CFG

Leading the way
for charity finance

# Purposeful and Empowering



**Charity Finance Group**
**Annual Report and Financial Statements 2022/23**

Registered Company number: 03182826

# Charity Finance Group (CFG) exists to develop a financially confident, dynamic and trustworthy charity sector.

CFG is the charity that inspires a financially confident, dynamic and trustworthy charity sector. We do this by championing best practice, nurturing leadership and influencing policy-makers.

Almost 1,500 member charities, including members from our partner associations, turn to us to develop their finance management knowledge and skills. Collectively, these charities manage more than £20bn of funds, or a third of the entire UK charity sector's income.



For more information, please visit our website:
**www.cfg.org.uk**

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# What is our purpose?

Our aim is to maximise charities' positive impact on those they serve through improving the effectiveness of financial management and leadership.

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

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

Caron Bradshaw OBE, CEO, CFG




## OUTCOME 1

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

## OUTCOME 2

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

## OUTCOME 3

**A supportive and understanding operating environment**

# A message from our Chair and CEO



Last year, we asked readers of our annual report and accounts to consider: at what point does constant unprecedented change and volatility become the new state of being?

For the foreseeable future, we believe uncertainty will be the only certainty. Yet, while we live in challenging times – where political, economic and environmental pressures continue to dial up – we see time and again the sector's resilience, fortitude and adaptability.

Whilst the year saw the closure of some trusted partners like the Small Charities Coalition in 2022 and the FSI in 2023, the collaboration, innovation and flexibility of the last few years has become the calling card of infrastructure and CFG is no different. In this report, you will see an organisation that has turned a corner, post pandemic.

CFG's staff team, with the support of charity and corporate partners, has secured income that has enabled us to return to within our reserves range, whilst still prioritising investment in fundamental and essential changes. Together, we have focused on our digital journey, getting the basics right and putting CFG on a strong footing for the future. We began several longer-term projects which will come to fruition in the following years, and the two worthy of mention now are The Finance Journey and our Risk+ project.

It has been an absolute joy to be back in person at our Annual Conference and our Annual Fundraising Dinner, which were incredibly successful, both financially and in terms of cementing the importance of our community getting together.

We have made some key decisions about future ways of working which will play out in 2023/24, including our decision to give up our lease on White Lion Street and return to more flexible office occupancy under license. As we establish a more remote team that needs to work in different ways, we are embracing the flexibility this offers and being more intentional in how and when we bring to entire CFG staff team together. As we learn, we will share our experiences, as always.

The horizon offers us a General Election which may be either done and dusted by the next annual report or, more likely, the country will be in full-on electoral campaigning. And at CFG during the next financial year we will see a change of chair and welcome new trustees, as well as thanking and bidding farewell to those who have so diligently served CFG and the sector. Change is our new normal!

Finally, we extend our heartfelt thanks to everyone who has been involved with CFG during this financial year: the many foundations who gave us financial support and helped us towards recovery and 'thrivability'; our corporate partners who continue to share their expertise and resources to ensure the quality and timeliness of our offer remains class-leading; CFG's staff, volunteers and trustees who make it possible. And to our members who make this supportive and vibrant community.



**Gary Forster**
Chair



**Caron Bradshaw**
CEO

# Strategic goals for 2022 and beyond



Our three strategic goals for the year 2022/23 and beyond are:

**1** Be the ‘go-to’ body

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

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

# 1

## Be the go-to body

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

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

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



# 2

## Promote and support financial leadership at all levels





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

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

# 3

## Use our position to convene powerful networks

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

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

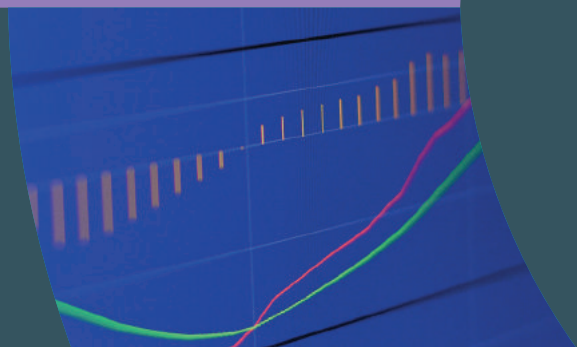




# Meeting and reporting on public benefit

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





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

As of March 2023, there were 168,893 charities in England and Wales registered with the Charity Commission, plus many more exempted or excepted charities and a host of voluntary organisations, community organisations, social enterprises and faith groups which share a commitment to social purposes.

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

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

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

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

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

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

This report shares many of CFG's activities and achievements during the year, as set against our strategic aims and our plans for 2022/23.

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

# Financials at a glance

| | Total income (2023) | Total expenditure (2023) | Total income (2022) | Total expenditure (2022) | Total income (2021) | Total expenditure (2021) |
|---|---|---|---|---|---|---|
| **OUTCOME 1** Well-developed skills, learning, knowledge and practice | **849,627** (+15%) | **931,532** (+23%) | 735,786 (+21%) | 759,975 (+6%) | 610,165 (-39%) | 716,404 (-34%) |
| **OUTCOME 2** Effective governance and leadership, with finance at the heart of it | **358,800** (+42%) | **223,212** (-17%) | 252,944 (-29%) | 269,691 (-16%) | 356,669 (-18%) | 322,638 (-11%) |
| **OUTCOME 3** A supportive and understanding operating environment | **62,763** (-8%) | **326,850** (+7%) | 68,416 (+17%) | 306,627 (-2%) | 58,569 (-35%) | 313,008 (-11%) |

# Performance at a glance

# Charity membership

## Number of helplines

| | |
|---|---|
| 2022/23 | 7 |
| 2021/22 | 7 |
| 2020/21 | 7 |

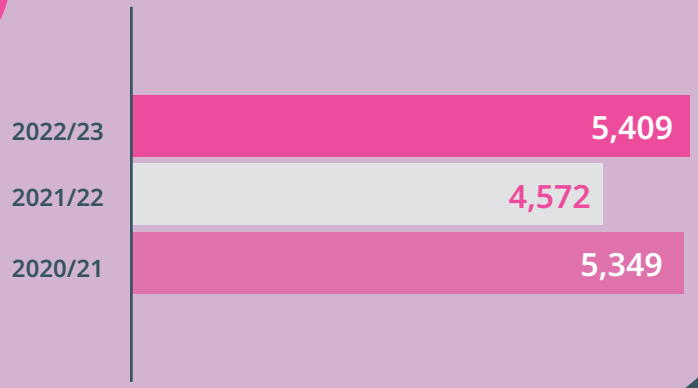
## Charities joined for the first time

**146**

2022/23

## CFG reach (number of individuals)

Difference **+657**



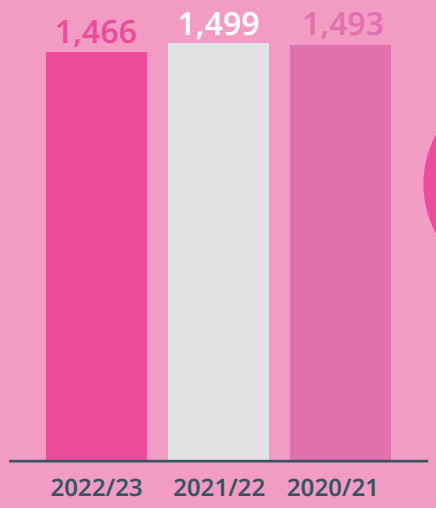

## Number of Special Interest Groups (SIGs)

| | |
|---|---|
| 2020/21 | 5 |
| 2022/23 | 7 |
| 2021/22 | 5 |

## Online support forums

| 2022/23 | 2021/22 |
|---|---|
| 2 | 2 |

## Number of charity members




Difference **-33**

The number of individuals in charity member organisations who are accessing our services and products is growing. We are also welcoming more members and non-members than ever before. We are attracting not only professionals working in finance roles, but also those in HR and charity leadership positions too. This is partly due to a greater focus on how we communicate that CFG charity membership is open to the whole charity, and is accessible for all those who want to improve their financial skills.



