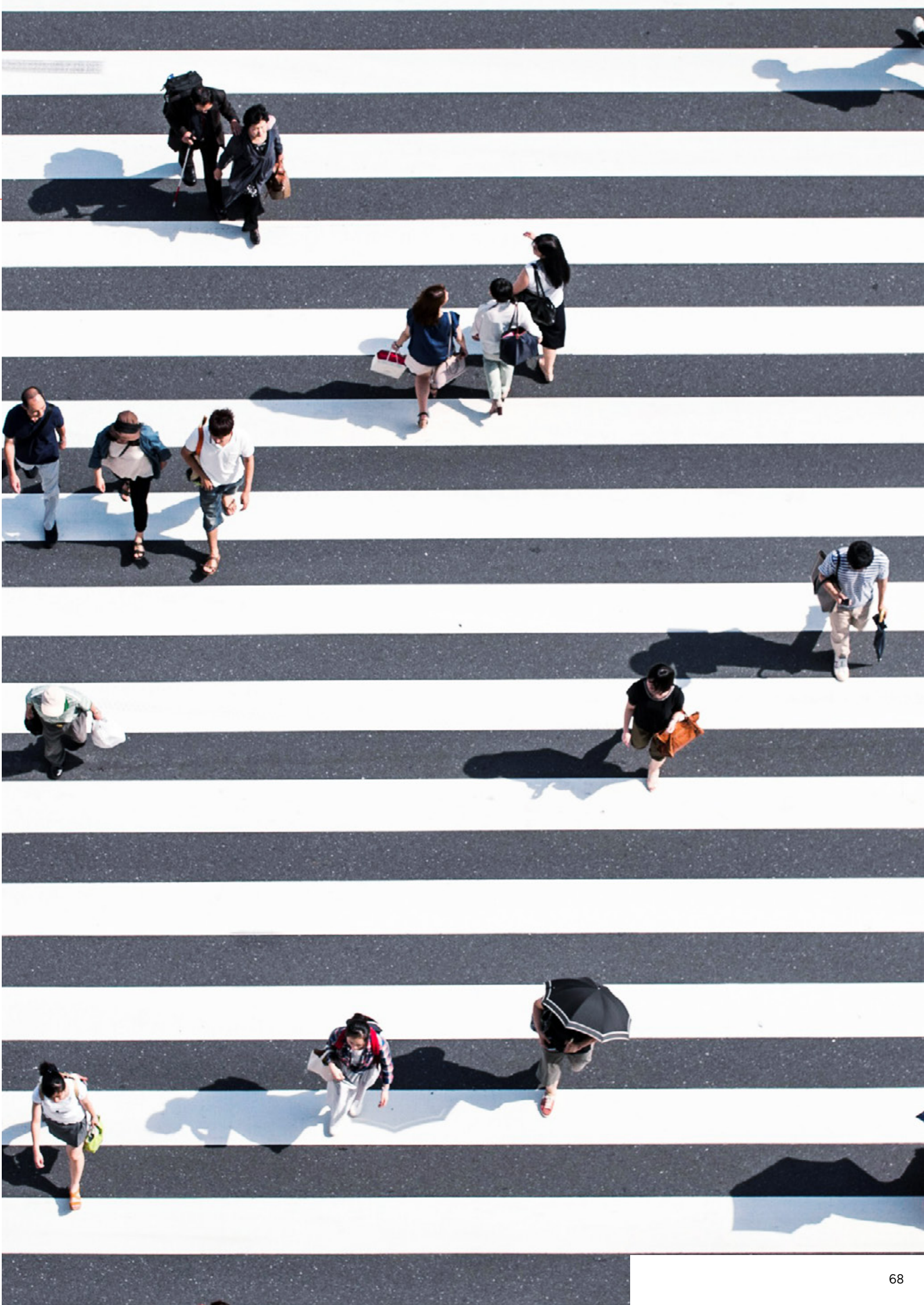
Investment policies for CAF Bank, CAF America, CAF American Donor Fund and CAF Canada, and the measurement and performance of investments by these subsidiaries, are described in their respective Annual Report and Accounts.

GOING CONCERN


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

The Trustees and boards of CAF's subsidiaries have considered the impact of a severe economic outcome on each entity and the effectiveness of management actions that might be taken to mitigate the impact of this stress. Trustees and boards of subsidiaries have also considered the circumstances under which operations of the entity would be unable to continue.

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



STRUCTURE, GOVERNANCE AND MANAGEMENT



The Charities Aid Foundation is a registered charity (number 268369) and is governed by a Declaration of Trust dated 2 October 1974 (as amended from time to time).

The Board of Trustees, together with the Executive, are set out at the end of this document.



CAF TRUSTEES

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

- No fewer than eight Trustees appointed by resolution of the Trustees; and
- The Chair of NCVO (National Council for Voluntary Organisations).

The Board meets at least four times a year. All Trustees are non-executive and none of them receive remuneration from CAF. Trustees are appointed to hold office for a term of three years. Except for the Chair of NCVO, no Trustee may hold office for more than three consecutive terms. All newly appointed Trustees are required to undertake an induction programme delivered by General Counsel and Secretary to the Trustees and the Chief People Officer.

The induction is in two parts and across two dedicated sessions. The first of these focuses on governance, the role of the Trustee and their responsibilities. The second focuses on the organisation, how it is designed, the business plan, key themes and performance measures.

A Board effectiveness framework is designed around a three-year programme broken down into the themes of key knowledge on the duties related to governance in year one, the assessment of Board skills, knowledge and experience in year two and a formal external review and validation in year three.

The Trustees delegate management responsibilities to the Chief Executive and also delegate certain functions to the sub-committees described in this section. Each sub-committee has specific terms of reference and a chair appointed by the Trustees. The Trustees strengthen the sub-committees by co-opting experts in the relevant field where appropriate. This delegation is overseen and monitored by the Trustees by requiring regular reporting from the Chief Executive and the sub-committees to the Board of Trustees.

BOARD OF TRUSTEES

Meeting attendance	1 May 2023 to 30 April 2024	
	Meetings attended	Maximum
Sir James Leigh-Pemberton (Chair)	6	6
Sir Ernest Ryder (Vice Chair, and Chair, Nominations, Remuneration and Culture Committee)	5	6
Michael Ashley (Chair, Audit Risk and Compliance Committee)	6	6
Cyrus Ardalan (Chair, Investment, Finance and Impact Committee, and Chair CFSL)	6	6
Janet Pope (Chair, CAF Bank)	6	6
Dr Priya Singh (Chair, NCVO)	2	6
Meredith Niles	6	6
Sabine Everaet	5	6
Owen Pringle	5	6
Robert Vogtle (Non-Executive Director, CAF Bank) (Non-Executive Director, CFSL – resigned 21 February 2024)	6	6
David Shalders	6	6
Roger Perkin (resigned 1 August 2023)	1	1
Robert Dench (Non-Executive Director CFSL, appointed 18 April 2024)	1	1

Sir James Leigh-Pemberton CVO, Chair

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

Rt Hon Sir Ernest Ryder, TD, PC, DL, Vice Chair, and Chair, Nomination, Remuneration and Culture Committee

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

Michael Ashley, Chair, Audit Risk and Compliance Committee

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

Cyrus Ardalan, Chair, Investment, Finance and Impact Committee, and Chair, CFSL

Cyrus is a Board member of Coalition for Epidemic Preparedness Innovations (CEPI), chairing the Audit and Risk Committee, as well as of MedAccess, chairing the Audit and Finance Committee, and Chair of Blend Network, a lending platform. He is the co-founder of the Humanitarian Finance Forum (HFF). Prior to retiring, he was Vice Chair at Barclays Bank, held senior management roles at Paribas and was Division Chief in the Treasury at the World Bank.

Janet Pope, Chair, CAF Bank

Janet is a career banker. She has recently retired from her role as Chief of Staff and Chief Sustainability Officer at Lloyds Banking Group plc, where she was responsible for Lloyds’ environmental and social justice programmes, including the Lloyds Bank Foundations and social sustainability. She is a Trustee on the Board of StepChange, and a Trustee at The Camden School for Girls.

Dr Priya Singh

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

Meredith Niles

Meredith worked for Goldman Sachs in New York, Frankfurt and London before becoming Investment Director at the Impetus Trust. Meredith later moved to Marie Curie, where she established a fundraising innovation department and was Executive Director of Fundraising and Engagement until 2021. She is currently Chair of the Showcase of Fundraising Innovation and Inspiration (SOFII), and a Trustee of Trust for London and Plan International UK. She is a member of the Journal of Philanthropy and Marketing’s Shadow Board of Practitioners, a member of the Chartered Institute of Fundraising’s Standards Advisory Board and a Fellow of fundraising think tank, Rogare’s International Advisory Panel.

Sabine Everaet

Sabine is an Independent Non-Executive Director for ING Belgium. Prior to this she spent 26 years at The Coca-Cola Company where she held various IT and digital roles, most recently as Chief Information Officer for Europe, Middle East and Africa. Sabine is a strategic partner at Oraxys, a private equity firm specialising in financing growth capital and buy-out activities for companies that develop and market environmentally friendly products or services.

Owen Pringle

Owen is a partner of Leaders’ Quest, a leadership consultancy that helps organisations to bring strategy, culture and purpose into alignment. Previously, Owen has undertaken senior digital roles at ITN, Sky and Amnesty International, where he was the Global Director of Digital. More recently, he was Chief of Staff to the Secretary General of ActionAid International. A passionate advocate of diversity, equity and inclusion, Owen is a strategic adviser to Precious, the digital network for women of colour, and was recognised by the Financial Times in their inaugural list of the 100 most influential BAME leaders in technology.

Robert Vogtle

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

David Shalders

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

Robert Dench

Bob is Chair of the Board of The Co-operative Bank plc. He was Chair of Paragon Banking Group plc from 2007 until 2018. Previously, Bob served on the Boards of AXA UK and Ireland and was Chair of AXA PPP Healthcare Limited. Prior to that, he spent 28 years at Barclays in a number of senior executive roles across the Group in the UK, US and Australia.

NOMINATIONS, REMUNERATION AND CULTURE COMMITTEE

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

AUDIT, RISK AND COMPLIANCE COMMITTEE

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

- Internal control and risk management systems.
- Effectiveness of internal audit.
- CAF's relationship with its external auditors.

- Procedures for compliance with anti-money laundering legislation and CAF's other regulatory obligations.
- Annual report and accounts.

INVESTMENT, FINANCE AND IMPACT COMMITTEE

The Investment, Finance and Impact Committee is chaired by a Trustee. The purpose of the committee is to provide oversight on strategic investments, financial performance and the sustainable impact of CAF. The committee meets with Senior Management at least four times a year and takes into account our strategic plans, operational activities and Charity Commission guidelines.

CAF'S GROUP AND NETWORK

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

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

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

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

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

PUBLIC BENEFIT AND SOCIETY

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

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

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

STAKEHOLDER ENGAGEMENT

We recognise and promote the importance of strong relationships with our stakeholders across all of our activities, and we are committed to productive, long-term relationships. Throughout this report, we have described how we engage with our

donors, charity customers, government and colleagues in the sector and our employees. Below we give examples of engagement with other stakeholders.

SUPPLIERS

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

REGULATORS

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

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

CONFLICTS OF INTEREST AND INDEPENDENCE

CAF takes conflicts of interest seriously and has robust policies in place to address them. The purpose is to identify, record, prevent and manage conflicts of interest. It ensures that CAF Trustees and employees avoid situations where their interests conflict

with those of CAF or its customers, whether financial or non-financial.

Any conflicts of interest are declared at the beginning of each Trustee, committee, or subsidiary board meeting. There is an annual renewal of policies, and a review is undertaken by Trustees and the Executive to ensure the registers are kept up to date. The Compliance team and the Secretary to the Trustees review and monitor all declarations. There were no reported conflicts of concern in the 2023/2024 period.

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

FUNDRAISING

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

During the year ended 30 April 2023 and prior, CAF America worked in partnership with US professional fundraising organisations. CAF America received 100% of the donations collected, which it then granted, minus costs and fees paid to the fundraising organisations, to third-party beneficiary charities. This arrangement ceased in 2022 and there have been no fundraising activities in the current year.

CHARITY GOVERNANCE CODE

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

The Board believes that CAF’s governance aligns well with the Code. Particular attention remains on areas highlighted by the review. Notably, the Board has strengthened the induction process for new Trustees, enhancing onboarding documents and initial meetings. Additionally, efforts continue to improve Trustee annual reviews and skills audits, ensuring optimal use of Trustee skill sets and informed decisions on diverse Trustee appointments. Looking ahead, the Nominations, Remuneration and Culture Committee will revise Board processes in 2024, emphasising Board diversity.

In accordance with the Code, the Board will maintain annual internal effectiveness reviews, including evaluating the Chief Executive’s performance. The next external review is scheduled for 2027, reinforcing CAF’s commitment to high standards of governance.

RISK MANAGEMENT

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

Risk Management Framework

The group operates a Risk Management Framework that provides oversight and accountability for managing risk across all risk types and at all levels of the group. The framework supports prudent risk management and decision making, aligned to our objectives, and is designed to ensure risk is managed within clearly defined parameters.

The control environment aligns to the Risk Management Framework and includes a related set of policies, procedures and controls that supports responsible decision making, within the appetite of the group, as approved by the Trustees and supported through Executive Boards. These include the CAF Group Executive Committee, CAF Bank Board, CAF America Board, CAF American Donor Fund (CADF) Board and CAF Financial Solutions Limited (CFSL) Board.

Our Trustee and subsidiary Boards have dedicated supporting risk committees, including the CAF Audit, Risk & Compliance Committee, CAF Bank Executive Risk Committee, the CAF America Finance, Audit & Risk Committee and CFSL Executive Risk Committee. CAF has recently established an additional CAF Risk Committee to support risk governance and oversight for the charity activities in the UK. The new committee operates using four core pillars for Financial, Operational, Reputational and Governance

risk, with Executive sponsorship for each pillar and aligned with the principal risks set out in the Risk Management Framework.

The Risk Management Framework operates using a three lines of defence model, separating risk ownership from risk oversight and assurance, with governance provided by formal committees.

Further information on the CAF Bank Risk Management Framework can be found in the CAF Bank annual report and is aligned with Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA) requirements.

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

Principal risks and their mitigation
The principal risks evaluated include:

NON-FINANCIAL RISKS

- Strategy and mission
- Regulatory
- Operational
- Cyber
- Financial crime
- Reputational
- Governance

FINANCIAL RISKS

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

NON-FINANCIAL RISKS

Risk

Mitigation

Strategy and mission

CAF's objective is to deliver on its Together Building Opportunity plan for the future while ensuring CAF fulfils its obligation and great potential to grow the group's impact sustainably, manage costs and provide a positive customer experience.

Below are the main risks to this objective.

Strategic risks are those that arise from the decisions taken concerning the group's objectives and ability to meet those objectives. This can include decisions taken in relation to developing products and services, changes in the technological environment and longer-term sources of finance to support planned strategic growth.

Changes in the financial markets in light of high inflation, related higher interest rates and related economic downturn have the potential to significantly impact our strategic plans and are subject to modelling.

Modelling for other economic scenarios in the medium and longer term are also subject to consideration.

Changes in our operating environment, including regulatory changes, may also impact the level of our retained reserves or the levels of reserves we are required to maintain in the future.

External challenges that may impact CAF's strategic objectives, such as shifting demographics and a reduction in UK charitable giving more generally, including with consideration to inflation, energy prices and the related cost-of-living crisis.

A detailed approach is taken to budget-setting and the development of financial plans and these are reviewed and approved by the Trustees and the relevant Boards. Regular detailed financial monitoring is carried out and actions are taken to mitigate against any budget pressures, including effective cost-management measures.

Our strategic planning includes the modelling of a range of potential future scenarios in respect of changes in the group's operating environment. Through this, we identify opportunities to further our strategic goals or for the mitigation of any negative impact arising from changes in the operating environment and the external environment more generally.

Our planning processes include the comparison of projected reserves against the level of reserves required to support our ongoing operations and planned strategic growth.

CAF has embarked on a four-yearly cycle of strategic planning with the first four-year period ending 2024. The next cycle will cover 2025 to 2028 and will bring together, in one place, the strategies and plans for different parts of the group to support successful implementation.

We continue to assess and monitor risks associated with evolving legislation as it impacts charitable work.

NON-FINANCIAL RISKS	
Risk	Mitigation
<p>Regulatory</p> <p>CAF's objective is to work with all our regulators in an open and cooperative way and to deliver on our commitments.</p> <p>Regulatory risk is defined as the risks associated with a failure to comply with relevant legal and regulatory requirements and can lead to loss of trust, reputational damage, regulatory censure, increased costs and financial penalties. The group aims to comply appropriately with all relevant legal and regulatory requirements and expectations, and monitors for regulatory change, to minimise these risks.</p> <p>CAF and the CAF American Donor Fund (CADF) are regulated by the Charity Commission for England and Wales and are required to comply with relevant HM Revenue & Customs tax legislation. CAF and CADF are responsible for ensuring that the charitable funds they receive, administer and distribute are managed in compliance with charity law and the tax legislation relevant to charitable giving and expenditure.</p> <p>CAF is registered with, and supervised by, the FCA for anti-money laundering purposes.</p> <p>CAF Bank is authorised by the PRA and regulated by the FCA and PRA.</p> <p>CAF Financial Solutions Ltd (CFSL) is regulated by the FCA.</p> <p>CAF America is regulated by the US Internal Revenue Service and must also comply with state regulations for registered charities and data privacy protections.</p> <p>CAF Canada (a subsidiary of CAF America) is regulated by the Canada Revenue Agency and must comply with provincial regulations in the provinces where it is registered.</p> <p>Where the CAF group makes cross-border donations to charities, the local regulations of the receiving country are considered.</p>	<p>Compliance with regulatory requirements commences at Board level for each group entity. The general tone and expectations are cascaded down through the Executive and Senior Management teams to all areas of operation and are subject to second line oversight by Risk, Compliance and Financial Crime teams.</p> <p>Regular reporting to our group Audit, Risk & Compliance Committee (ARCC), CAF Bank Audit Committee, CAF Bank Board Risk & Compliance Committee (BRCC) and CAF America Finance, Audit & Risk Committee (FARC) includes risks arising out of our charitable activity, operations, such as risk, compliance and financial-crime-related matters, and internal mitigating controls. The committees review and monitor the adequacy of internal controls and report to the Board of Trustees and their respective Boards on significant risks, any identified weaknesses in controls and progress of actions for addressing any such identified weaknesses.</p> <p>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.</p> <p>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.</p> <p>The group is committed to ensuring that the appropriate resource is made available to adhere to regulatory requirements.</p>

NON-FINANCIAL RISKS	
Risk	Mitigation
<p>CAF group members adhere to UK, US, EU and UN financial sanctions obligations, including those defined by the UK Government Office of Financial Sanctions Implementation (OFSI) and the Office of Foreign Assets Control (OFAC) of the US Department of the Treasury.</p>	<p>CAF America, CAF Canada and CADF maintain protocols for making donations to charities that are reviewed regularly by legal counsel to ensure compliance with regulatory requirements.</p> <p>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.</p>

NON-FINANCIAL RISKS	
Risk	Mitigation
Operational Operational risk is the risk of loss to CAF that results from inadequate or failed internal processes, people and systems, or from external events.	The group continues to evolve its systems and controls on a proactive basis, considering risk, appetite and tolerance, so that we effectively manage and mitigate the likelihood of failure associated with operational risks. Policies, procedures and controls are in place and are continually developed to govern our operational risks. Controls are reviewed for effectiveness on a regular basis.
	CAF Bank's operational resilience is in continual development to protect it against internal and external events that can disrupt service to its customers. In accordance with PRA, FCA and Bank of England rules, CAF Bank has established important business services, defined set impact tolerances for the maximum tolerable level of disruption and performed testing of its ability to remain within impact tolerances during a severe but plausible disruption.
	Our people are the key to our success and we invest significantly in learning and development. We carry out surveys of our employees and we develop and implement action plans to address any learning. We provide a number of tools to support our employees focused on psychological, physical and financial wellbeing.
	We carry out comprehensive reviews of our resilience and business continuity arrangements and perform regular testing and exercising of key business-critical activities and response plans. Our standard operating model includes hybrid working arrangements where appropriate, supporting our operational resilience and commitment in making CAF a great place to work.
	Operational risk presented by third-party suppliers is addressed by our procurement and supplier management processes that ensure a robust framework for engaging third parties, including a thorough risk assessment and regular service reviews.

NON-FINANCIAL RISKS	
Risk	Mitigation
Cyber CAF defines cyber risk as any risk of financial loss, disruption or damage to the reputation of CAF from a technology systems breach. Cyber threats from an increasingly sophisticated criminal community continue to evolve and we recognise the need to continually invest in maintaining and strengthening defences for both the group and its customers, and in developing emergency response plans.	We continue to monitor the effectiveness of our arrangements to deliver cyber-related resilience, to layer up security measures and to build capacity informed by our operating model and related activity.
	We regularly test and monitor controls to ensure they are operating effectively and undertake industry benchmarking to ensure our arrangements are fit for purpose. A key part of these controls is awareness throughout the organisation of how cyberattacks occur and the defences we have in place to counteract these.
	Employees are required to complete IT security training that supports awareness of our duty to protect our systems and the data they hold.
	CAF America and CAF Canada IT systems are supported by an external managed service provider to ensure adequate protections are in place to address potential cyberattacks.
	CAF's cyber resilience and data protection arrangements are overseen by the CAF Information Security Committee (ISC) that has CAF Executive membership.

NON-FINANCIAL RISKS

Risk	Mitigation
<p>Financial crime</p> <p>There is a risk of both CAF and its customers being a target of financial crime that may lead to reputational damage, financial loss and/or regulatory censure. Financial crime events include money laundering, terrorist financing, proliferation financing, fraud, bribery, corruption, counter tax evasion facilitation and sanctions breaches.</p>	<p>The CAF group Risk Management Framework and related policies define requirements relating to the management and mitigation of all relevant financial-crime-related risks.</p> <p>These policies and related procedures are designed to support CAF's adherence with the obligations and requirements, as applicable, determined by UK, US and Canadian legislation, regulations and industry best-practice guidelines for both the charity and financial services sectors. They also reflect our commitment and intent to deter, detect and disrupt financial crime.</p> <p>The group's systems and controls are designed to combat financial crime and the group-wide transformation plans include an agenda for enhancing ongoing targeting of financial-crime-related risks, aligned with our legal, regulatory and social responsibilities.</p>
<p>Reputation</p> <p>CAF's brand and reputation are critical in our endeavours to attract and retain our stakeholders, in support of our mission. CAF's objective is to enhance our standing with stakeholders, underpinned by a consistent application of the rules that govern the use of our products, services and brand.</p> <p>We understand the importance of having clear and consistent positions on the issues facing the charitable sector, individual and corporate donors and the government.</p> <p>The risks to the group of reputational damage include a reduction in donations to serve the sector, as well as increased operating costs and loss of market position. Reputational risk arises from (and is considered within) the other risks categories in this report.</p>	<p>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.</p> <p>We use our written policies and procedures to ensure that customer feedback and complaints are managed in line with best practice and applicable regulation.</p> <p>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.</p> <p>We maintain a Crisis Communications plan to address any negative reputational concerns.</p> <p>Our People team supports managers to understand and act upon risk outcomes in support of good employee relations.</p>

NON-FINANCIAL RISKS

Risk	Mitigation
<p>Reputation</p>	<p>Through regular training and ongoing risk and compliance oversight, we ensure that our people are equipped to support outcomes to protect our reputation.</p> <p>CAF undertakes risk-based due diligence on our network of independent partners, including ensuring relevant agreements are in place in support of expected standards. We strive for each member of the network to maintain the highest standards of regulatory compliance.</p>
<p>Governance</p> <p>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.</p>	<p>CAF Trustees, CAF Bank Non-Executive Directors, Executive Boards and other Senior Management are made up of accomplished leaders drawn from financial services, the third sector, the civil service, higher education, and multi-national corporations. Their expert scrutiny and strategic direction inform everything we do, including ensuring our compliance and reporting protocols are fully fit for purpose and that our people feel empowered to raise any concerns about internal practice. They set an impressive level of robust, transparent governance that is upheld throughout the organisation.</p> <p>All of our governance structures, including the make-up of committees, have been subject to a robust Trustee-led review. Our elected internal Employee Council constructively represents the views of our workforce, offering valuable support to fellow employees and insights to senior leadership.</p> <p>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.</p> <p>We have a detailed Whistleblowing Policy to ensure employees at all levels of our organisation have both the information and the means necessary to raise any concerns.</p>

FINANCIAL RISKS

Through such services as the CAF Charity Account, CAF Company Account, CAF's social investment programme of grants and loans and CAF Charitable Trust in the UK and through Donor Advised Funds in the US and Canada, the group's activities include the receipt, investment and onward distribution of charitable funds. Activities also include banking services, such as deposit taking and lending provided by CAF Bank. Consequently, the group has a

corresponding exposure to the associated financial risks, which can be impacted by external factors, such as inflation and geopolitical uncertainties.

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

Risk	Mitigation
<p>Capital risk</p> <p>CAF defines capital risk as the risk that the group (or its entities) does not have the amount and/or quality of reserves or capital needed to meet the requirement of the relevant Capital and Reserves Policy or the minimum regulatory requirements, or to support planned strategic growth.</p>	<p>Relevant policies are reviewed and approved by the appropriate CAF Committee. Required levels are supported by reserves and capital in line with policy.</p> <p>Our planning processes include a comparison of projected capital and reserves against the minimum level required to support our operations and planned growth, and include assessing the impact of a range of stresses on our capital and reserves position.</p> <p>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.</p>

FINANCIAL RISKS

Risk	Mitigation
<p>Credit risk</p> <p>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.</p> <p>Credit risk arises primarily from investing funds with treasury counterparties and lending to charities.</p>	<p>Treasury assets</p> <p>Treasury policies are reviewed and approved by the CAF IFIC and ARCC, which approve criteria including credit rating, counterparty lending limits and country limits.</p> <p>Subject to minimum credit ratings, maximum terms, and maximum counterparty limits, funds may be invested in the following:</p> <ul style="list-style-type: none">• UK Gilts and Multilateral Development Banks.• Other single sovereign-backed Sterling denominated bonds.• Financial and non-financial fixed and floating rate corporate bonds and covered bonds.• Bank deposits, certificates of deposit and other marketable securities. <p>For CAF Bank, Treasury counterparties are reviewed and approved by ALCo in accordance with policies and criteria approved by the CAF Bank Board. The Bank sets criteria that include credit rating, counterparty lending limits and country exposure limits. The Bank uses the Standardised Approach to assess capital required for credit risk, with risk weightings based on the lower of the two highest of Fitch, S&P and Moody's ratings in accordance with the credit quality assessment scale.</p> <p>CAF continues to carefully monitor and consider risks associated with the macro-economic environment. There have been no material adverse impacts from changes in the economic environment.</p> <p>Financial investments held for Trust funds</p> <p>CAF Charitable Trusts, CAF America Donor Advised Funds, CADF Trusts and CAF Canada Donor Advised Funds (collectively 'Trust funds') are invested in accordance with policies approved by the CAF IFIC, on behalf of CAF's and CADF's Trustees, and by the Boards of CAF America and CAF Canada. Donors typically suggest that a proportion of funds</p>

FINANCIAL RISKS

Risk	Mitigation
Credit risk	<p>donated are held in cash to meet short-term giving expectations and invest funds to meet medium- to long-term philanthropic objectives.</p> <p>Lending and programme-related investments</p> <p>CAF Bank and CAF Social Investment (part of the Impact Accelerator) are the two principal streams of social investment and loans to charities and social purpose organisations.</p> <p>CAF Bank has a system of limits and controls in place to manage credit risk on its loan portfolio. Loan applications are reviewed by a credit assessment team and presented for approval to the Sanctions Committee, a sub-committee of the CAF Bank Credit Committee, in accordance with policies and criteria approved by the CAF Bank Board. CAF Bank lending is secured on property and subject to limits on loan to value ratios.</p> <p>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.</p> <p>CAF's Social Investment programme includes blended finance packages (a mix of grants and loans) and investees are able to access support and expertise to help them strengthen their organisation. CAF's Impact Committee meets regularly to review and approve all investments that are subject to comprehensive due diligence. Impact Committee members include members of the CAF Executive and external specialists.</p> <p>All social investment activities are subject to regular monitoring of performance. Provisions are assessed for evidence of impairment at both specific and collective level.</p>

FINANCIAL RISKS

Risk	Mitigation
<p>Liquidity and funding risk</p> <p>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.</p> <p>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.</p>	<p>Treasury assets</p> <p>The liquidity position of CAF is monitored by the CAF Executive and IFIC, with the equivalent for CADF, CAF America and CAF Canada being overseen by their respective Boards and Committees. On a day-to-day basis, the liquidity profile of CAF's assets is compared with the historic behaviour of CAF's payments to beneficiary charities.</p> <p>CAF's Liquidity Policy requires a minimum percentage of total balances to be available within 24 hours and a further minimum percentage of total balances to be available over one month. No more than 50% of balances may be invested for a term in excess of 12 months.</p> <p>Approximately 80% of CAF Bank's assets are highly liquid, with liquidity buffer eligible assets of £1.18bn at 30 April 2024 (£1.30bn at 30 April 2023).</p> <p>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.</p> <p>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.</p> <p>Financial investments held for Trust funds</p> <p>Trust funds are invested at the request of donors, subject to CAF discretion, in accordance with investment policies that require investments to be highly liquid. Should additional liquidity be required to fund donations, investments are disposed of.</p>

FINANCIAL RISKS

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



STATEMENT OF TRUSTEES’ RESPONSIBILITIES IN RESPECT OF THE TRUSTEES’ REPORT AND THE FINANCIAL STATEMENTS



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

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

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

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Trustees’ report on pages 3 to 94 was approved by the Board of Trustees on 2 August 2024 and signed on their behalf.