We have made significant changes to our membership fees strategy, which meant that charity member organisations were moved onto a 'rolling membership'. This new approach, coupled with time invested in improving our systems and workflows, has meant a reduction in manual processes. This has freed up more staff time, which we are investing in having more direct conversations with charity members and explaining how they can engage in even more of our activities and programmes.

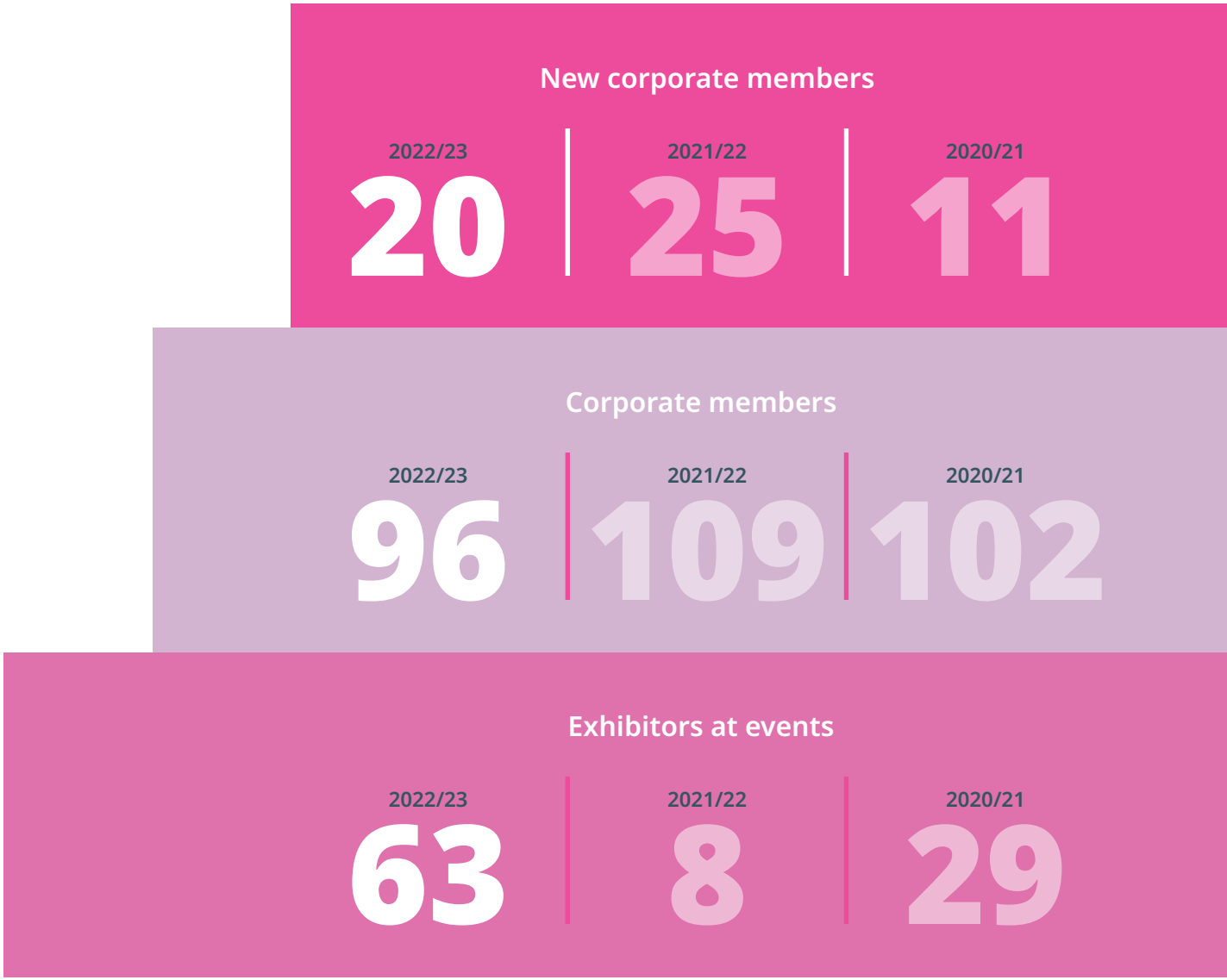
In early 2023, we began to look at how we might improve our data capture and analysis. As part of our objective to 'get the basics right', we have been exploring the feasibility of upgrading our finance system, alongside our customer relationship management (CRM) database and content management system (CMS). This work will be ongoing throughout 2023/24. We have also invested in connecting the tools we use now to automate and improve our processes. Read on find out how we have worked to improve our systems and 'get the basics right'.

# Corporate members

We saw the number of corporate partners decrease slightly during 2022/23. We headed into the 2023/24 financial year with a strong plan for renewals and recruitment, and have since welcomed new corporate partners into the CFG community.

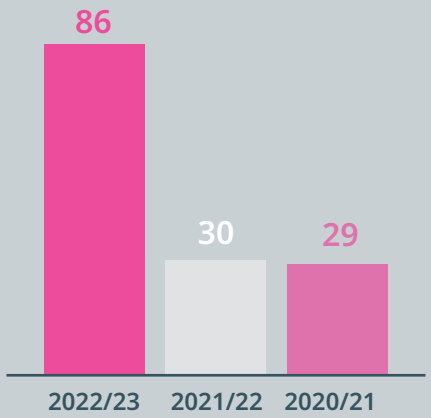
## Showcasing our expertise

There was great enthusiasm among our partners to exhibit and showcase their expertise, services and products as we returned to holding in-person events. We were delighted that so many joined us at our in-person Annual Conference in June and our other conferences. The support of our corporate partners is vital to the success of our conferences and events. At our Annual Conference 2023, we created more space to accommodate and welcome even more exhibitors.