A handwritten signature in dark ink, reading 'James Leigh-Pemberton'.

SIR JAMES LEIGH-PEMBERTON, CVO
Chair

INDEPENDENT AUDITORS’ REPORT TO THE TRUSTEES OF CHARITIES AID FOUNDATION

Report on the audit of the financial statements

OPINION

In our opinion, Charities Aid Foundation’s group financial statements and charity financial statements (the “financial statements”):

- Give a true and fair view of the state of the group’s and of the charity’s affairs as at 30 April 2024 and of the group’s and charity’s incoming resources and application of resources, and of the group’s and charity’s cash flows for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, and applicable law); and
- Have been prepared in accordance with the requirements of the Charities Act 2011 and the trust deed.

We have audited the financial statements, included within the Trustees’ Report and Financial Statements, which comprise: the group and charity Balance Sheets as at 30 April 2024; the group and charity Statement of Financial Activities and Cash Flow Statements for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

OUR AUDIT APPROACH

Overview

Audit scope

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

Key audit matters

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

Materiality

- Overall group materiality: £11.5m (2023: £11.5m) based on 1% of total income.
- Overall charity materiality: £4.0m (2023: £4.7m) based on 1% of total income.
- Performance materiality: £8.6m (2023: £8.6m) (group) and £3.0m (2023: £3.5m) (charity).

The scope of our audit

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

Key audit matters

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

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

The key audit matters below are consistent with last year.

Independent auditors’ report to the Trustees of Charities Aid Foundation

Key audit matter

Recognition of income from donations and legacies (group and charity)

For the year ended 30 April 2024, the group's reported donation income was £1,037m (2023: £1,022m) and legacy income of £34m (2023: £15m), including £24m accrued at the period end.

In accordance with the accounting policies set out in “Note 1.4 (a) Donations and legacies” of the financial statements, donations received, including Gift Aid on eligible donations, are recognised once the group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donation income represents the primary source of income for the group and charity, and the volume of transactions is significant. Therefore, this was an area of focus in the context of our work.

There is a high degree of management judgement involved in the recognition of income from legacies which have been accrued at the year end. These judgements include assessing the entitlement, probability and measurement of the income. Accordingly, we consider there to be an increased risk of misstatement due to fraud in respect of accrued legacy income.

How our audit addressed the key audit matter

We understood and evaluated the design of key controls surrounding donation and legacy income recognition. We evaluated the implementation of controls by performing walkthroughs of control procedures over the recognition of legacy income.

We noted no significant exceptions in our evaluation of the design and implementation of key manual controls in this regard. We obtained an understanding of relevant general IT controls related to the group's key financial systems, but in view of their maturity, did not seek to place reliance on them. We performed substantive tests to validate the integrity of any reports generated from systems that were used in our audit work.

In addition we performed the substantive testing described below.

- Tested on a sample basis donations received during the year to supporting evidence;
- Tested on a sample basis whether donations were recognised in the correct period;
- Tested a sample of legacies (with specific focus on the accrued legacy income) and considered management’s judgement as to the timing of legacy recognition and the amount recognised in light of documented evidence and the charity's legacy accounting policy;
- Performed specific completeness testing, for example around the receipt of third party legacy notifications;
- Performed cut-off testing with respect to legacies recognised after the year end to test whether income had been recorded in the correct financial year; and
- Considered the results of the journal testing performed where this affected reported donation and legacy income.

Through our testing we identified immaterial differences in respect of accrued legacy income which have not been adjusted for.

Based on the procedures performed and evidence obtained, we considered management’s recognition of donation and legacy income to be appropriate.

How we tailored the audit scope

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

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

The impact of climate risk on our audit

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

Materiality

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

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

	Financial statements - group	Financial statements - charity
Overall materiality	£11.5m (2023: £11.5m).	£4.0m (2023: £4.7m).
How we determined it	1% of total income	1% of total income
Rationale for 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.

Independent auditors’ report to the Trustees of Charities Aid Foundation

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was from £0.7m to £10.4m. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2023: 75%) of overall materiality, amounting to £8.6m (2023: £8.6m) for the group financial statements and £3.0m (2023: £3.5m) for the charity financial statements.

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

We agreed with the Audit, Risk and Compliance Committee that we would report to them misstatements identified during our audit above £0.6m (group audit) (2023: £0.6m) and £0.2m (charity audit) (2023:£0.2m) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

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

REPORTING ON OTHER INFORMATION

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

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

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

Trustees’ Report

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

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Responsibilities of the trustees for the financial statements

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

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

Auditors’ responsibilities for the audit of the financial statements

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

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

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

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

- Enquiring of management and the Audit, Risk and Compliance committee in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Assessing matters reported on the charity’s whistleblowing helpline and the results of management’s investigation of such matters;
- Reviewing key correspondence with regulatory authorities;
- Gaining an understanding of period end controls around the preparation of the financial statements, including controls around posting of journals;
- Testing the appropriateness of journal entries using risk based sampling procedures, also making use of data analytics to identify journals with high risk characteristics;
- Assessing for bias in key accounting estimates. For example, the measurement of accrued legacies and fair value of pension assets and of the present value of defined benefit obligations); and

Independent auditors’ report to the Trustees of Charities Aid Foundation

• Incorporating unpredictability into the nature, timing and/or extent of our testing.

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

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

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

Use of this report

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

OTHER REQUIRED REPORTING

Charities Act 2011 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

2 August 2024



Image: Toynbee Hall

GROUP STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 30 April 2024

	Notes	Unrestricted funds		Restricted funds		Total	
		2024 £000	2023 £000	2024 £000	2023 £000	2024 £000	2023 £000
Income							
Donations		6,185	5,129	1,030,956	1,016,717	1,037,141	1,021,846
US fundraising programme income		-	-	-	25,678	-	25,678
Legacies		630	692	33,715	13,946	34,345	14,638
Government grants	4	-	-	233	75	233	75
		6,815	5,821	1,064,904	1,056,416	1,071,719	1,062,237
Charitable activities:							
Fee income		25,250	25,240	-	22	25,250	25,262
CAF Bank net interest income		44,773	28,046	-	-	44,773	28,046
Investment income	5	29,299	17,246	23,782	14,405	53,081	31,651
Total income	6	106,137	76,353	1,088,686	1,070,843	1,194,823	1,147,196
Expenditure							
Charitable activities:							
Donations payable to charities		5,086	226	1,064,420	956,158	1,069,506	956,384
Other expenditure on charitable activities		86,277	69,059	290	(136)	86,567	68,923
		91,363	69,285	1,064,710	956,022	1,156,073	1,025,307
US fundraising programme costs		-	-	-	21,328	-	21,328
Total expenditure	6	91,363	69,285	1,064,710	977,350	1,156,073	1,046,635
Net income before net gains/(losses) on investments		14,774	7,068	23,976	93,493	38,750	100,561
Net losses on debt securities		(79)	(110)	-	-	(79)	(110)
Net gains/(losses) on financial investments		-	-	73,469	(10,842)	73,469	(10,842)
Net gains/(losses) on other investments		732	536	(30)	-	702	536
Net income before tax	6	15,427	7,494	97,415	82,651	112,842	90,145
Corporation tax	9	(4,542)	(2,073)	-	-	(4,542)	(2,073)
Net income after tax		10,885	5,421	97,415	82,651	108,300	88,072
Transfers between funds	26	3,213	6,112	(3,213)	(6,112)	-	-
Net movement in funds before other recognised gains/(losses)		14,098	11,533	94,202	76,539	108,300	88,072
Other recognised gains/(losses)							
Losses on revaluation of tangible fixed assets	16	-	(1,959)	-	-	-	(1,959)
Gain/(losses) on foreign exchange		100	(264)	983	(3,007)	1,083	(3,271)
Defined benefit pension scheme:							
Actuarial losses	31	(162)	(628)	-	-	(162)	(628)
Remeasurement of asset limit	31	409	(1,323)	-	-	409	(1,323)
Net movement in funds		14,445	7,359	95,185	73,532	109,630	80,891
Reconciliation of funds							
Total funds brought forward		84,051	76,692	1,753,282	1,679,750	1,837,333	1,756,442
Total funds carried forward	26	98,496	84,051	1,848,467	1,753,282	1,946,963	1,837,333

The notes on pages 109 to 158 form an integral part of these financial statements.

CHARITY STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 30 April 2024

	Notes	Unrestricted funds		Restricted funds		Total	
		2024 £000	2023 £000	2024 £000	2023 £000	2024 £000	2023 £000
Income							
Donations		6,901	5,025	312,302	374,744	319,203	379,769
Legacies		630	692	30,293	13,333	30,923	14,025
Government grants	4	-	-	233	75	233	75
		7,531	5,717	342,828	388,152	350,359	393,869
Charitable activities:							
Fee income		15,117	13,299	-	22	15,117	13,321
Investment income	5	20,623	13,800	19,345	12,022	39,968	25,822
Total income	6	43,271	32,816	362,173	400,196	405,444	433,012
Expenditure							
Charitable activities:							
Donations payable to charities		5,086	226	362,316	366,176	367,402	366,402
Other expenditure on charitable activities		44,090	36,381	290	(136)	44,380	36,245
Total expenditure	6	49,176	36,607	362,606	366,040	411,782	402,647
Net income/(expenditure) before net gains/(losses) on investments		(5,905)	(3,791)	(433)	34,156	(6,338)	30,365
Net losses on debt securities		(79)	(138)	-	-	(79)	(138)
Net gains/(losses) on financial investments		-	-	67,024	(7,532)	67,024	(7,532)
Net gains on other investments		732	536	-	-	732	536
Net income/(expenditure)	6	(5,252)	(3,393)	66,591	26,624	61,339	23,231
Transfers between funds	26	3,213	6,112	(3,213)	(6,112)	-	-
Net movement in funds before other recognised gains/(losses)		(2,039)	2,719	63,378	20,512	61,339	23,231
Other recognised gains/(losses)							
Losses on revaluation of tangible fixed assets	16	-	(1,959)	-	-	-	(1,959)
Gains/(losses) on foreign exchange		46	(189)	(344)	37	(298)	(152)
Defined benefit pension scheme:							
Actuarial losses	31	(162)	(628)	-	-	(162)	(628)
Remeasurement of asset limit	31	409	(1,323)	-	-	409	(1,323)
Net movement in funds		(1,746)	(1,380)	63,034	20,549	61,288	19,169
Reconciliation of funds							
Total funds brought forward		67,814	69,194	1,431,755	1,411,206	1,499,569	1,480,400
Total funds carried forward	26	66,068	67,814	1,494,789	1,431,755	1,560,857	1,499,569

The notes on pages 109 to 158 form an integral part of these financial statements.

GROUP BALANCE SHEET

As at 30 April 2024

		CAF Bank balances and							
		Unrestricted funds		Restricted funds		donor client balances		Total	
		2024	2023	2024	2023	2024	2023	2024	2023
Notes	£000	£000	£000	£000	£000	£000	£000	£000	£000
Assets									
Balances at Bank of England		62,787	47,279	-	561	567,739	572,636	630,526	620,476
Loans and advances to banks									
On demand and short-term deposits	10	46,506	51,075	301,671	366,957	30,604	13,719	378,781	431,751
Other	10	-	-	216,245	287,176	-	-	216,245	287,176
Loans and advances to customers	11	121	5	8,738	9,053	197,702	177,736	206,561	186,794
Debt securities	12	-	-	325,067	241,867	637,376	752,100	962,443	993,967
Financial investments	13	-	-	979,616	836,766	-	-	979,616	836,766
Other investments	14	4,829	3,990	5,393	9,201	-	-	10,222	13,191
Tangible fixed assets	16	3,701	3,276	-	-	-	-	3,701	3,276
Intangible fixed assets	17	10,758	6,333	-	-	-	-	10,758	6,333
Other debtors	18	1,928	5,162	12,214	11,303	-	-	14,142	16,465
Prepayments and accrued income	19	17,136	13,133	25,122	16,353	8,486	6,292	50,744	35,778
Total assets		147,766	130,253	1,874,066	1,779,237	1,441,907	1,522,483	3,463,739	3,431,973
Liabilities									
CAF Bank depositor balances	20	-	-	-	-	1,419,427	1,504,866	1,419,427	1,504,866
CAF Give As You Earn and CAF Donate balances	21	-	-	-	-	6,207	7,129	6,207	7,129
Due to beneficiary charities	22	-	-	17,802	19,279	-	-	17,802	19,279
Other creditors	23	7,318	4,491	6,316	5,397	406	474	14,040	10,362
Accruals and deferred income		4,437	2,758	1,481	1,279	2,015	1,162	7,933	5,199
Provision for corporation tax		346	1,852	-	-	-	-	346	1,852
Repurchase agreement	24	-	-	-	-	13,852	8,852	13,852	8,852
Long-term loans	25	37,169	37,101	-	-	-	-	37,169	37,101
Total liabilities		49,270	46,202	25,599	25,955	1,441,907	1,522,483	1,516,776	1,594,640
Funds	26	98,496	84,051	1,848,467	1,753,282	-	-	1,946,963	1,837,333
Total liabilities and charitable funds		147,766	130,253	1,874,066	1,779,237	1,441,907	1,522,483	3,463,739	3,431,973

The notes on pages 109 to 158 form an integral part of these financial statements.