# Events and training

## Total number of events




Difference
+56

## Total paid-for events

46

2022/23

## Annual Conference attendees (all)

2020/21
417

2022/23
597

Difference
+175

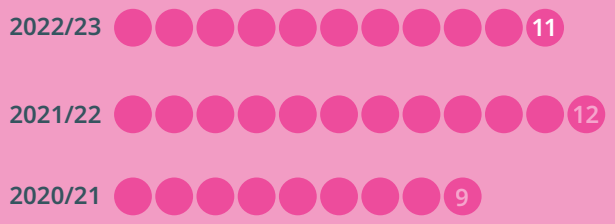
2021/22
422

## Total free-to-attend events

40

2022/23

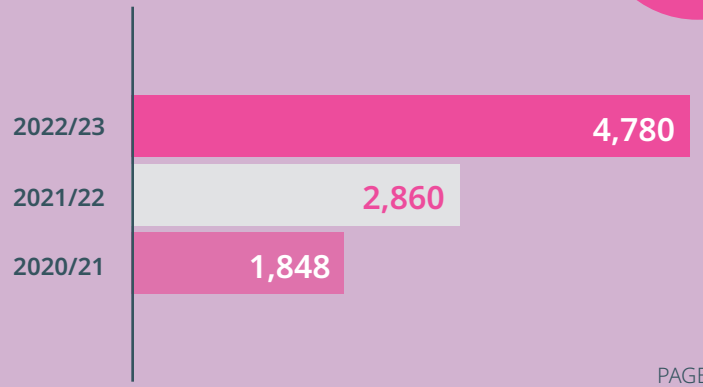
## Number of conferences




Difference
-1

## Total number of delegates at CFG events

Difference
+2,010

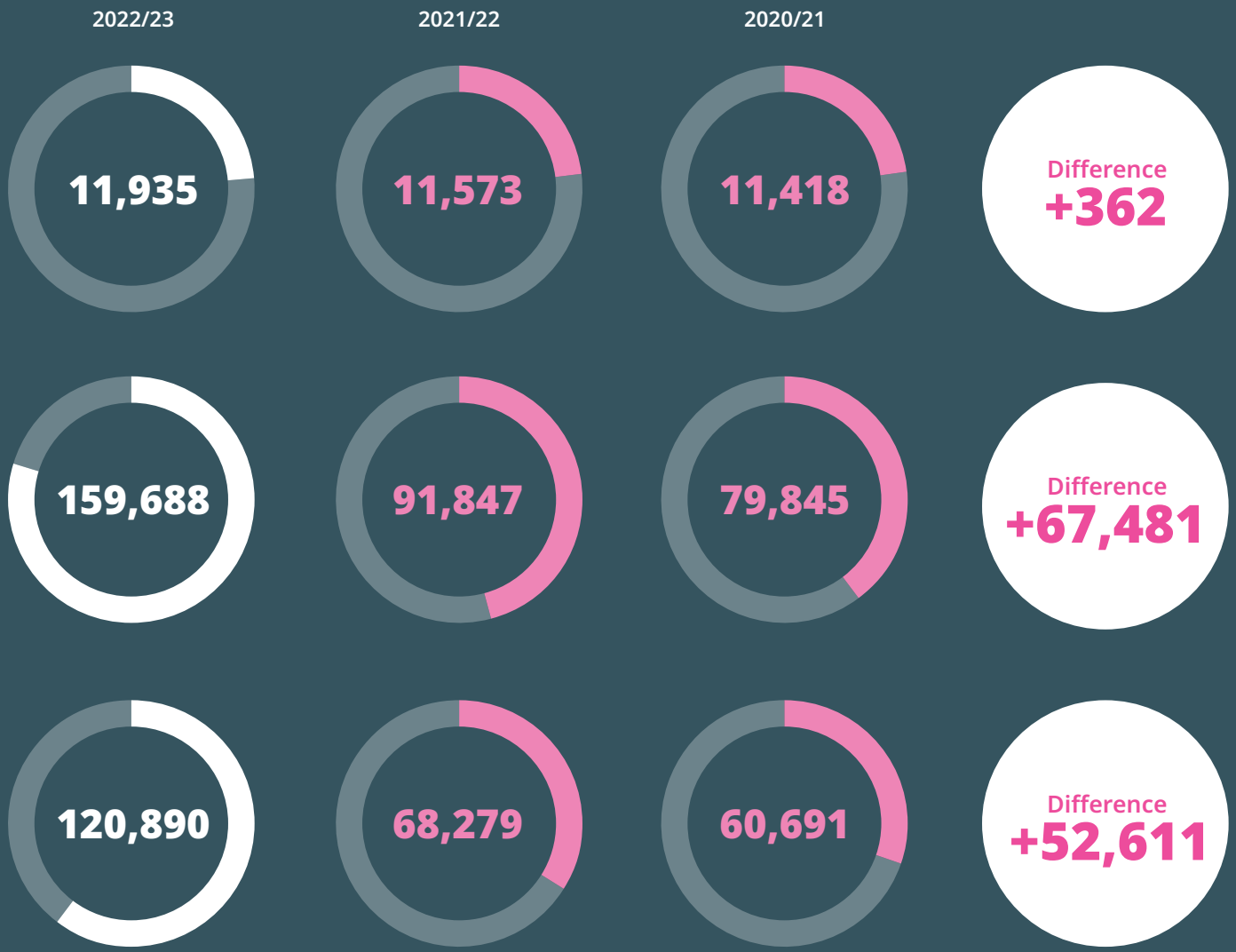


## A return to in-person events

We wanted to ensure wide access to our community's collective knowledge, so we considerably increased the number of events held through on and offline methods of delivery. We were delighted to return to in-person events and our corporate and other partners took advantage of this, with the number of exhibitors attending our events almost doubling. Conscious of the cost of living crisis unfolding, we were delighted to be able to deliver half of all events free of charge in 2022/23.



# Media and other services



Our social media strategy for 2022/23 included a focus on informing, discussing and learning. The Communications Team focused on CFG's tone of voice with the aim of stimulating wider conversation and learning, as well as leveraging our growing reach. As a result, CFG is now recognised as a strong online influencer in the charity finance space.

From this, we have developed a new partnership with Good Finance UK. This partnership means that we can serve more relevant and data-rich content to our social media followers, whilst at the same time benefit from a new source of income.

In 2022/23, we moved to the second phase of our two-phase website improvement project. The first phase was completed in January 2022 and phase 2 completed in June 2022 with the launch of our online 'Knowledge Hub'. This new portal has created many more opportunities to work with our community to share their expertise and insights. We have been able to publish a record number of articles and publications and we have driven new users to our website. See page 46 for more information.

Following changes at X (formerly known as Twitter) and professional audiences gravitating towards LinkedIn, we are looking to further increase our reach and influence on that platform. This year, for the first time, we are sharing data on our LinkedIn impressions and followers. This data is for the period September 2022 to 31 March 2023, not the full financial year.

We also strengthened our links with sector and national press and saw once again an increase in media coverage, positioning CFG as the go-to body on charity finance.

**New service – number of webinars**

| 2022/23 | 2021/22 | 2020/21 |
|---|---|---|
| 7 | 7 | 9 |

**Linkedin followers (1 Sept 2022-31 March 2023)**

**15,050**

2022/23

**Linkedin impressions (1 Sept 2022-31 March 2023)**

**77,559**

2022/23

# Report of the Board of Trustees

**2022/23 aims – progress summary**

The year 2022/23 presented a mixed picture of challenges and opportunities for CFG, our charity members, corporate partners and the wider sector. As the financial year began, we were aware that we were moving from the tail-end of the pandemic into a cost of living crisis. It was not quite the 'return to normal' some had predicted. Many of the organisations we work with remained depleted of resources, whilst trying to manage an increase in demand for their services. This picture continued throughout 2023 and we predict that it will remain the case for many more months to come.

Yet, despite the difficult economic and political outlook, there were many bright spots during the year. The Board was energised by the return to in-person activities and events. It reminded us all of the potential of face-to-face meetings in deepening connections and building new relationships.