Approved by the Trustees and authorised for issue on 2 August 2024 and signed on their behalf by



MIKE ASHLEY FCA
Trustee



LIZ RYLATT FCA
Group Chief Financial Officer

CHARITY BALANCE SHEET

As at 30 April 2024

Registered charity number 268369		Unrestricted funds		Restricted funds		Donor client balances		Total	
		2024	2023	2024	2023	2024	2023	2024	2023
	Notes	£000	£000	£000	£000	£000	£000	£000	£000
Assets									
Loans and advances to banks									
On demand and short-term deposits	10	37,300	44,389	137,569	182,607	6,613	7,603	181,482	234,599
Other	10	-	-	167,739	264,219	-	-	167,739	264,219
Loans and advances to customers	11	121	5	3,000	2,960	-	-	3,121	2,965
Debt securities	12	-	-	296,246	213,221	-	-	296,246	213,221
Financial investments	13	-	-	874,535	758,802	-	-	874,535	758,802
Other investments	14	4,829	3,990	5,325	5,412	-	-	10,154	9,402
Subsidiary undertakings	15	46,700	42,200	-	-	-	-	46,700	42,200
Tangible fixed assets	16	3,660	3,217	-	-	-	-	3,660	3,217
Other debtors	18	2,676	2,455	4,591	9,340	-	-	7,267	11,795
Prepayments and accrued income	19	13,064	12,217	23,909	15,770	-	-	36,973	27,987
Total assets		108,350	108,473	1,512,914	1,452,331	6,613	7,603	1,627,877	1,568,407
Liabilities									
CAF Give As You Earn and CAF Donate balances	21	-	-	-	-	6,207	7,129	6,207	7,129
Due to beneficiary charities	22	-	-	11,809	15,179	-	-	11,809	15,179
Other creditors	23	2,459	1,932	6,316	5,397	406	474	9,181	7,803
Accruals and deferred income		2,654	1,626	-	-	-	-	2,654	1,626
Long-term loans	25	37,169	37,101	-	-	-	-	37,169	37,101
Total liabilities		42,282	40,659	18,125	20,576	6,613	7,603	67,020	68,838
Funds	26	66,068	67,814	1,494,789	1,431,755	-	-	1,560,857	1,499,569
Total liabilities and charitable funds		108,350	108,473	1,512,914	1,452,331	6,613	7,603	1,627,877	1,568,407

The notes on pages 109 to 158 form an integral part of these financial statements.

Approved by the Trustees and authorised for issue on 2 August 2024 and signed on their behalf by



MIKE ASHLEY FCA
Trustee



LIZ RYLATT FCA
Group Chief Financial Officer

GROUP CASH FLOW STATEMENT

For the year ended 30 April 2024

		2024		2023	
	Notes	£000	£000	£000	£000
Cash flows from operating activities:					
Net cash (used in)/provided by operating activities	27		(150,243)		22,593
Cash flows from investing activities:					
Net decrease in loans and advances to banks		70,931		37,899	
Payments to acquire debt securities		(501,616)		(323,414)	
Proceeds on redemption and disposal of debt securities		535,597		185,008	
Payments to acquire financial investments		(266,873)		(243,932)	
Proceeds on disposal of financial investments		239,391		296,152	
Payments to acquire other investments		(29)		-	
Proceeds on disposal of other investments		3,720		671	
Payments to acquire tangible fixed assets		(853)		-	
Payments to acquire intangible fixed assets		(4,425)		(1,657)	
Decrease in investment portfolio cash and settlements pending		7,036		4,576	
Proceeds from repurchase agreements		5,000		8,852	
Receipts of Trust Funds investment income		23,392		14,447	
Net cash provided by/(used in) investing activities			111,271		(21,398)
Payments of interest on long-term loans		(1,449)		(1,448)	
Net cash used in financing activities			(1,449)		(1,448)
Change in cash and cash equivalents in the year			(40,421)		(253)
Cash and cash equivalents as at 1 May			1,048,645		1,052,169
Change in cash and cash equivalents due to exchange rate movements			1,083		(3,271)
Cash and cash equivalents as at 30 April			1,009,307		1,048,645
Represented by:					
Balances at Bank of England repayable on demand			630,526		616,894
Loans and advances to banks repayable on demand			378,781		431,751
			1,009,307		1,048,645

The notes on pages 109 to 158 form an integral part of these financial statements.

CHARITY CASH FLOW STATEMENT

For the year ended 30 April 2024

		2024		2023	
	Notes	£000	£000	£000	£000
Cash flows from operating activities:					
Net cash (used in)/provided by operating activities	27		(50,670)		996
Cash flows from investing activities:					
Net decrease in loans and advances to banks		96,480		60,856	
Payments to acquire debt securities		(218,683)		(204,681)	
Proceeds on redemption and disposal of debt securities		135,490		67,205	
Payments to acquire financial investments		(179,329)		(226,406)	
Proceeds on disposal of financial investments		147,706		252,044	
Proceeds on disposal of other investments		-		671	
Payments to acquire subsidiary undertakings		-		(275)	
Advances of sub-ordinated debt to subsidiary undertakings		(15,000)		-	
Repayment of sub-ordinated debt from subsidiary undertakings		10,500		-	
Payments to acquire tangible fixed assets		(848)		-	
Decrease in investment portfolio cash and settlements pending		4,028		4,531	
Receipts of Trust Funds investment income		18,956		12,067	
Net cash used in investing activities			(700)		(33,988)
Cash flows from financing activities:					
Payments of interest on long-term loans		(1,449)		(1,448)	
Net cash used in financing activities			(1,449)		(1,448)
Change in cash and cash equivalents in the year			(52,819)		(34,440)
Cash and cash equivalents as at 1 May			234,599		269,191
Change in cash and cash equivalents due to exchange rate movements			(298)		(152)
Cash and cash equivalents as at 30 April			181,482		234,599

The notes on pages 109 to 158 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2024

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation

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

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

1.2 Going concern

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

The Trustees and boards of CAF subsidiaries have considered the impact of a severe economic outcome on each entity and the effectiveness of management actions that might be taken to mitigate the impact of this stress. Trustees and boards of subsidiaries have also considered the circumstances under which operations of the entity would be unable to continue.

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

1.3 Fund accounting

The group holds restricted and unrestricted funds.

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

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects of the group.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors. Restricted funds comprise donations to the group which are held pending suggestions for investment or onward donation to charitable organisations.

Further details of each fund are disclosed in note 26.

1.4 Income recognition

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

(a) Donations and legacies

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

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

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

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

(b) Government grants

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

(c) Fee income

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

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

(d) CAF Bank net interest income

CAF Bank recognise interest income and expense on a net basis using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash flows to the gross carrying amount of a financial asset or amortised cost of a financial liability.

(e) Investment income

Investment income consists of interest receivable and dividend income.

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

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

1.5 Expenditure recognition

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

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

On occasion the beneficiary charity is formally notified in writing of a donation by the group. This notification gives the recipient a reasonable expectation that they will receive a one-off or multi-year donation. In the case of an unconditional offer this is accrued once the recipient has been notified of the donation.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2024

Donations that are subject to the recipient fulfilling performance conditions are recognised as payable when any remaining unfulfilled conditions attached to that award are outside of the control of the group.

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

Until December 2022, CAF America worked in partnership with US professional fundraising organisations. CAF America received 100% of the donations collected, which it then granted, minus costs and fees paid to the fundraising organisations, to third party beneficiary charities. The grants payable and associated fundraising fees and costs were recognised in accordance with the above recognition criteria for expenditure. No UK fundraising activities are undertaken.

1.6 Allocation of support costs

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

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

Irrecoverable VAT is charged as a cost.

1.7 Operating leases

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

1.8 Pension costs

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

Defined contribution pension plans

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

Defined benefit pension scheme

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

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

1.9 Foreign currency

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

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

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

1.10 Taxation

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

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

1.11 Tangible fixed assets

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

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

Impairment losses are recognised in accordance with note 1.17.

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

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

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

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

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

1.12 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation and impairment losses. Amortisation will commence when the assets are brought into use.

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

External spend to suppliers on software and system development is capitalised where the recognition criteria are satisfied. Internal spend on employees and contractors is expensed, except where effort directly relates to system development and the recognition criteria are satisfied.

1.13 Basic financial instruments

(a) Treasury assets and Financial investments
Certain basic financial instruments are held for two principal purposes:

- To support the group's operations and generate income to support the group's charitable objectives – 'Treasury assets', or
- To achieve capital appreciation and to generate income for CAF Charitable Trusts, CAF America Donor Advised Funds and CAF American Donor Fund Trusts (collectively 'Trust funds') – 'Financial investments'.

Loans and advances to banks

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

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

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For the year ended 30 April 2024

Debt securities held as Treasury assets

Debt securities held as Treasury assets are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Financial investments

Pools of investments are held for Trust funds to achieve an investment return to fund future charitable donations. The value of the investments determines the funds available for donation at any point in time.

Basic financial instruments held as ‘Financial investments’ are, therefore, measured initially at fair value, which is normally the transaction price. Transaction costs are expensed in the SOFA (where material) if the investments are subsequently measured at fair value through profit or loss. Subsequent to initial recognition all types of investments, including debt securities, that can be measured reliably are measured at fair value with changes recognised in the SOFA. Where the fair value of such investments cannot be reliably measured because, for example they are not publicly traded, the investments are measured at cost less impairment.

(b) Other investments

Investments in equity instruments, such as ordinary and preference shares, are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded (where material) if the investments are subsequently measured at fair value through profit or loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognised in the SOFA. Where the fair value of such investments cannot be reliably measured, the investments are measured at cost less impairment.

(c) CAF Bank depositor balances

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

(d) Repurchase agreements

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

(e) Debtors and creditors

Debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid.

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

(f) Interest-bearing loans receivable and payable

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

(g) Concessionary loans receivable and payable

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

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

1.14 Other financial instruments – financial instruments not considered to be ‘Basic financial instruments’

Other financial instruments not meeting the definition of ‘Basic financial instruments’ are recognised initially at fair value. Subsequent measurement is at fair value with changes recognised in the SOFA, except for equity instruments which are not publicly traded and whose value cannot otherwise be measured reliably, which are measured at cost less impairment.

1.15 Investment properties

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

1.16 Investments in subsidiaries

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

1.17 Impairment of assets

(a) Financial assets (including trade and other debtors)

Financial assets including loans are assessed at each reporting date to determine whether there is objective evidence of impairment. Objective evidence can include default or delinquency by a borrower, restructuring of a loan or advance on terms the group would otherwise not consider, indications that a borrower or issuer may become insolvent, or a reduction in marketability of the security.

The group considers evidence for impairment for loans and advances (including on-demand commitments) at both specific and collective level. If there is evidence of impairment leading to an impairment loss for an individual counterparty relationship, then the amount of the loss is determined as the difference between the carrying amount of the loan, including accrued interest, and the estimated recoverable amount. The estimated recoverable amount is measured as the present value of expected future cash flows discounted at the loan’s original effective interest rate, including cash flows that may result from foreclosure less costs for obtaining and selling

collateral. The carrying amount of the loan is reduced by the use of an allowance account and the amount of the loss is recognised in the SOFA.

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

(b) Non-financial assets

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

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

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

1.18 Critical accounting judgements and significant estimates

(a) Critical accounting judgements

Classification of funds

The activities of CAF and the other charitable

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2024

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

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

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

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

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

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

	2024 £m	2023 £m
Charities Aid Foundation	672.6	612.1
CAF America	164.8	173.0
CAF American Donor Fund	172.8	132.5
CAF Canada	16.0	16.0
	1,026.2	933.6

Legacies

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

Donations payable to charities

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

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

Intangible fixed assets

Intangible assets represent CAF Bank’s investment in a new core banking system under its transformation programme. In assessing for impairment at the balance sheet date, management assesses the current status

of the programme, the continued viability of the programme, any obsolescence within the programme and whether there will be an economic benefit to CAF Bank on completion of the programme. Management have concluded that the transformation programme will be taken to completion and will deliver economic benefits to CAF Bank when brought into use and has therefore, not been impaired.

(b) Significant estimates

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

1.19 Entity status

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

2. CONSOLIDATION

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

Consolidated entities

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

Trading subsidiaries

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

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

UK registered charities

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

Overseas charitable entities

CAF controls the following overseas charitable entities:

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

3. RESULTS AND NET ASSETS OF SUBSIDIARIES

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2024

3. RESULTS AND NET ASSETS OF SUBSIDIARIES (CONTINUED)

	2024	2023		2024	2023
CAF Bank Limited	£000	£000		£000	£000
Profit and Loss Account			Balance Sheet		
			Assets		
Interest receivable	65,024	35,396	Loans and advances to		
Interest payable	(20,251)	(7,350)	banks & Bank of England	654,523	626,592
Net interest income	44,773	28,046	Loans and advances to		
Other operating income	1,768	1,647	customers	197,702	177,734
Administrative expenses	(27,659)	(18,472)	Debt securities	637,376	752,100
Loan loss provision	(715)	(573)	Other assets	21,324	15,108
Profit on ordinary activities before taxation	18,167	10,648	Total assets	1,510,925	1,571,534
Tax on profit on ordinary activities	(4,542)	(2,073)	Liabilities		
Profit on ordinary activities after taxation	13,625	8,575	Depositors' balances	1,419,433	1,505,425
Profit and loss account balance brought forward	11,154	1,579	Other liabilities	26,394	14,636
Transferred from distributable reserve	-	1,000	Total liabilities	1,445,827	1,520,061
			Shareholders' funds	65,098	51,473
Profit and loss account balance carried forward	24,779	11,154	Total liabilities and shareholders' funds	1,510,925	1,571,534

	2024	2023		2024	2023
CAF America	£000	£000		£000	£000
Statement of Financial Activities			Balance Sheet		
Donations and legacies receivable	568,860	533,280	Assets		
US fundraising programme income	-	25,678	Unrestricted funds	8,715	6,061
Income from group entities	171	278	Donor advised funds ¹	170,620	177,133
Fee income	13,667	13,323	Total assets	179,335	183,194
Investment income	6,744	3,103	Liabilities		
Total income	589,442	575,662	Unrestricted funds	2,633	1,699
Donations payable to charities	573,034	490,027	Donor advised funds ¹	5,825	4,090
Donations payable to group entities	8,172	7,147	Total liabilities	8,458	5,789
US fundraising programme costs	-	21,328	Funds		
Direct costs of charitable activities	18,074	14,695	Unrestricted funds	6,082	4,362
Governance costs	117	127	Donor advised funds ¹	164,795	173,043
Total expenditure	599,397	533,324	Total funds	170,877	177,405
Net income/(expenditure) before net gains/(losses) on investments	(9,955)	42,338	Total liabilities and funds	179,335	183,194
Net gains on debt securities	-	28			
Net gains/(losses) on financial investments	2,228	(1,349)			
Net income/(expenditure) before other recognised gains/(losses)	(7,727)	41,017			
Gains/(losses) on foreign exchange	1,199	(2,958)			
Net movement in funds	(6,528)	38,059			
Funds brought forward	177,405	139,346			
Funds carried forward	170,877	177,405			

Notes:

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

	2024	2023		2024	2023
CAF American Donor Fund	£000	£000		£000	£000
Statement of Financial Activities			Balance Sheet		
Donations and legacies receivable	155,119	104,117	Assets		
Donations receivable from group entities	299	-	Unrestricted funds	2,251	1,411
Investment income	6,980	2,474	Donor advised funds ¹	174,333	133,737
Total income	162,398	106,591	Total assets	176,584	135,148
Donations payable to charities	112,175	85,571	Liabilities		
Donations payable to group entities	11,308	1,524	Unrestricted funds	176	175
Direct costs of charitable activities	225	10	Donor advised funds ¹	1,481	1,279
Direct costs paid to group entities	1,682	1,621	Total liabilities	1,657	1,454
Governance costs	61	65	Funds		
Total expenditure	125,451	88,791	Unrestricted funds	2,075	1,236
Net income before net gains/(losses) on investments	36,947	17,800	Donor advised funds ¹	172,852	132,458
Net gains/(losses) on financial investments	4,020	(1,618)	Total funds	174,927	133,694
Net losses on other investments	(30)	-			
Net income before other recognised gains/(losses)	40,937	16,182	Total liabilities and funds	176,584	135,148
Gains on foreign exchange	296	374			
Net movement in funds	41,233	16,556			
Funds brought forward	133,694	117,138			
Funds carried forward	174,927	133,694			

Notes:

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2024

4. GOVERNMENT GRANTS

During the year, CAF received £233k (2023: £75k) from the Foreign & Commonwealth Development Office (FCDO). No amounts were due to CAF from FCDO at 30 April 2024 (2023: £nil).