During times of major challenge, it is even more important to ensure that our charitable organisations are well governed. All our achievements have been underpinned by effective leadership, governance and sound financial management.

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

As reported in our 2021/22 Trustees' Annual Report, we made the decision to invest in our greatest resource – our people. Personal development training continued, with staff undertaking more courses than ever before. Wellbeing weeks were taken again in August 2022 and January 2023, and our remote-first and flexible working practices, coupled with access to new wellbeing support, contributed to a better work/life balance for all.

By investing in our digital tools and upskilling our people, the organisation continues to increase productivity and create new commercial opportunities, with a digital-first approach at the heart of it.

We took the decision in 2022 to move out of our permanent, London-based office where CFG had a home for more than a decade. Recognising that it is still important to have a place where the team can gather, but without the need for permanent desk spaces for the full staff team, our new more suitable office location was announced in November 2023.

We were delighted to welcome three new trustees during the year: Angela Linton, Tim Nicholls and Hugh Wallace. This, of course, meant saying thank you and farewell to Kerry Shea, Saf Rahbour, Arati Patel and Avtar Boparai. By generously sharing their diverse skills and experiences, they made tremendous contributions, which we remain grateful for.

We thank CFG's staff team, volunteers, members and partners for providing so many highlights during the year. This is a community we remain proud of, one that never fails to demonstrate just how purposeful and empowering it truly is.

# How did we do?



# Be the go-to body

## OUR STRATEGIC GOAL

### Be the go-to body

CFG is the most trusted and respected source of guidance in the UK on strong financial management as well as the governance and broader management issues that will determine financial security.

## KEY ACHIEVEMENTS/ OUTPUTS

We continued to work closely with sector partners, and through the newly formed Civil Society Group. This raised the profile of our work and membership.

The team responded to an increased number of media enquiries and further developed relationships with sector and national journalists.

We continued to support work on SORP engagement and supported the IFR4NPO project as the UK Country Champion. We continued to work with members and partners to submit responses to government consultations impacting charities and charity finance.

## WHAT WE LEARNED

Collaboration with a diverse range of organisations means that we can share expertise and gain new insights that benefit our members and partners.

We can affect change much more effectively when we speak with one voice. CFG's voice is trusted. Taking time to help journalists understand charity finance is key to maintaining high levels of trust in charitable organisations and the charity sector.

Working together in partnership with others means that we can raise standards and go further, faster.

Our policy work is valued by many stakeholders including members, partners and other infrastructure bodies. The demand for our specialist knowledge remains high.

# Promote and support financial leadership at all levels

## OUR STRATEGIC GOAL

**Promote and support financial leadership at all levels:**

CFG promotes and supports the development of financial leadership skills to individuals working in the charity and social change sector irrespective of their background or career stage.

## KEY ACHIEVEMENTS/ OUTPUTS

We created new networks and discussion groups, including the Business Partnering and Value for Money groups, and grew existing groups.

By keeping costs down, we have been able to engage even more professionals in our activities, thereby expanding and diversifying our networks and deriving more benefit for others through shared knowledge.

Our partnership with the Association of Independent Museums means even more professionals can access our services and content cost-effectively.

A stronger focus on creating more time and space for networking and bringing people together, on and off-line, has increased peer-to-peer learning and sharing.

The launch of our new, accessible Knowledge Hub on our website is delivering more learning and inspirational content to more people than ever.

## WHAT WE LEARNED

There is strong desire among members to develop their networks and find the right support and connections through CFG. We need the right tools to facilitate a growing number of active online groups and networks.

Increasing and balancing resources is vital to increasing engagement and serving our diverse members and networks on a deeper level.

Our impact is even greater when we take time to understand the unique needs and pain points of different groups and sectors, and work together to build relationships with partner organisations. The strength of our community is in its ability to connect, explore and self-organise.

Our community is generous with its time and expertise. It has a strong desire to learn and grow together, for their benefit and the benefit of others.

# Use our position to convene powerful networks

## OUR STRATEGIC GOAL

Use our position to convene powerful networks; to bring together different groups within, and with, the sector to:

a) support one another's learning and knowledge leading to greater social impact

b) position finance at the heart of decision making (driving effective governance and sustainable operations), and

c) inform, instigate and shape better policy (regulation and legislation) and enhance public understanding of charities so that charities operate in a supportive environment.

## KEY ACHIEVEMENTS/ OUTPUTS

As a partner in the Civil Society Group (CSG) we have been able to influence its programme of work and have contributed to thinking and discussions on a range of issues, including wider political and societal issues.

We have collected data to influence policy makers, and supported a range of research, including the work by Nottingham Trent University which seeks to better understand the pressures on the sector.

We have been present in many major forums and working groups that cut across sectors and topics. This has allowed us to establish new connections across the UK.

We grew traffic to our website and responded to more media enquiries than ever before, on a wide range of topics.

## WHAT WE LEARNED

Our specialist knowledge, insights and viewpoints help to shape policy that extends further than finance. By putting finance at the heart of the debate, we can influence policy-making.

We need to be intentional in the support of, and amplify the work of, our sector infrastructure partners and those institutions that sit alongside the sector.

When must continue to increase our external visibility by sharing our activities and work more regularly. We must be more intentional in communicating our involvement in these diverse forums and groups back to our members and grantmakers.

# Empowering people in this rapidly changing world

By Caron Bradshaw OBE, Chief Executive Officer, CFG



In pulling together the material for this Trustees' Annual Report, I have been reflecting on the big lessons for the year. Like many other organisations, we are still learning what new ways of working will be kept on a more permanent basis, and how we will shape the role of the physical office and time spent together alongside remote working.

We've also been looking at the finances and the non-financial pros and cons of different ways of working. Now that we are able to recruit outside of London and the south east, we are gaining tremendously by fishing from a more diverse pool of candidates. However, we have also acknowledged that we do not want to lose out because we are not physically coming together as often.

In one conversation had earlier this year, we were lamenting the potential loss of career defining serendipitous moments – the coffee machine chat, the chance encounter in the lift, the time before and after meetings where pleasantries were exchanged.

Looking back on my career, I realise now that I learned and grew by watching those around me, being in their presence. I received career progression leads in ways that I can't see being replicated in the virtual environment.

I fear the impact on the next generation of workers starting their careers in this unsettled and ever-evolving workplace. But, as one colleague put it, if these moments are so blooming important why did we ever leave them to chance, osmosis and fate in the first place?

Whilst I cannot say with certainty that we have cracked it, that insight got us thinking about how we can be more intentional in the ways we work together and how we can take steps to nurture those starting out on their careers when those precious moments are now far fewer.

What have we lost in not being in the same space all the time? Familiarity. Understanding of working styles and personalities. Less scripted and non-work moments which lead to connections. These can be engineered, so far it seems, reasonably successfully.

We can use tools to unlock and make more visible different working styles.

We can undertake shared training on specific topics, like 'How to manage difficult conversations'.

We can make space to come together regularly, and we can carve out time in one-to-ones and other meetings to check in and find out something that is not purely about work.

We can seek opportunities to coach, mentor and lift up those coming through in our staff teams now.

There are multiple different channels and approaches to make best use of. And because not everyone wants to receive information in the same way, the richness of your stakeholders should be matched by the choices you offer.

I fear the impact on the next generation of workers starting their careers in this unsettled and ever-evolving workplace. But, as one colleague put it, if these moments are so blooming important why did we ever leave them to chance, osmosis and fate in the first place?

An email may work for one, a Teams or Slack channel chat for another. Some might like to walk and talk, getting away from the screen for fresh air and exercise whilst chatting through a topic. For some, time face-to-face away from the desk works a treat.

Ask for help, collaborate and connect with others. Social change organisations must shift their thinking from a competitive approach to one that is collaborative, and we are now seeing many that are doing this.

There is much less resource around, but demand remains high (and looks set to continue increasing). What can we drop for another partner, team member or organisation to pick up (and what can they leave for us to focus on in return)?

We are stronger together and more effective when we collaborate. We cannot tackle the biggest issues, like responding to the climate emergency, without a willingness to pool our resources.

This year we learned that we must keep relentlessly focused on purpose and values. What are we here to achieve and how can we achieve it without extracting from those around us?

There is such a great opportunity to align with the next generation of workers, volunteers and donors in leaning into purpose and being organisations led by values.

And finally, share openly and honestly how we are performing. The good, the bad and the ugly! Let's be brave, honest and transparent about our pasts, present and futures.

The future may feel bleak for many; it's certainly the toughest environment I have ever experienced. But the future is also bright and full of hope – if we choose to engage with positivity and creativity!

We are stronger together and more effective when we collaborate. We cannot tackle the biggest issues, like responding to the climate emergency, without a willingness to pool our resources.



Case study

# Supporting the whole team

**The learning curve can be steep for those who are new or returning to the charity sector, and this was true for Nilesh Pandya who joined Cripplegate Foundation in September 2020.**

As Director of Finance and Resources, Nilesh leads a small team that's responsible for all areas of finance, HR and resource management. He and other members of the team also play an active role in Cripplegate's growing number of programmes, such as Islington Giving.

Nilesh explains: "We're seeing new and different income streams and we're working on managing the finances and accounts around many different projects, often all at the same time.

"We've seen what we do grow and I'm really proud and happy that we support so many incredible projects and programmes."

Nilesh says that although he is no stranger to the charity sector, having worked at Barnardo's for seven years until 2012, he needed to refresh his knowledge of the sector.

"When I joined Cripplegate, I was aware that I needed to update my own knowledge of the sector, and quite quickly, and CFG membership has been crucial in this respect.

"I've been able to use CFG's resources and have attended training courses and events, including the Annual Conference.

"I've also met new people including those in similar organisations. It really gives you a good grounding and helps you keep up-to-date with developments in the sector."

As a local grantmaking foundation based in Islington, London, Cripplegate exists to address poverty and inequality through strong partnerships with the borough's residents, voluntary organisations, businesses and funders.

The foundation's history stretches back more than 520 years and today its work is as important today as it ever was. Every year, Cripplegate makes grants of around £2 million to voluntary organisations and other groups, with the aim of working closely with them to better understand and support their communities' diverse and complex needs.

As well as focusing on his own personal learning and development, Nilesh has looked at the skills and knowledge his team needs to manage an increasingly more complex range of programmes, each with different financial implications. He's keen for others to upskill and find peer support through CFG too.

"It's great to be able to point colleagues to different CFG events and training courses. Both my colleagues within my team got involved in CFG within the first six months of their induction. It's been invaluable for that."

Nilesh says that Cripplegate is all about collaboration and working with partners in the voluntary sector, which is why he encourages colleagues in other functions, such as HR and communications, to benefit from CFG membership too.

And alongside the learning and development support provided to members, access to CFG's network has helped Nilesh with benchmarking projects, all of which have led to positive changes in the organisation. Nilesh concludes: "That support we have had through CFG's network – it's invaluable. And it will be helpful for many of our future projects too."



*Nilesh left this post in January 2024 and now works for Orbis UK.

# CFG news and highlights

## spring/summer 2022

### Supporting charities with banking

The financial year begins with a look at the challenges charitable organisations are experiencing with banking services. CFG launches a survey and, as part of the Civil Society Group, begins working alongside UK Finance and the government.

### Government explains Charities Act implementation

CFG shares an update on how government intends to implement the new legislation, following Royal Assent in February 2022. The new legislation will be enacted in summer 2022 and autumn 2023.

### Investment training gets off to flying start

CFG's investment training programme gets off to a flying start in 2022. Run in partnership with Sarasin & Partners, the training for trustees and charity leaders is more accessible than ever, being held online and in-person, free of charge. This underscores CFG's commitment to accessibility and supporting members during these challenging times.

### CFG responds to government's cost of living support package

CFG responds to the Chancellor's announcement of a cost of living support package. CFG said it was pleased the government stepped in to help those who needed it most, but the real test will be the government's actions in the long-term, should the crisis be prolonged.

### CFG proud to announce launch of new service for charity finance community

CFG launches a digital one-stop-shop for thought leadership, knowledge and technical know-how. The Knowledge Hub, a major part of CFG's website, brings together the charity finance community's collective knowledge and experience. The new portal comes following nine months of development and is a major step forward for CFG's digital-first strategy and its aim to support the development of professionals at all levels, from all backgrounds.

### Charity sector calls on banks to adapt and reduce

Following the results of its survey on banking services, CFG and other members of the Civil Society Group, call on banks to improve their services to charities and reduce burdensome administration. The research shows that small charities are unfairly impacted by changes, in particular through a reduction in the number of bank branches.