5. INVESTMENT INCOME

	Unrestricted		Restricted		Total	
	2024	2023	2024	2023	2024	2023
	£000	£000	£000	£000	£000	£000
Group						
Interest on fixed interest securities and cash deposits	29,006	16,980	10,726	2,561	39,732	19,541
Dividends	-	17	13,056	11,744	13,056	11,761
Interest on concessionary loans to charities	293	249	-	100	293	349
	29,299	17,246	23,782	14,405	53,081	31,651
Charity						
Interest on fixed interest securities and cash deposits	20,382	13,550	8,574	2,042	28,956	15,592
Dividends	-	1	10,771	9,934	10,771	9,935
Interest on concessionary loans to charities	241	249	-	46	241	295
	20,623	13,800	19,345	12,022	39,968	25,822

6. INCOME AND DONATIONS RECEIVED AND CHARITABLE ACTIVITIES EXPENDITURE

6.1 Group unrestricted funds

	Growing Philanthropy			Serving Charities			Total	Total
	Charity ¹	CAF America and subsidiaries ²	Financial & donation services ³	CAF Network ¹	Grant making & sector support	Other funds ⁴	2024	2023
	£000	£000	£000	£000	£000	£000	£000	£000
Income								
Donations	4,361	1,784	12	-	-	28	6,185	5,129
Legacies	-	-	-	-	-	630	630	692
	4,361	1,784	12	-	-	658	6,815	5,821
Charitable activities:								
Fee income	6,189	14,259	3,909	-	893	-	25,250	25,240
CAF Bank net interest income	-	-	44,773	-	-	-	44,773	28,046
Investment income	17,168	9,642	19	-	285	2,185	29,299	17,246
Total income	27,718	25,685	48,713	-	1,178	2,843	106,137	76,353
Expenditure on charitable activities								
Donations payable to charities	-	-	-	45	-	5,041	5,086	226
Direct costs	12,723	19,402	24,664	746	2,655	1,766	61,956	51,301
Support costs								
Human resources	1,390	-	215	46	233	-	1,884	1,446
Property	1,896	-	294	63	317	203	2,773	1,993
Finance	2,738	-	425	91	458	-	3,712	2,673
Information systems	9,578	-	1,331	202	1,018	-	12,129	8,900
Governance costs	2,347	197	799	79	401	-	3,823	2,746
Total support costs	17,949	197	3,064	481	2,427	203	24,321	17,758
Total expenditure	30,672	19,599	27,728	1,272	5,082	7,010	91,363	69,285
Net income/(expenditure) before gains and losses	(2,954)	6,086	20,985	(1,272)	(3,904)	(4,167)	14,774	7,068
Net losses on debt securities	-	-	-	-	-	(79)	(79)	(110)
Net gains on other investments	-	-	-	-	-	732	732	536
Net income/(expenditure)	(2,954)	6,086	20,985	(1,272)	(3,904)	(3,514)	15,427	7,494

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

Notes:

- Activities undertaken by CAF (the Charity).
- Activities undertaken by CAF America, CAF American Donor Fund and CAF Canada.
- Activities undertaken by CAF, CAF Bank Limited, CAF Financial Solutions Limited and CAF Investments Limited.
- Other funds includes £5.0m paid to NCVO for the period 1 May 2021 to 30 April 2024 as part of our ongoing commitment, which is payable in support of their representation of the interests of charities. This follows a review of the terms of CAF's products and services. £1.4m was paid in respect of the year ended 30 April 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2024

6.2 CHARITY UNRESTRICTED FUNDS

	Growing Philanthropy			Serving Charities				Total	Total
	Major donors	Regular givers	Companies	Financial & donation services ¹	CAF Network	Grant making & sector support	Other funds ²	2024	2023
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Income									
Donations	798	2,293	1,270	12	-	-	2,528	6,901	5,025
Legacies	-	-	-	-	-	-	630	630	692
	798	2,293	1,270	12	-	-	3,158	7,531	5,717
Charitable activities:									
Fee income	3,832	339	2,018	6,987	1,048	893	-	15,117	13,299
Investment income	9,662	4,328	3,178	985	-	285	2,185	20,623	13,800
Total income	14,292	6,960	6,466	7,984	1,048	1,178	5,343	43,271	32,816
Expenditure on charitable activities									
Donations payable to charities	-	-	-	-	45	-	5,041	5,086	226
Direct costs	4,901	2,912	4,910	2,519	746	2,655	1,766	20,409	19,068
Support costs									
Human resources	507	276	607	215	46	233	-	1,884	1,446
Property	691	377	828	294	63	317	203	2,773	1,993
Finance	998	544	1,196	425	91	458	-	3,712	2,673
Information systems	3,383	2,373	3,822	1,331	202	1,018	-	12,129	8,900
Governance costs	857	461	1,029	356	79	401	-	3,183	2,301
Total support costs	6,436	4,031	7,482	2,621	481	2,427	203	23,681	17,313
Total expenditure	11,337	6,943	12,392	5,140	1,272	5,082	7,010	49,176	36,607
Net expenditure before net gains/(losses) on investments	2,955	17	(5,926)	2,844	(224)	(3,904)	(1,667)	(5,905)	(3,791)
Net losses on debt securities	-	-	-	-	-	-	(79)	(79)	(138)
Net gains on other investments	-	-	-	-	-	-	732	732	536
Net income/(expenditure)	2,955	17	(5,926)	2,844	(224)	(3,904)	(1,014)	(5,252)	(3,393)

Notes:

1. CAF's income and expenditure arising from activities delivered by CAF (CAF Venturesome and CAF Donate), management fees received from its subsidiaries (CAF Bank Limited and CAF Financial Solutions Limited) and CAF's associated costs.
2. Other funds includes £5.0m paid to NCVO for the period 1 May 2021 to 30 April 2024 as part of our ongoing commitment, which is payable in support of their representation of the interests of charities. This follows a review of the terms of CAF's products and services. £1.4m was paid in respect of the year ended 30 April 2024.

6.3 UNRESTRICTED FUNDS - ALLOCATION OF SUPPORT COSTS

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

No support costs are allocated to restricted funds.

6.4 GROUP RESTRICTED FUNDS

	Growing Philanthropy		Serving Charities		Total	Total
	Charity ¹	CAF America and subsidiaries ²	Financial & donation services ³	Grant making & sector support ¹	2024	2023
	£000	£000	£000	£000	£000	£000
Income						
Donations	294,714	735,197	400	645	1,030,956	1,016,717
US fundraising programme income	-	-	-	-	-	25,678
Legacies	30,293	3,422	-	-	33,715	13,946
Government grants	-	-	-	233	233	75
	325,007	738,619	400	878	1,064,904	1,056,416
Fee income	-	-	-	-	-	22
Investment income	19,345	4,437	-	-	23,782	14,405
Total income	344,352	743,056	400	878	1,088,686	1,070,843
Expenditure on charitable activities						
Donations payable to charities	360,640	702,123	79	1,578	1,064,420	956,158
Direct costs	-	-	290	-	290	(136)
	360,640	702,123	369	1,578	1,064,710	956,022
US fundraising programme costs	-	-	-	-	-	21,328
Total expenditure	360,640	702,123	369	1,578	1,064,710	977,350
Net income/(expenditure) before net gains/(losses) on investments	(16,288)	40,933	31	(700)	23,976	93,493
Net gains/(losses) on financial investments	67,024	6,445	-	-	73,469	(10,842)
Net losses on other investments	-	(30)	-	-	(30)	-
Net income/(expenditure)	50,736	47,348	31	(700)	97,415	82,651

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

Notes:

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2024

6.5 CHARITY RESTRICTED FUNDS

	Growing Philanthropy			Serving Charities		Total	
	Major donors	Regular givers	Companies	CAF Venture-some	Grant making	2024	2023
	£000	£000	£000	£000	£000	£000	£000
Income							
Donations	136,787	94,072	80,398	400	645	312,302	374,744
Legacies	30,293	-	-	-	-	30,293	13,333
Government grants	-	-	-	-	233	233	75
	167,080	94,072	80,398	400	878	342,828	388,152
Fee income	-	-	-	-	-	-	22
Investment income	19,345	-	-	-	-	19,345	12,022
Total income	186,425	94,072	80,398	400	878	362,173	400,196
Expenditure on charitable activities							
Donations payable to charities	176,458	99,182	85,019	79	1,578	362,316	366,176
Direct costs	-	-	-	290	-	290	(136)
Total expenditure	176,458	99,182	85,019	369	1,578	362,606	366,040
Net income/(expenditure) before net gains/(losses) on investments	9,967	(5,110)	(4,621)	31	(700)	(433)	34,156
Net gains/(losses) on financial investments	67,024	-	-	-	-	67,024	(7,532)
Net income/(expenditure)	76,991	(5,110)	(4,621)	31	(700)	66,591	26,624

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

7. GOVERNANCE COSTS

Governance costs include the following amounts:

	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Internal audit	309	335	167	116
Fees payable to the group external auditor, net of VAT:				
Audit of financial statements	897	676	610	435
Other services	65	29	-	-
Fees payable to component external auditor, net of VAT:				
Audit of financial statements	135	127	-	-
Trustees' indemnity insurance	114	50	64	36

8. STAFF COSTS

	Charity		CAF America and subsidiaries		CAF Bank and other trading subsidiaries		Group	
	2024	2023	2024	2023	2024	2023	2024	2023
	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	20,045	16,457	7,782	7,122	8,085	7,392	35,912	30,971
Social security costs	2,017	1,759	438	436	837	733	3,292	2,928
Defined contribution scheme pension costs	1,791	1,574	556	525	587	500	2,934	2,599
Training and welfare	763	593	327	763	1	1	1,091	1,357
	24,616	20,383	9,103	8,846	9,510	8,626	43,229	37,855
Other pension costs (see note 31)	247	232	-	-	-	-	247	232
	24,863	20,615	9,103	8,846	9,510	8,626	43,476	38,087

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

Included within salaries and wages are redundancy and termination costs totalling £188k for the group and £43k for the Charity (2023: £45k for the group and £10k for the Charity).

Employee numbers

	Charity		CAF America and subsidiaries		CAF Bank and other trading subsidiaries		Group	
	2024	2023	2024	2023	2024	2023	2024	2023
	Number	Number	Number	Number	Number	Number	Number	Number
The average number of employees during the year was:								
Full-time and part-time employees	422	391	139	90	173	169	734	650
Full-time equivalent	406	374	139	90	164	161	709	625

Average number of full time equivalent employees analysed by function:	2024	2023
Major donors	109	98
Regular givers	59	58
Companies	131	123
Financial and donation services	45	46
CAF International team	10	9
Grantmaking and sector support	51	40
Governance	1	-
Charity	406	374
CAF America and subsidiaries	139	90
CAF Bank and other trading subsidiaries	164	161
Group	709	625

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For the year ended 30 April 2024

8. STAFF COSTS (CONTINUED)

Employee numbers

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

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

	Charity		CAF America and subsidiaries		CAF Bank and other trading subsidiaries		Group	
	2024	2023	2024	2023	2024	2023	2024	2023
	Number	Number	Number	Number	Number	Number	Number	Number
£60,001 - £70,000	29	21	10	12	4	6	43	39
£70,001 - £80,000	16	13	5	6	10	6	31	25
£80,001 - £90,000	7	4	6	-	3	3	16	7
£90,001 - £100,000	8	3	1	3	2	1	11	7
£100,001 - £110,000	3	4	5	6	2	-	10	10
£110,001 - £120,000	1	1	1	-	-	-	2	1
£120,001 - £130,000	1	-	-	-	1	-	2	-
£130,001 - £140,000	2	4	-	-	-	-	2	4
£140,001 - £150,000	-	-	1	-	1	1	2	1
£150,001 - £160,000	2	1	-	1	-	-	2	2
£160,001 - £170,000	1	-	-	-	-	4	1	4
£170,001 - £180,000	1	-	-	-	2	-	3	-
£180,001 - £190,000	-	1	-	-	1	-	1	1
£190,001 - £200,000	1	-	1	1	-	-	2	1
£200,001 - £210,000	-	1	-	1	-	1	-	3
£210,001 - £220,000	-	-	-	-	1	-	1	-
£240,001 - £250,000	1	-	1	-	-	-	2	-
£280,001 - £290,000	-	1	-	-	-	1	-	2
£290,001 - £300,000	1	-	-	-	-	-	1	-
£300,001 - £310,000	-	-	-	-	1	-	1	-
£350,001 - £360,000	-	-	1	-	-	-	1	-
£420,001 - £430,000	-	-	-	1	-	-	-	1
	74	54	32	31	28	23	134	108

* The highest paid role in the years ended 30 April 2024 and 2023 for the group is the former President and CEO of CAF America whose emoluments are paid in US dollars. The average exchange rate for the year was \$1.257:£1 (2023: \$1.202:£1).

The Group Chief Executive received salary and benefits of £291k (2023: £262k) and employer pension contributions of £33k (2023: £26k).