### CFG's Annual Conference is huge success



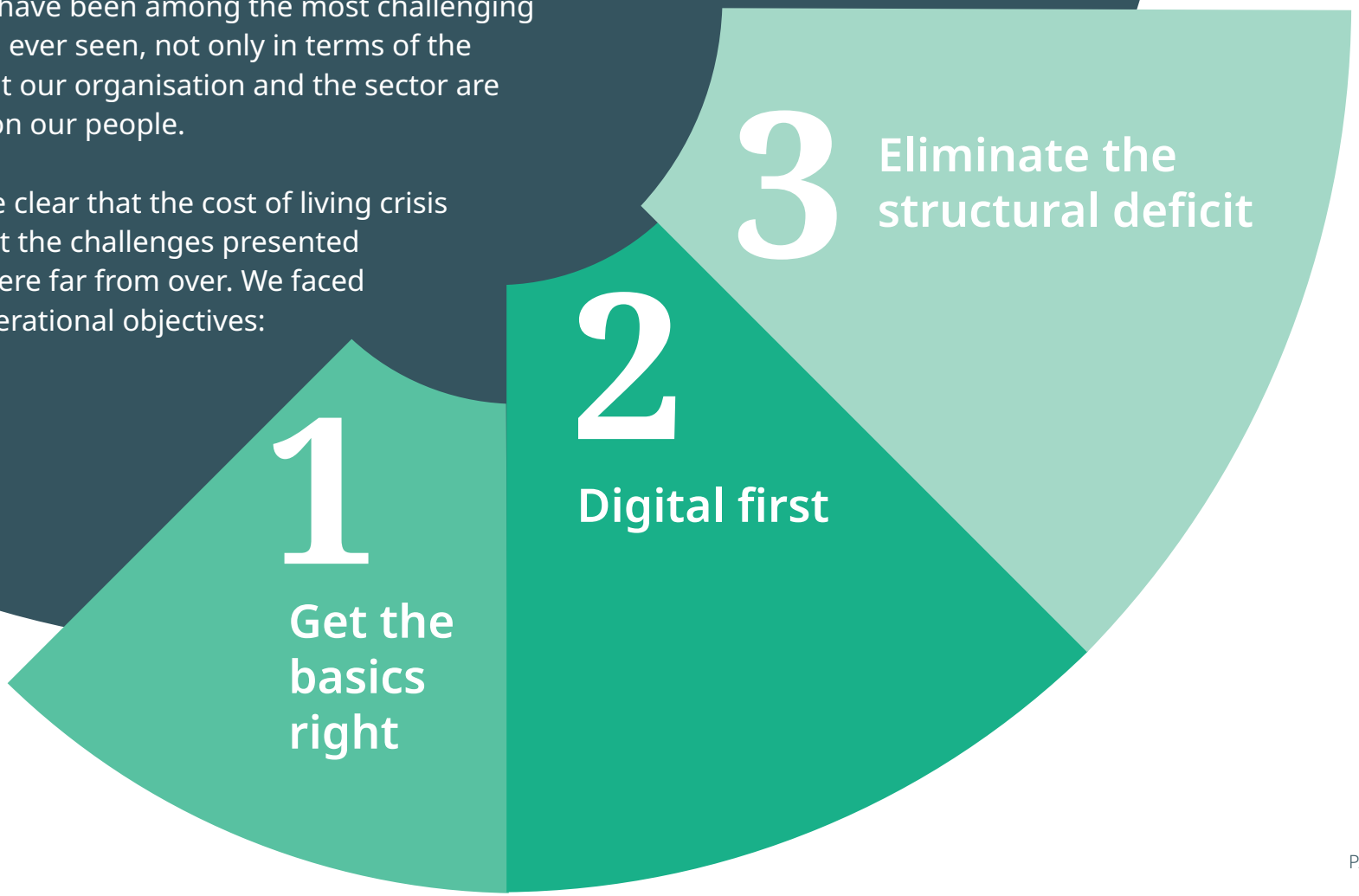
For the first time in three years, CFG returns with its in-person Annual Conference at a new venue in London. More than 500 delegates spend the day learning from peers, meeting contacts old and new, and networking in the buzzing exhibition hall. This year's theme – Purposeful and Empowering – has a strong focus on making sense of the challenges that lay ahead, and the importance of looking after the wellbeing of those working in charitable organisations. Stevie Spring CBE sets the tone for the day with her advice to the sector: "Find what it is that is unique to you and do it well. The rest is partnership." She added: "Remember, no one ever shrunk to greatness."

# A sense of purpose and optimism

By Rui Domingues, Director of Finance and Operations, CFG

These past three years have been among the most challenging many of us at CFG have ever seen, not only in terms of the financial challenges that our organisation and the sector are facing, but the impact on our people.

In early 2022, it became clear that the cost of living crisis was deepening and that the challenges presented during the pandemic were far from over. We faced this with three clear operational objectives:



In the past year, the finance and operations directorate has continued to focus on the wellbeing and development of CFG's staff; making the final shifts to fully remote working; and laying the foundations for the replacement of our finance, CRM and CMS systems.

We have continued to find new ways to grow income streams and attract grant funding for new projects and services, whilst eliminating structural deficit. We have also returned our free reserves to within our range (see our reserves policy on page 33).

## Finances and infrastructure

In 2022/23, we took the decision to close our office in London and move to fully remote working. We laid the groundwork for this by further investing in the infrastructure needed for staff to work from home, and we worked towards exercising our office lease break clause. From there, we set out the steps needed to close the office and find alternative premises.

We recognised that it was important to provide an alternative workspace for those members of staff who preferred to access an office away from home, and for the whole team to gather. This work came to fruition at the end of 2023 when we closed the office on White Lion Street and identified a new office in Borough, south east London.

Another significant decision we took which has reduced the structural deficit was to outsource part of the finance function. This was a significant step for us and one that we worked towards during the course of the year. We looked for a partner organisation that understood our needs and was able to provide a high level of flexibility and a wide range of finance skills.

Following a period of due diligence, we selected SKS to provide those services. As well as being cost-effective, the decision to outsource has meant that we now have more time to focus on the strategic and transformative aspects of the finance and operations role.

We have been extremely grateful for the grants we received during the year. We received generous support from five grantmakers, totalling £89,500. This has allowed us to invest in our systems and people and, more importantly, continue to build on the activities and services we provide to our charity members and corporate partners.

## Getting the basics – and culture – right

To deliver our first two operational objectives – getting the basics right and digital first – we continued to invest in upskilling our people.

Shifting to a digital first mindset has been two-fold. It has required a change in work culture and practice – both of which have been significantly re-shaped by the pandemic and new team members. It has also meant identifying legacy systems, workflows and processes that were no longer serving us well.

To enable this change, staff members delivered a wide range of co-created internal training sessions during the year and worked together to make best use of our new technologies and systems.

We established a monthly DEAL (drop everything and learn) hour – time set aside each month for all staff to work towards their own personal development goals. Alongside this, we introduced a new learning platform so that staff can self-select their own training and learning programmes and work towards their agreed personal development plans.

One of the most positive benefits of this shift has been the intentional creation by all staff of a shared learning environment.

## Investing in our people

We have all read and heard about the challenges all sectors are facing with recruitment and retention. In last year's annual report, I wrote about the 'Great Attrition' and the potential impact of the cost of living crisis.

In the past 12 months, we've taken a fresh look at how we attract

people to the organisation and have been encouraged by the number of extremely high-quality candidates we've seen. We've invested in a new marketing function and have strengthened the whole team by welcoming new members of staff who have made positive contributions from the start.

We've said it many times before and it remains true today: our people are our greatest asset. When CFG embarked on its organisational restructure in late 2019, just before the pandemic began, we were looking to recruit to a number of newly created posts.

Since then, we have had to rethink that new structure. We took the decision to delay recruiting to some posts. This has meant that we've had to look more creatively at how we maximise the resources we have and paramount to this is ensuring that the team is well supported.

Our staff members accomplish a huge amount every year, from running conferences, training programmes and webinars, through to speaking up for the sector. To support them, we once again ran our two annual wellbeing weeks by closing the office for one week in August 2022 and January 2023. We also invested in a workplace mental health support platform so that every member of staff has 24/7 online access to a wide range of mental health and wellbeing resources.

In Spring 2022, all staff qualified in the MHFA England's Mental Health First Aid course to become 'Mental Health Aware'. And we were delighted that one member of staff completed MHFA England's intensive two-day course to become CFG's first Mental Health First Aider.

These investments have reinforced the importance of looking after our mental wellbeing, doing what we can to support one another, and nurturing a workplace culture where talking about mental health and wellbeing is the norm, not taboo.

## Looking ahead

During the year, we welcomed new organisations to membership and, looking ahead, our strategy to welcome even more will continue.

I remain cautious yet optimistic. This year, we made huge steps towards what we set out to achieve through our three operational objectives and, although we remain in choppy waters, our members are telling us that the CFG community has never been more important to them.

My sense of optimism comes from the strength of our community and knowing that together we can not only navigate these uncertain times, but continue on our journey with an even greater sense of purpose – for the benefit of all our beneficiaries and communities.



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# CFG news and highlights

## summer/autumn 2022

### CFG publishes joint statement to government on cost of living crisis

CFG joins with nearly 50 other sector leaders and organisations to call on the government to deliver urgent financial support to those in greatest need. The group urged the government to include the charitable sector in any planning.

### CFG responds to announcement of new Prime Minister

CFG welcomes the new Prime Minister, Liz Truss, to her role, and invites her to work closely with the sector to solve the country's most pressing issues. Dr Clare Mills, said: "We urge the new government to take immediate and effective action and use the 'depth and breadth of talent' that Ms Truss refers to, to bring fresh ideas to the most pressing issues of our time."

### The nation mourns the death of Queen Elizabeth II

Staff at CFG marked the death of Queen Elizabeth II by recognising her life-long, exemplary service: 'Her Majesty provided support and encouragement to numerous charities, their members of staff, trustees and volunteers over her lifetime and her work and dedication made a real and lasting difference to the shape of civil society across the UK.'

### CFG's training courses accredited

CFG's joint training course 'Adopting Good Governance', run in partnership with Crowe UK, becomes one of the first to receive CPD accreditation. This means that members can undertake the course in the knowledge that it will contribute towards formal CPD and that it has met the rigorous standards and benchmarks set by CPD UK.

### The good, the bad and the ugly

CFG examines the Government's mini budget, delivered by Chancellor Kwasi Kwarteng on 23 September, describing it as 'good, bad and ugly'. The good news is that the four-year Gift Aid transitional relief will still apply from April 2023. But the rest is cold comfort to the charitable sector and the communities they serve.

### CFG launches Net Zero Guide




In association with a range of organisations, CFG publishes an online guide for charities looking to reduce their carbon emissions. 'Charities and the path to net zero' helps charities to build a net zero strategy; understand the links between net zero, investments, pensions and grantmaking; and reduce emissions through the procurement process. It contains information on the practical steps charities can take to reduce emissions, saving them time and money.

### Guide to Modern Banking launches

CFG is proud to work in partnership on a new, easy to read guide published by HSBC. The guide helps demystify banking for charities and non-profits.

### New Chancellor, new fiscal plan

Following a change of Prime Minister and cabinet, the new Chancellor, Jeremy Hunt, delivers the Government's medium-term fiscal plan. He announces a reversal of almost all of the tax measures set out in the previous Chancellor's Growth Plan and a review of the Energy Price Guarantee and the Energy Bill Relief Scheme.

Case study

# The power of connection

**“It’s a short story”, says Ruth Davison, CEO* of domestic abuse charity Refuge, “but the transformation of it is significant.”**

In 2022, Refuge needed a new director of corporate services, someone with a strong background in finance who was prepared to work in a highly competitive market and work for a charity. Not only that, they needed the skills and experience to steer the charity through a period of change.

“Our very long-standing head of finance had left and, like many other charities, I wasn’t managing to attract the kind of quality of candidate that I needed through traditional routes,” explains Ruth.

And not unlike many other medium-sized charities, Ruth said that although Refuge looked to be a “relatively simple entity on paper”, the back office was suffering from several years of underinvestment.

“There was a lot of very complicated work that needed to be done,” recalls Ruth. “Although the team was absolutely dedicated, they were also very, very tired and they had very little capacity to think differently and step outside their ‘business as usual’.

“We needed someone who could keep them going and build morale, look at our systems and think about how to do things differently, do things better. We needed someone who could transform our finance and operations.”

Having exhausted all traditional recruitment methods, Ruth felt she had hit a brick wall. It was at this point that a chance conversation about it with a friend led her to CFG. Ruth continues: “Through a mutual friend, I was soon chatting with Caron [Bradshaw] and we talked about what Refuge needed and what was happening at the charity.

“Caron could really see our requirements, but in a different way to our executive recruiters. Caron really thought it all through, working out who might be right for the role. From there, a whole new network was opened up to us through CFG and that was the turning point.”

Before long, Ruth was in touch with Trevor Richards, a Chartered Accountant with a background in change management. He was appointed as Interim Director of Corporate Services. Within weeks, Refuge started to evolve.

“The work Trevor did was absolutely transformative,” states Ruth. “He laid the foundation for much greater stability. The finance team has now grown, and we’ve attracted two new brilliant permanent directors. We’re on a much firmer footing.”

The charity is still on a journey and one that is proving tough in the current climate. Chronic underinvestment in domestic abuse services, an increase in demand and the cost of living are taking a toll. Like others, Refuge has seen sudden and sharp cost increases and a fall in income. At the same time, the charity remains ambitious and wants to invest in its refuges and services – giving more women and children a safe and welcoming place to stay.

“We’ve always been honest about how tough this is and that we’re not where we planned to be right now. But now, thanks to Caron and CFG, Refuge has the right people in place, and we know that we have high-quality financial information and good business partnering. And it’s these things that are absolutely critical to steering the right course for Refuge in the coming years.”



*Ruth Davison left her post as CEO in September 2023

# Empowering purposeful connections

By Sarah Lomax,
Director of Commercial Services and Marketing, CFG



Our charity members are CFG's lifeblood and for many of them the financial year began with continued uncertainty.

As we headed into the second quarter of 2022, it wasn't clear how long a shadow the cost of living crisis and Covid-19 would cast across the sector and CFG community.

We saw most of our charity members rebound from the pandemic, but then grapple with ongoing instability and change. It has been particularly tough on our smaller charity members.

Despite this background, or perhaps partly because of it, CFG's year began positively. We not only met our renewals targets for charity members, we smashed them!

The decision to move to an automated rolling membership was a success. By investing in the automation of renewals in the previous year, the Membership Team were able to spend more time personally contacting individual members to talk about the benefits of membership, gain valuable feedback and signpost useful services and activities.

Not only were we pleased to see so many charity members renew in 2022/23, but we were delighted to welcome many new members to the CFG community. Nearly 150 organisations, large and small, joined CFG membership for the first time!

## Our corporate partnerships

The bigger picture for our corporate partners hasn't been much different to our charity members. Many saw – and continue to see – difficult trading conditions and they too have felt the impact of uncertainty.

So, we are delighted that we welcomed 20 new organisations into our network, taking the number of corporate partners to nearly 100.

Without them, so much of what we do wouldn't be possible. Not only do they generously sponsor CFG's events and training courses, but they are also key to helping us build our body of knowledge and thought leadership.

It's perhaps because of the uncertain political and economic background that we have all sensed that by growing our communities and networks, we build our resilience. This was the year that we deepened our connections with our corporate partners and they in turn engaged more than ever with our charity members, through all CFG platforms.

More than one third of our corporate members shared their expertise with charities across the UK through our new online Knowledge Hub. By the end of the financial year, they had contributed more than 50 articles on topics ranging from investment, tax and risk through to fraud, digital technology and governance.

They also took advantage of new opportunities to sponsor tailored content and advertise through our website, bringing in new and vital revenue for CFG. And, as ever, they presented their insights in our busiest events programmes to date, and they were on hand to answer members' questions to our expert helplines.

This incredible sharing of timely, expert and free knowledge supports our charity members every week. There is always support on-hand for those needing answers to technical questions and we look forward to further deepening these connections in the coming year.