Pension contributions

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

	Charity		CAF America and subsidiaries		CAF Bank and other trading subsidiaries		Group	
	2024	2023	2024	2023	2024	2023	2024	2023
	Number	Number	Number	Number	Number	Number	Number	Number
Number of employees	73	53	32	25	27	22	132	100
	£000	£000	£000	£000	£000	£000	£000	£000
Aggregate value of contributions	602	434	268	311	231	215	1,101	960

Key management personnel

The key management personnel of the group are the members of the Group Executive Committee. Total salary and employee benefits for key management personnel during the year amounted to £1,936,020 (2023: £1,745,312) plus pension contributions of £115,616 (2023: £109,742). Employers’ National Insurance contributions amounted to £188,986 (2023: £195,422).

Trustees remuneration

The Trustees receive no remuneration for their services, but may be reimbursed for out-of-pocket expenses in respect of attending meetings and carrying out duties on behalf of CAF. Expenses of £526 were reimbursed during the year (2023: £1,031).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2024

9. TAXATION

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

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

A corporation tax charge for the year of £4.5m (2023: £2.1m) arose for the group, which is attributable to CAF Bank Limited.

	2024	2023
	£000	£000
Tax expense:		
Profit on ordinary activity before tax	18,167	10,648
Reconciliation to tax expense		
Profit on ordinary activities before tax at 25.0% (2023: 19.5%)	4,542	2,076
Adjustment in respect of prior years	-	(1)
Deferred tax - origination and reversal of timing differences	-	(47)
Deferred tax - impact of change in tax rate	-	45
Tax charge	4,542	2,073

10. LOANS AND ADVANCES TO BANKS

	Unrestricted funds		Restricted funds		CAF Bank balances and donor client balances		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Group	£000	£000	£000	£000	£000	£000	£000	£000
On demand and short-term deposits	46,506	51,075	301,671	366,957	30,604	13,719	378,781	431,751
Remaining maturity of other loans and advances:								
Less than 6 months	-	-	141,722	136,795	-	-	141,722	136,795
Between 6 months and 1 year	-	-	74,523	85,381	-	-	74,523	85,381
Between 1 year and 5 years	-	-	-	65,000	-	-	-	65,000
	46,506	51,075	517,916	654,133	30,604	13,719	595,026	718,927

	Unrestricted funds		Restricted funds		Donor client balances		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Charity	£000	£000	£000	£000	£000	£000	£000	£000
On demand and short-term deposits	37,300	44,389	137,569	182,607	6,613	7,603	181,482	234,599
Remaining maturity of other loans and advances:								
Less than 6 months	-	-	113,216	113,838	-	-	113,216	113,838
Between 6 months and 1 year	-	-	54,523	85,381	-	-	54,523	85,381
Between 1 year and 5 years	-	-	-	65,000	-	-	-	65,000
	37,300	44,389	305,308	446,826	6,613	7,603	349,221	498,818

11. LOANS AND ADVANCES TO CUSTOMERS

	Unrestricted funds		Restricted funds		CAF Bank balances and donor client balances		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	£000	£000	£000	£000	£000	£000	£000	£000
Concessionary loans:								
CAF Venturesome loans to charities	121	5	1,729	2,375	-	-	1,850	2,380
CAF Charitable Trust loans to charities	-	-	1,271	585	-	-	1,271	585
Charity	121	5	3,000	2,960	-	-	3,121	2,965
CAF Bank loans to charities and social purpose enterprises	-	-	-	-	197,702	177,736	197,702	177,736
CADF loans to charities	-	-	801	796	-	-	801	796
CAF Canada loans to charities	-	-	4,937	5,297	-	-	4,937	5,297
Group	121	5	8,738	9,053	197,702	177,736	206,561	186,794

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2024

11. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

	Group		Charity	
	2024	2023	2024	2023
Maturity	£000	£000	£000	£000
Amounts receivable in less than one year				
CAF Venturesome loans to charities	332	2,136	332	2,136
CAF Charitable Trust loans to charities	715	880	715	880
CAF Bank loans	8,769	1,410	-	-
CAF Canada loan to charities	748	311	-	-
	10,564	4,737	1,047	3,016
Amounts receivable in one to five years				
CAF Venturesome loans to charities	3,943	2,515	3,943	2,515
CAF Charitable Trust loans to charities	1,256	405	1,256	405
CAF Bank loans	24,786	30,449	-	-
CADF loans to charities	801	796	-	-
CAF Canada loan to charities	1,712	2,156	-	-
	32,498	36,321	5,199	2,920
Amounts receivable in more than five years				
CAF Venturesome loans to charities	119	269	119	269
CAF Bank loans	168,425	149,250	-	-
CAF Canada loan to charities	2,477	2,830	-	-
	171,021	152,349	119	269
Less: Deferred income and provisions				
CAF Venturesome loans to charities	(2,544)	(2,540)	(2,544)	(2,540)
CAF Charitable Trust loans to charities	(700)	(700)	(700)	(700)
CAF Bank loans	(4,278)	(3,373)	-	-
	(7,522)	(6,613)	(3,244)	(3,240)
Total loans	206,561	186,794	3,121	2,965

12. DEBT SECURITIES

	Group				Charity			
	Book value		Market value		Book value		Market value	
	2024	2023	2024	2023	2024	2023	2024	2023
	£000	£000	£000	£000	£000	£000	£000	£000
Restricted funds								
Listed:								
UK Government	19,755	-	20,000	-	19,755	-	20,000	-
Multilateral financial institutions	130,928	19,111	130,519	18,912	130,928	19,111	130,519	18,912
Fixed coupon corporate bonds	50,563	70,326	47,815	65,753	50,563	70,326	47,815	65,753
	201,246	89,437	198,334	84,665	201,246	89,437	198,334	84,665
Unlisted:								
Certificates of deposit	123,821	152,430	125,859	154,273	95,000	123,784	97,038	125,627
	123,821	152,430	125,859	154,273	95,000	123,784	97,038	125,627
	325,067	241,867	324,193	238,938	296,246	213,221	295,372	210,292
CAF Bank balances								
Listed:								
Multilateral financial institutions	511,053	670,370	489,173	638,973	-	-	-	-
Fixed coupon corporate bonds	49,368	23,498	47,900	21,129	-	-	-	-
Floating rate corporate bonds	76,955	48,232	76,853	48,477	-	-	-	-
	637,376	742,100	613,926	708,579	-	-	-	-
Unlisted:								
Certificates of deposit	-	10,000	-	10,082	-	-	-	-
	-	10,000	-	10,082	-	-	-	-
	637,376	752,100	613,926	718,661	-	-	-	-
Total debt securities	962,443	993,967	938,119	957,599	296,246	213,221	295,372	210,292

	Group		Charity	
	Book value		Book value	
	2024	2023	2024	2023
Maturity	£000	£000	£000	£000
Up to 6 months	89,672	128,240	70,081	31,108
Between 6 months and 1 year	242,075	353,010	116,993	98,531
	331,747	481,250	187,074	129,639
Between 1 year and 5 years	617,562	477,972	104,619	77,744
	949,309	959,222	291,693	207,383
Over 5 years	13,134	34,745	4,553	5,838
Total debt securities	962,443	993,967	296,246	213,221
Unamortised discounts/(premiums)	14,613	5,365	764	(1,365)

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2024

12. DEBT SECURITIES (CONTINUED)

	Cost	Amortisation	Book value
Group	£000	£000	£000
Restricted funds			
At 1 May 2023	243,577	(1,710)	241,867
Acquisitions	247,504	(341)	247,163
Disposals	(2,496)	193	(2,303)
Redemptions	(162,262)	254	(162,008)
Amortisation	-	173	173
Foreign exchange gains	175	-	175
At 30 April 2024	326,498	(1,431)	325,067
CAF Bank balances			
At 1 May 2023	754,933	(2,833)	752,100
Acquisitions	254,112	1,974	256,086
Redemptions	(373,497)	2,211	(371,286)
Amortisation	-	476	476
At 30 April 2024	635,548	1,828	637,376
Total	962,046	397	962,443

	Cost	Amortisation	Book value
Charity	£000	£000	£000
Restricted funds			
At 1 May 2023	214,932	(1,711)	213,221
Acquisitions	218,683	(341)	218,342
Disposals	(2,497)	194	(2,303)
Redemptions	(133,441)	254	(133,187)
Amortisation	-	173	173
At 30 April 2024	297,677	(1,431)	296,246

13. FINANCIAL INVESTMENTS

Restricted funds

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

Nature of Trust funds

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

	Group		Charity	
	2024	2023	2024	2023
Restricted funds	£000	£000	£000	£000
At 1 May	817,717	822,138	750,244	742,880
Additions	326,439	407,188	211,074	371,555
Disposal proceeds	(250,022)	(400,767)	(158,337)	(356,659)
Net investment gains/(losses)	73,469	(10,842)	67,024	(7,532)
	967,603	817,717	870,005	750,244
Investment portfolio cash and settlements pending	12,013	19,049	4,530	8,558
At 30 April	979,616	836,766	874,535	758,802
Historical cost of investments	828,014	791,802	735,450	727,223

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2024

13. FINANCIAL INVESTMENTS (CONTINUED)

Restricted funds

The group uses the following hierarchy to estimate the fair value of investments held for Trust funds:

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

Level 2: When quoted prices are unavailable, the fair value is taken as the price of a recent transaction for an identical asset. No investments were held in this category as at 30 April 2024 or 30 April 2023.

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

	Level 1		Level 3		Total	
	2024	2023	2024	2023	2024	2023
Group	£000	£000	£000	£000	£000	£000
Represented by:						
Listed securities:						
UK Government fixed interest	25,462	12,802	-	-	25,462	12,802
Overseas Government fixed interest	5,337	5,234	-	-	5,337	5,234
Other fixed interest	7,701	14,049	-	-	7,701	14,049
UK equities	32,334	39,485	-	-	32,334	39,485
Overseas equities	79,414	58,779	-	-	79,414	58,779
CAF investment funds:						
IFSL CAF Funds	128,679	116,797	-	-	128,679	116,797
Unit trusts and other pooled investments	653,625	539,836	-	-	653,625	539,836
Investment trusts	32,742	27,575	-	-	32,742	27,575
Unlisted investments:						
UK	-	-	2,309	3,160	2,309	3,160
	965,294	814,557	2,309	3,160	967,603	817,717
Investment portfolio cash and settlements pending						
	12,013	19,049	-	-	12,013	19,049
	977,307	833,606	2,309	3,160	979,616	836,766

	Level 1		Level 3		Total	
	2024	2023	2024	2023	2024	2023
Charity	£000	£000	£000	£000	£000	£000
Represented by:						
Listed securities:						
UK Government fixed interest	24,659	12,802	-	-	24,659	12,802
Overseas Government fixed interest	4,480	4,686	-	-	4,480	4,686
Other fixed interest	7,701	14,049	-	-	7,701	14,049
UK equities	31,804	39,012	-	-	31,804	39,012
Overseas equities	62,479	45,087	-	-	62,479	45,087
CAF investment funds:						
IFSL CAF Funds	128,495	116,797	-	-	128,495	116,797
Unit trusts and other pooled investments	575,930	487,517	-	-	575,930	487,517
Investment trusts	32,148	27,134	-	-	32,148	27,134
Unlisted investments:						
UK	-	-	2,309	3,160	2,309	3,160
	867,696	747,084	2,309	3,160	870,005	750,244
Investment portfolio cash and settlements pending						
	4,530	8,558	-	-	4,530	8,558
	872,226	755,642	2,309	3,160	874,535	758,802

14. OTHER INVESTMENTS

	Unrestricted funds		Restricted funds		Total	
	2024	2023	2024	2023	2024	2023
Group	£000	£000	£000	£000	£000	£000
Investment properties	-	-	4,600	8,350	4,600	8,350
Unlisted investments	4,829	3,990	725	812	5,554	4,802
Other	-	-	68	39	68	39
	4,829	3,990	5,393	9,201	10,222	13,191

	Unrestricted funds		Restricted funds		Total	
	2024	2023	2024	2023	2024	2023
Charity	£000	£000	£000	£000	£000	£000
Investment properties	-	-	4,600	4,600	4,600	4,600
Unlisted investments	4,829	3,990	725	812	5,554	4,802
	4,829	3,990	5,325	5,412	10,154	9,402

	Unrestricted funds		Restricted funds		Total	
	£000	£000	£000	£000	£000	£000
Group						
As at 1 May 2023		3,990		9,201		13,191
Additions		-		5,728		5,728
Disposal proceeds		-		(9,419)		(9,419)
Loss on disposal		-		(30)		(30)
Gain on transfer		20		-		20
Revaluation		732		-		732
Transfers between funds		87		(87)		-
At 30 April 2024		4,829		5,393		10,222

	Unrestricted funds		Restricted funds		Total	
	£000	£000	£000	£000	£000	£000
Charity						
As at 1 May 2023		3,990		5,412		9,402
Gain on transfer		20		-		20
Revaluation		732		-		732
Transfers between funds		87		(87)		-
At 30 April 2024		4,829		5,325		10,154

For the two investment properties held in restricted funds in CAF, the valuations were carried out by an independent, qualified chartered surveyor, Berrys as at 30 April 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2024

15. SUBSIDIARY UNDERTAKINGS

	Ordinary share capital	Sub-ordinated debt	Total
Charity	£000	£000	£000
At 1 May 2023	42,200	-	42,200
Advances	-	15,000	15,000
Repayments	-	(10,000)	(10,000)
Disposal proceeds	(500)	-	(500)
At 30 April 2024	41,700	5,000	46,700

Details of the entities held as subsidiary undertakings are disclosed in note 2 of these financial statements. During the year, £15m was advanced to CAF Bank Limited by way of Floating Rate Subordinated Notes due 31 October 2029 with £10m being repaid by 30 April 2024. After the year end, the remaining £5m has been converted to a sub debt instrument that can be converted to Additional Tier 1 (AT1) regulatory capital.

16. TANGIBLE FIXED ASSETS

	Long leasehold property & improvements	Other leasehold improvements	Furniture, fittings & computer equipment	Total
Group - unrestricted funds	£000	£000	£000	£000
Cost or valuation				
At 1 May 2023	3,200	576	2,670	6,446
Additions	-	848	-	848
Disposals	-	(455)	(10)	(465)
Foreign exchange movements	-	-	5	5
At 30 April 2024	3,200	969	2,665	6,834
Depreciation				
At 1 May 2023	-	509	2,661	3,170
Charged in year	97	107	14	218
Impairment losses in the SOFA	203	-	-	203
On disposal	-	(446)	(10)	(456)
Foreign exchange movements	-	-	(2)	(2)
At 30 April 2024	300	170	2,663	3,133
Net book value				
At 30 April 2024	2,900	799	2	3,701
At 30 April 2023	3,200	67	9	3,276

	Long leasehold property & improvements	Other leasehold improvements	Furniture, fittings & computer equipment	Total
Charity - unrestricted funds	£000	£000	£000	£000
Cost or valuation				
At 1 May 2023	3,200	456	2,527	6,183
Additions	-	848	-	848
Disposals	-	(455)	-	(455)
At 30 April 2024	3,200	849	2,527	6,576
Depreciation				
At 1 May 2023	-	439	2,527	2,966
Charged in year	97	96	-	193
Impairment losses in the SOFA	203	-	-	203
On disposal	-	(446)	-	(446)
At 30 April 2024	300	89	2,527	2,916
Net book value				
At 30 April 2024	2,900	760	-	3,660
At 30 April 2023	3,200	17	-	3,217

16. TANGIBLE FIXED ASSETS(CONTINUED)

Long-leasehold property

The long-leasehold property consists of the lease to the year 2190 on the land and buildings occupied by CAF as its principal place of business. The property is held at valuation and was valued at 30 April 2024 by CBRE, Chartered Surveyors. The valuation was carried out in accordance with the guidelines of the Royal Institution of Chartered Surveyors. The open market value, on a vacant possession basis, at that date was estimated at £2.9m (2023: £3.2m) and gave rise to an impairment loss of £203k at the balance sheet date.

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

The historical cost carrying value of the property and improvements at the balance sheet date was £3.2m (2023: £3.2m).

17. INTANGIBLE FIXED ASSETS

	Development cost
Group - unrestricted funds	£000
Cost or valuation	
At 1 May 2023	6,333
Additions	4,425
At 30 April 2024	10,758

Intangible fixed assets represent software development costs associated with the development of a banking system for CAF Bank Limited, which is currently expected to be available for use in late 2024.

18. OTHER DEBTORS

Balances falling due within one year.

	Unrestricted funds		Restricted funds		Total	
	2024	2023	2024	2023	2024	2023
Group	£000	£000	£000	£000	£000	£000
Income tax recoverable	-	-	10,309	10,362	10,309	10,362
Other debtors	1,928	5,162	1,905	941	3,833	6,103
	1,928	5,162	12,214	11,303	14,142	16,465

	Unrestricted funds		Restricted funds		Total	
	2024	2023	2024	2023	2024	2023
Charity	£000	£000	£000	£000	£000	£000
Amounts due from subsidiary undertakings	2,005	509	-	-	2,005	509
Income tax recoverable	-	-	3,239	8,400	3,239	8,400
Other debtors	671	1,946	1,352	940	2,023	2,886
	2,676	2,455	4,591	9,340	7,267	11,795

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2024

19. PREPAYMENTS AND ACCRUED INCOME

Balances falling due within one year.

	CAF Bank balances and donor client balances							
	Unrestricted funds		Restricted funds		Total			
	2024	2023	2024	2023	2024	2023	2024	2023
Group	£000	£000	£000	£000	£000	£000	£000	£000
Prepayments	4,349	1,538	-	-	-	-	4,349	1,538
Accrued income	-	-						
Legacy income	1,622	1,356	23,361	15,476	-	-	24,783	16,832
Interest receivable	10,615	8,813	1,858	224	8,486	6,292	20,959	15,329
Other income	550	1,426	103	653	-	-	653	2,079
	17,136	13,133	25,122	16,353	8,486	6,292	50,744	35,778

	Unrestricted funds		Restricted funds		Total	
	2024	2023	2024	2023	2024	2023
	£000	£000	£000	£000	£000	£000
Charity	£000	£000	£000	£000	£000	£000
Prepayments	2,011	1,321	-	-	2,011	1,321
Accrued income						
Legacy income	1,622	1,356	22,040	14,903	23,662	16,259
Interest receivable	9,059	8,220	1,766	214	10,825	8,434
Other income	372	1,320	103	653	475	1,973
	13,064	12,217	23,909	15,770	36,973	27,987

20. CAF BANK DEPOSITOR BALANCES

	CAF Bank balances	
	2024	2023
Group	£000	£000
Repayable on demand	1,408,503	1,492,177
Repayable within 30 days	10,924	12,689
	1,419,427	1,504,866

21. DONOR CLIENT BALANCES

The following represent donations to other charities which are being processed by CAF.

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

	At 1 May 2022	Amounts received	Amounts received from CAF	Amounts paid to charities	Donations paid to CAF	At 30 April 2023
	£000	£000	£000	£000	£000	£000
Group and charity	£000	£000	£000	£000	£000	£000
CAF Give As You Earn	5,104	63,877	1,348	(22,367)	(41,724)	6,238
CAF Donate	600	47,257	-	(46,966)	-	891
	5,704	111,134	1,348	(69,333)	(41,724)	7,129

22. DUE TO BENEFICIARY CHARITIES

	Restricted funds	
	2024	2023
Group	£000	£000
Payable within 1 year	14,880	14,983
Payable between 1 and 5 years	2,922	4,296
	17,802	19,279

	Restricted funds	
	2024	2023
Charity	£000	£000
Payable within 1 year	8,887	10,883
Payable between 1 and 5 years	2,922	4,296
	11,809	15,179

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2024

23. OTHER CREDITORS

Balances fall due within one year except where stated below.

	Unrestricted funds		Restricted funds		CAF Bank balances and donor client balances		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Group	£000	£000	£000	£000	£000	£000	£000	£000
Payable on acquisition of investments	-	-	400	413	-	-	400	413
Trade creditors	3,449	1,719	-	-	-	-	3,449	1,719
Tax and social security	1,138	959	-	-	-	-	1,138	959
Other creditors	2,731	1,813	5,916	4,984	406	474	9,053	7,271
	7,318	4,491	6,316	5,397	406	474	14,040	10,362

	Unrestricted funds		Restricted funds		Donor client balances		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Charity	£000	£000	£000	£000	£000	£000	£000	£000
Amounts owed to subsidiary undertakings	130	-	-	-	-	-	130	-
Payable on acquisition of investments	-	-	400	413	-	-	400	413
Trade creditors	1,078	869	-	-	-	-	1,078	869
Tax and social security	1,138	959	-	-	-	-	1,138	959
Other creditors	113	104	5,916	4,984	406	474	6,435	5,562
	2,459	1,932	6,316	5,397	406	474	9,181	7,803

Included within other creditors are amounts totalling £1.1m (2023: £1.0m) repayable to seven (2023: seven) third party investors of CAF Venturesome. Amounts are repayable within three or six months from receipt of written instruction. These concessionary loans do not bear interest and amounts are repaid net of any losses which may be incurred as a result of onward lending by CAF Venturesome, on a concessionary basis to charities and social enterprises.

24. REPURCHASE AGREEMENTS

In CAF Bank, repurchase agreements total £13.9m (2023: £8.9m). The corresponding carrying value of assets of £14.7m (2023: £9.5m) sold under sale and repurchase agreements is included within debt securities (note 12).

25. LONG-TERM LOANS

	2026 Loan		2031 Loan		Total carrying value	
	2024	2023	2024	2023	2024	2023
Group and charity	£000	£000	£000	£000	£000	£000
Unrestricted funds						
At 1 May	7,142	7,122	29,959	29,916	37,101	37,038
Amortisation of capitalised costs	21	20	46	46	67	66
Interest payable for the year	368	368	1,082	1,077	1,450	1,445
Interest paid	(368)	(368)	(1,081)	(1,080)	(1,449)	(1,448)
At 30 April	7,163	7,142	30,006	29,959	37,169	37,101

	2026 Loan		2031 Loan		Total carrying value	
	2024	2023	2024	2023	2024	2023
Payable	£000	£000	£000	£000	£000	£000
Less than 3 months	-	-	422	421	422	421
Between 3 months and 6 months	18	18	-	-	18	18
	18	18	422	421	440	439
Between 1 year and 5 years	7,145	7,124	-	-	7,145	7,124
	7,163	7,142	422	421	7,585	7,563
Over 5 years	-	-	29,584	29,538	29,584	29,538
	7,163	7,142	30,006	29,959	37,169	37,101

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

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

Loan payable 2031

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

Loan payable 2026

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

Associated costs

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2024

26. STATEMENT OF FUNDS

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

		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

26.1 Unrestricted funds

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

	At 1 May 2022	Income and donations received	Expenditure on charitable activities	Transfers	Taxation and recognised gains & losses	At 30 April 2023
	£000	£000	£000	£000	£000	£000
Group						
General funds	74,711	76,353	(69,285)	6,182	(3,910)	84,051
Property revaluation reserve	1,981	-	-	(70)	(1,911)	-
	76,692	76,353	(69,285)	6,112	(5,821)	84,051
Charity						
General funds	67,213	32,816	(36,607)	6,182	(1,790)	67,814
Property revaluation reserve	1,981	-	-	(70)	(1,911)	-
	69,194	32,816	(36,607)	6,112	(3,701)	67,814

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

Property revaluation reserve – represented the net book value in excess of the historical cost of the long-leasehold property occupied by CAF as its head office.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2024

26. STATEMENT OF FUNDS (CONTINUED)

26.2 Restricted funds

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

26.2 Restricted funds (continued)

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2024

26. STATEMENT OF FUNDS (CONTINUED)

26.2 Restricted funds (continued)

	At 1 May 2022	Income and donations received	Expenditure on charitable activities	Transfers	Recognised gains & losses	At 30 April 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 sub-sidiaries	268,544	677,993	(611,505)	(7,151)	(6,354)	321,527
Serving charities						
CAF Venturesome accounts	8,979	46	(518)	256	-	8,763
Financial & donation services	8,979	46	(518)	256	-	8,763
Community Match Challenge	471	75	(148)	(396)	-	2
CAF discretionary funds	5,560	569	(128)	266	-	6,267
Grantmaking & sector support	6,031	644	(276)	(130)	-	6,269
	1,679,750	1,070,843	(977,350)	(6,112)	(13,849)	1,753,282

26.2 Restricted funds (continued)

	At 1 May 2022	Income and donations received	Expenditure on charitable activities	Transfers	Recognised gains & losses	At 30 April 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	5,560	569	(128)	266	-	6,267
	6,031	644	(276)	(130)	-	6,269
	1,411,206	400,196	(366,040)	(6,112)	(7,495)	1,431,755

Restricted funds comprise:

- CAF Charitable Trusts – consist of capital gifted to CAF and the related income from financial investments. The capital is held in accordance with CAF's Investment Policy for CAF Charitable Trusts and investment gains or losses are credited or charged to the funds. These funds are expected to be used to make payments to other charities as suggested by the donor.
- 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.
- CAF Venturesome accounts – represent funds set aside by CAF donors to complement the funds assigned by the Trustees for CAF Venturesome.
- 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.
- CAF discretionary funds – represent funds available to support the sector at Trustees' discretion.
- 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2024

27. CASH FLOW STATEMENT

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

	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Net income before tax	112,842	90,145	61,339	23,231
Adjustments for:	-	-	-	-
Depreciation	218	279	193	248
Impairment losses	203	-	203	-
Losses on disposal of tangible fixed assets	9	-	9	-
(Gains)/losses on financial investments	(73,469)	10,842	(67,024)	7,532
Gains on other investments	(722)	(536)	(752)	(536)
Amortisation and other revaluations of debt securities	(2,457)	3,180	168	1,039
Amortisation of capitalised costs of borrowing	67	66	67	66
Non-cash transactions:				
In specie investment transfers and share gifts	(48,935)	(58,642)	(21,114)	(40,534)
Gift of property and other assets	-	(3,789)	-	-
Defined benefit pension plan expense	247	232	247	232
Interest on long-term loans	1,450	1,445	1,450	1,445
Investment income receivable on Trust Funds	(23,782)	(14,405)	(19,345)	(12,022)
Decrease/(increase) in Cash Ratio Deposit with Bank of England	3,582	(369)	-	-
(Increase)/decrease in loans and advances to customers	(19,767)	2,907	(156)	19,745
(Increase)/decrease in other assets and prepayments	(12,255)	(3,142)	(4,069)	3,462
Decrease in amounts due to beneficiary charities	(1,477)	(3,080)	(3,370)	(5,472)
Increase/(decrease) in other liabilities and accruals	6,179	(365)	2,406	1,135
(Decrease)/increase in donor client balances	(922)	1,425	(922)	1,425
Decrease in CAF Bank depositor balances	(85,439)	(2,770)	-	-
Cash from operations	(144,428)	23,423	(50,670)	996
Corporation tax paid	(5,815)	(830)	-	-
Net cash (used in)/provided by operating activities	(150,243)	22,593	(50,670)	996

27.2 Analysis of changes in net debt

	At 1 May 2023	Cash flows	Foreign exchange movements	Other non-cash changes	At 30 April 2024
Group	£000	£000	£000	£000	£000
Total cash and cash equivalents	1,048,645	(40,421)	1,083	-	1,009,307
Loans falling due within one year	(439)	1,449	-	(1,450)	(440)
Loans falling due after more than one year	(36,662)	-	-	(67)	(36,729)
Cash and cash equivalents less debt	1,011,544	(38,972)	1,083	(1,517)	972,138

	At 1 May 2023	Cash flows	Foreign exchange movements	Other non-cash changes	At 30 April 2024
Charity	£000	£000	£000	£000	£000
Total cash and cash equivalents	234,599	(52,819)	(298)	-	181,482
Loans falling due within one year	(439)	1,449	-	(1,450)	(440)
Loans falling due after more than one year	(36,662)	-	-	(67)	(36,729)
Cash and cash equivalents less debt	197,498	(51,370)	(298)	(1,517)	144,313

28. OPERATING LEASE COMMITMENTS

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

	Land & buildings		Other		Total	
	2024	2023	2024	2023	2024	2023
Group	£000	£000	£000	£000	£000	£000
Operating lease payments falling due:						
Within one year	645	276	244	239	889	515
Between one and five years	2,219	1,015	428	-	2,647	1,015
After more than five years	1,536	16	-	-	1,536	16
	4,400	1,307	672	239	5,072	1,546

The amounts charged to the SOFA totalled £0.7m (2023: £0.8m) in respect of land and buildings and £0.4m (2023: £0.4m) in respect of other assets.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2024

28. OPERATING LEASE COMMITMENTS (CONTINUED)

	Land & buildings		Other		Total	
	2024	2023	2024	2023	2024	2023
Charity	£000	£000	£000	£000	£000	£000
Operating lease payments falling due:						
Within one year	407	45	244	239	651	284
Between one and five years	1,552	114	428	-	1,980	114
After more than five years	1,536	16	-	-	1,536	16
	3,495	175	672	239	4,167	414

The amounts charged to the SOFA totalled £0.4m (2023: £0.4m) in respect of land & buildings and £0.4m (2023: £0.4m) in respect of other assets.

29. FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES

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

	2024	2023
	£000	£000
CAF Venturesome loans	1,507	1,860
CAF Venturesome grants	92	338
Charity	1,599	2,198
CAF Bank:		
Commitments to customers	68,369	62,156
Group	69,968	64,354

CAF Venturesome loans and grants to charities

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

CAF Bank commitments to customers

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

CAF contingent liabilities

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

30. CONTINGENT ASSETS

At the balance sheet date, the charity had been notified of a number of legacies for which probate had not yet been granted or other factors indicated that these legacies should not be recognised as income. The aggregate value of those legacies was £28.8m for the group and the Charity (2023: £7.9m for the group and £7.8m for the Charity).

31. PENSION OBLIGATIONS

During the year CAF participated in the following pensions.

a. Hargreaves Lansdown

The Hargreaves Lansdown scheme is a defined contribution self-invested group pension. New employees are enrolled into this scheme and from 1 May 2016 all current employees contributed to this scheme only.

From 1 April 2019, upon auto-enrolment the employee contribution rate is currently 2.67% of basic salary and CAF contributes 5.33%. After three months, employees are able to elect to increase their contribution rate to 5.67% of basic salary, with CAF contributing 11.33%.

b. The Charities Aid Foundation Pension Scheme

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

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

Given that the funding position remained favourable, in January 2023, the Trustees of CAF agreed with the scheme trustee that a buy-in with an insurer may be considered. After receiving a quote that was considered affordable, and following receipt of the necessary advice, the trustee entered into a buy-in policy with Just Retirement Limited on 27 June 2024. This policy covered all remaining uninsured liabilities of the Scheme. To facilitate this transaction, CAF have injected £0.8m.

Consequently, it is unlikely that the net defined benefit asset, as determined by the actuary as at 30 April 2024 in accordance with FRS 102, will be realised by CAF and the net defined benefit asset has not been recognised in the balance sheet.

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

The results of the actuary's estimate of the scheme's assets and liabilities at 30 April 2024, based on assumptions used for FRS 102 are as follows:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2024

31. PENSION OBLIGATIONS (CONTINUED)

i) Amounts recognised in the balance sheet:

	2024	2023
	£000	£000
Fair value of assets	12,851	13,724
Defined benefit obligation	(11,880)	(12,401)
Surplus	971	1,323
Effect of asset limit	(971)	(1,323)
Net asset	-	-

ii) Amounts included in the SOFA under FRS 102:

	2024	2023
	£000	£000
Scheme expenses	247	295
Interest income on assets	(640)	(528)
Interest cost on defined benefit obligation	583	465
Interest on effect of asset limit	57	-
Total expense recognised in the SOFA	247	232

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

	2024	2023
	£000	£000
Net defined benefit asset as at 1 May	-	2,183
Pension cost in SOFA	(247)	(232)
Actuarial losses	(162)	(628)
Remeasurement of asset limit	409	(1,323)
Net defined benefit asset at 30 April	-	-

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

	2024	2023
	£000	£000
Defined benefit obligation at 1 May	12,401	15,235
Interest on obligation	583	465
Actuarial (gains)/losses	(580)	(2,818)
Benefits paid	(524)	(481)
Defined benefit obligation at 30 April	11,880	12,401

v) Movement in fair value of scheme assets:

	2024	2023
	£000	£000
Fair value of the scheme assets at 1 May	13,724	17,418
Interest on scheme assets	640	528
Actuarial experience gains/(losses)	(742)	(3,446)
Scheme expenses	(247)	(295)
Benefits paid	(524)	(481)
Fair value of scheme assets at 30 April	12,851	13,724
Actual return on Scheme assets	(102)	(2,918)

vi) Change in asset limit

	2024	2023
	£000	£000
Opening effect of the asset limit	1,323	-
Interest on effect of the asset limit	57	-
Remeasurement of the asset limit	(409)	1,323
Asset not recognised at 30 April	971	1,323

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

	2024	2023
	Allocation	Allocation
Equities	-	7%
Corporate bonds	37%	34%
Government bonds	49%	44%
Cash	1%	2%
Annuity policies	13%	13%
	100%	100%

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2024

31. PENSION OBLIGATIONS (CONTINUED)

viii) Principal assumptions at the balance sheet date

	2024	2023
Discount rate	5.1% pa	4.8% pa
Inflation measured by Retail Price Index (RPI)	3.3% pa	3.1% pa
Inflation measured by Consumer Price Index (CPI)	2.9% pa	2.7% pa
Pension increases in payment:		
CPI capped at 5% pa	2.8% pa	2.7% pa
CPI capped at 2.5% pa	1.9% pa	2.1% pa
Cash commutation	50% of members assumed to exchange 25% of their pension sum for a cash sum	50% of members assumed to exchange 25% of their pension sum for a cash sum
Base mortality table	90% of rates implied by S3PXA	90% of rates implied by S3PXA
Mortality projection basis	CMI (Core) 2023 projection with a long-term rate of improvement of 1.5% p.a. for males and 1.0% p.a. for females	CMI (Core) 2021 projection with a long-term rate of improvement of 1.5% p.a. for males and 1.0% p.a. for females
Retirement age	Members assumed to take all benefits at their Normal Retirement Age under Scheme Rules	Members assumed to take all benefits at their Normal Retirement Age under Scheme Rules
Proportion marries	100% of members who have chosen spouses' benefits are married at retirement or earlier death	100% of members who have chosen spouses' benefits are married at retirement or earlier death
Life expectancy of a male currently aged 65	87.3 yrs	88.0 yrs
Life expectancy of a male currently aged 45	88.9 yrs	89.6 yrs
Life expectancy of a female currently aged 65	89.5 yrs	89.9 yrs
Life expectancy of a female currently aged 45	90.6 yrs	91.1 yrs

ix) Sensitivity analysis

	Change to defined benefit obligation as at 30 April 2024
	£000
Decrease discount rate by 0.1%	103
Increase assumed rate of future RPI and CPI inflation by 0.1%	41
Increase assumed life expectancies by one year	219
Initial addition (A factor) in mortality projections of 0.5%	113
Decrease assumed proportion married by 10%	(16)

32. TRANSACTIONS WITH RELATED PARTIES

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

Donations payable to third-party charities passing through group entities from restricted funds are initiated by donor suggestion. They are, therefore, excluded from disclosure within this note.

During the year, a grant was received by CAF from CAF American Donor Fund from its unrestricted general funds of £2.5m (2023: £0.8m).

In addition to the recharge of direct staff costs processed through the CAF payroll, CAF invoiced the following amounts to its subsidiaries in respect of staff whose duties are partially attributable to these subsidiaries as well as management charges relating to the occupancy of premises and use of systems equipment.

CAF American Donor Fund	£1,048k (2023: £956k)
CAF Bank Limited	£5,244k (2023: £4,014k)
CAF Financial Solutions Limited	£509k (2023: £440k)

CAF America recharged costs incurred, on behalf of the group, to CAF of £130k (2023: £117k).

CAF advanced £15.0m of subordinated debt to CAF Bank Limited in August 2023 at an interest rate of SONIA plus 4%, with £10.0m repaid on 30 April 2024. Interest of £966k (2023: £nil) was accrued and received.

Amounts due to CAF from its subsidiaries at the balance sheet date were:

CAF American Donor Fund	£130k (2023: £114k)
CAF Bank Limited - recharges	£1,354k (2023: £982k)
CAF Bank Limited – subordinated debt	£5,000k (2023: £nil)
CAF Financial Solutions Limited	£521k (2023: £28k)

Amounts due from CAF to its subsidiaries at the balance sheet date were:

CAF America	£130k (2023: £nil)
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2024

33. EX-GRATIA PAYMENTS AND WAIVERS

During the year CAF had two ex-gratia waivers authorised by the Charity Commission for England & Wales. Both were in respect of a waived entitlement to income from a legacy due to CAF and totalled £14,089 (2023: £nil).

34. POST BALANCE SHEET EVENTS

There have been no events since the balance sheet date that are required to be adjusted for, or to be disclosed other than those disclosed in notes 15 and 31.

35. CAF BANK FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

CAF Bank is a wholly owned subsidiary of CAF and is authorised by the PRA and regulated by the FCA and the PRA.

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

35.1 Credit risk

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

Treasury assets by class:	2024		2023	
	Book Value	Market Value	Book Value	Market Value
	£000	£000	£000	£000
Listed:				
Multilateral financial institutions	511,053	489,173	670,370	638,973
Fixed coupon corporate bonds	49,368	47,900	23,498	21,129
Floating rate corporate bonds	76,955	76,853	48,232	48,477
	637,376	613,926	742,100	708,579
Unlisted:				
Certificates of deposit	-	-	10,000	10,082
Debt securities	637,376	613,926	752,100	718,661
Balances at Bank of England	630,526	630,526	620,476	620,476
Loans and advances to banks	23,998	23,998	6,116	6,116
	1,291,900	1,268,450	1,378,692	1,345,253

Treasury assets by credit rating:

Category (Fitch equivalent credit rating)	2024		2023	
	Book Value		Book Value	
	£000	% of Book	£000	% of Book
Balances at Bank of England	630,526	48.81%	620,476	45.00%
AAA	617,350	47.78%	732,614	53.13%
AA+	-	0.00%	9,486	0.69%
AA	20,025	1.55%	-	0.00%
AA-	21,725	1.68%	3,979	0.29%
A+	2,274	0.18%	2,137	0.16%
A	-	0.00%	10,000	0.73%
	1,291,900	100.00%	1,378,692	100.00%

Treasury assets by exposure value:

	2024	2023
UK Government & multilateral financial institutions	90%	94%
Financial & non-financial institutions up to £12m	6%	5%
Financial & non-financial institutions £12m - £21m	4%	1%
	100%	100%

Lending

CAF Bank's policies include maximum exposure values, and limits to manage concentration risk by sector. Exposure to geographical area is monitored. At 30 April 2024, the largest loan was £8.5m (2023: £8.7m). The maximum aggregate exposures to any one sector (social housing) and geographical area were 62% and 32% respectively (2023: 58% and 35% respectively).

Loans, overdrafts and BACS facilities are subject to regular monitoring of loan performance and individual annual review. Administration of the loan book is outsourced to BCM Mortgage Services Ltd, which provides regular management information on a loan by loan and aggregated basis. A provision of £1.8m has been made at 30 April 2024 reflecting losses that may have been incurred but not yet identified (2023: £1.1m) and £0.6m has been provided for specific loan provisions (2023: £0.6m). No overdrafts were written off during the year (2023: none).

One loan was in arrears at 30 April 2024 (2023: one).

Secured and unsecured lending

	2024	2023
	£000	£000
Gross loans and advances to customers	201,979	181,108
Contingent liabilities and commitments	52,831	48,888
	254,810	229,996
Amounts included within the above:		
Secured on property	254,810	229,996
	254,810	229,996

As at 30 April 2024, the average loan to value ratio across the lending portfolio was 53% (2023: 53%).

35.2 Liquidity and funding risk

CAF Bank holds liquidity buffer eligible assets of £1.18bn (2023: £1.30bn), excluding assets pledged as security under repurchase agreements. Liquidity buffer assets comprise amounts held in the Bank of England Reserve Account and investments in Multilateral Development Banks, UK Gilts and Treasury Bills.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2024

35. CAF BANK FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

35.3 Market and interest rate risk

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

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

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

Assets and liabilities analysed by interest rate pricing time periods:

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

At 30 April 2023	Next day	Up to 3 months	3 months to 6 months	6 months to 1 year	1 year to 5 years	Over 5 years	Other items	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Assets								
Balances at Bank of England	616,894	3,582	-	-	-	-	-	620,476
Loans and advances to banks	6,116	-	-	-	-	-	-	6,116
Loans and advances to customers	146,145	-	-	1,894	28,075	1,620	-	177,734
Debt securities	-	262,043	25,042	144,864	290,564	28,907	680	752,100
Prepayments and accrued income	-	-	-	-	-	-	8,775	8,775
Intangible fixed assets	-	-	-	-	-	-	6,333	6,333
	769,155	265,625	25,042	146,758	318,639	30,527	15,788	1,571,534
Liabilities								
Customer accounts	756,945	-	-	135,992	612,480	-	8	1,505,425
Repurchase agreements	8,852	-	-	-	-	-	-	8,852
Other liabilities	-	-	-	-	-	-	5,784	5,784
Shareholders' funds	-	-	-	-	-	-	51,473	51,473
	765,797	-	-	135,992	612,480	-	57,265	1,571,534
Interest rate sensitivity gap	3,358	265,625	25,042	10,766	(293,841)	30,527	(41,477)	-
Impact of 2% change in interest rates	-	(649)	(174)	(147)	6,416	(2,650)	-	2,796

35.4 Capital management

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

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

The capital plan takes the following into account:

- Current and anticipated future regulatory capital requirements;
- Increases in demand for capital due to business development, including planned lending growth;
- Potential demand for capital from market shocks or stresses;
- Available supply of capital and capital raising options;
- Achieving a minimum required leverage ratio; and
- Internal controls and governance for managing CAF Bank's risk, operations and capital.

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

CAF Bank's capital resources comprise:

	2024	2023
	£000	£000
Ordinary share capital	40,319	40,319
Profit and loss account	24,779	11,154
	65,098	51,473

Board of trustees

SIR JAMES LEIGH-PEMBERTON, CVO
Chair

RT HON SIR ERNEST RYDER, TD, PC, DL

MICHAEL ASHLEY

CYRUS ARDALAN

JANET POPE

DR PRIYA SINGH, CHAIR NCVO

MEREDITH NILES

SABINE EVERAET

OWEN PRINGLE

ROBERT VOGTLE

DAVID SHALDERS

ROBERT DENCH
appointed 18 April 2024

ROGER PERKIN
retired 1 August 2023

Executive committee at the date of signing

NEIL HESLOP, OBE
Chief Executive

LIZ RYLATT FCA
Group Chief Financial Officer

NORA SAKAAN
Chief Marketing Officer

MARK GREER
Managing Director of Giving and Impact

ALISON TAYLOR
CEO, CAF Bank and CAF Financial Solutions Limited

JESSIE KRAFFT
Interim CEO, CAF America and CAF Canada

DAVID JESSOP
Chief People Officer

Independent auditors

PricewaterhouseCoopers LLP,
7 More London Riverside
London
SE1 2RT

Principal bankers

National Westminster Bank PLC
332 High Holborn
London
WC1V 7PA

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

Registered charity number
268369



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