## Events and training

This was the year we returned to our in-person events – and what a comeback! The happiness of being able to once again network in person was palpable.

At the beginning of the financial year, the teams were busy pulling together our first in-person Annual Conference since 2019. The Annual Conference in 2022 was an incredible event and our members and partners relished the opportunity to speak and network with each other in person.

Not only did we meet our financial targets for the event, we were able to give our 2023 Annual Conference a giant boost. More than two-thirds of those partners who attended the 2022 conference signed up to attend the next within three months of tickets being launched. We also saw the fastest ticket sales for any event.

Our Annual Fundraising Dinner later on in the year was also a huge success and the atmosphere was one of friendship, a community determined to keep on keeping on. It was a pleasure to meet so many people in one room and share the achievements and successes of the sector together.

We also saw high engagement with our training programmes, illustrating that members want to keep their charity finance teams upskilled.

## Our team

Like so many other charities, recruitment has been a very challenging aspect for us in the past year. We said goodbye to some key members of staff and the impact of change has been felt across the organisation. However, we also welcomed a new, expanded Marketing Team who are making a positive difference to how we keep our members informed of new opportunities, events and services.

I am so incredibly proud of every member of the directorate, all of whom have stepped up and rallied round. With limited resources, the team has approached their goals and targets with huge determination. Our Corporate Partnerships Team wrapped up the financial year having attained 98% of their original budget. The Conferences and Training team has attained 100% of budget, and our training courses performed 165.5% against budget. The Membership Team has attained 85% retention throughout the whole of the financial year.

The teams continue to provide great service to members and partners, all while problem-solving and creating new opportunities for our community. They are testament to the dedication everyone at CFG has to our members and partners.

Finally, I'd like to say thank you to all our members, partners and supporters. We wouldn't be able to do what we do without you!



This was the year we returned to our in-person events – and what a comeback! The happiness of being able to once again network in person was palpable.

Case study

# Moving finance up the value chain

**Max Glazer-Munck, Director of Strategic Operations and Finance at Serpentine, explains why CFG membership has proven to be an invaluable resource in taking the finance function – and his personal development – to the next level.**

In 2022, when Max moved from a marine conservation charity based in Bristol to Serpentine in London's Kensington Gardens, he knew one thing would remain a constant in a fast-changing world – CFG membership.

As a long-standing beneficiary of CFG's activities, Max was keen that his new place of employment benefited from membership too. And he wasn't disappointed –Serpentine was already a member. "If Serpentine hadn't already been a CFG member, I would have advocated for it to be," states Max. "I have already benefited extensively from CFG. Membership provides a really good impact on individual members of the finance team."

Max has attended CFG several conferences, training courses and webinars in the past year, and also joined CFG's Peer Mentoring Scheme which, he said, had a profound impact on him. "I think the scheme is really great," says Max. "We had several sessions, and we were each paired up with another participant, to co-mentor one another.

"Like attending CFG's events, it's another opportunity to really step out of yourself. And you can do that in two ways through the scheme. Firstly, by being supported in a challenging and friendly way by your co-mentee to come up with the challenges or difficulties you face. Your co-mentee brings a different perspective to those challenges. But also, by being able to do that for the other person too.

"By making those connections with other people, you get to know the business of businesses – you see different ways of working and doing things. To this day, I'm still meeting with my co-mentee, and I hope we will one day meet again as a whole group. It's a really interesting, thoughtful way to learn and grow."

Max says that "stepping out of his day-to-day" has been a really important part of his development journey and that "plugging into" CFG has helped him feel more informed. He continues: "I feel like my engagement with CFG really has helped my development as a finance leader because it has really forced me to learn from people who are in equivalent or more senior, or more junior, jobs. It helps me to see what's going on elsewhere in the sector."

Max says he encourages everyone in his team to make the most of CFG membership, to discover for themselves how it can help them develop new skills and networks. He concludes: "By helping those members of the finance team, it helps the organisation itself. My view is that if you're working in an organisation that is dependent on finance, or financial resources, in order to deliver it, finance should not just be an administrative function.

"Finance needs to be able to advise and influence and shape future activities. It needs to deliver value for money, strategic objectives, and the organisation's charitable objects as well. To do this, it needs to be integrated with the rest of the organisation. And it can only really do all that if it has the right resources and the right tools.



"CFG is striving to help finance teams move up the value chain. In my experience, it really is doing that. It really has had a big impact."

# CFG news and highlights

## summer/autumn 2022

### CFG welcomes two new trustees

CFG welcomes Angela Linton from The National Foundation for Youth Music, and Tim Nicholls from The Arts Society to the CFG Board. Gary Forster, Chair of the Board of Trustees, CFG, comments: "We warmly welcome Angela and Tim. They bring with them a wealth of financial and operational expertise, as well as many years' experience as active members of various non-profit boards and committees."

### CFG to support charity sector in Scotland

CFG achieves registration with the Scottish charity regulator – OSCR – so that it can support charities in Scotland to deliver even more impact for their causes and communities. Caron Bradshaw OBE, CFG's CEO, said: "We look forward to getting to know more charities and social change organisations in Scotland, and supporting them to deliver even more impact to their causes."

### Autumn Statement reaction

The Chancellor of the Exchequer delivers his Autumn Statement to the House of Commons. Caron Bradshaw OBE responds: "The Chancellor's autumn statement today wasn't as dire as many of us were anticipating. Much of what the sector has called for has been delivered and we're delighted that we can say that." However, Caron warns that we still face difficult times."

### Paul Hamlyn Foundation backs CFG with new grant

Paul Hamlyn Foundation (PHF) grants CFG £70,000 over two years as part of its core funding to infrastructure groups. PHF has made lasting commitments of up to five years to ten organisations through the Backbone Fund. The fund provides core funding to key infrastructure organisations, including CFG, to help build resilience in the sectors that PHF supports. "We are absolutely delighted to receive this grant through Paul Hamlyn Foundation's Backbone Fund. Our charity's vision to inspire a financially confident, dynamic and trustworthy sector is as important today as it was when were founded 35 years ago," said Caron Bradshaw OBE.

### VAT anomaly holding back donations




CFG joins with 18 other organisations to call on the Chancellor to provide VAT relief for donated goods, bringing rules into line with existing reliefs. CFG says that it would 'unlock vital support for families who are impacted by the rising cost of living.'

### Much-needed cash for sector

During the spring budget announcements on 17 March, the Chancellor pledges £100m for the charity sector. Commenting on this welcome news and other announcements, Caron Bradshaw OBE, CEO, Charity Finance Group, said: "Today the government not only acknowledged the crucial work of the charity and voluntary sector, it backed it up with much-needed cash." Caron went on to urge the government to engage constructively with the charity sector to develop real, lasting solutions to economic crisis.

# Empowering our brand and message

By Dr Clare Mills,
Director of Policy and Communications, CFG



This is my second piece for CFG's Trustees' Annual Report since joining the charity, and my first with a full year in post as Director of Policy and Communications. It has been a privilege to meet so many of our charity members and corporate partners this year, as well as to represent CFG at numerous events online and in person. I'm so proud of what our small team has been able to achieve and make happen for our members, for the sector as a whole and internally for CFG during this truly 'purposeful and empowering' year.

## The big picture in policy

In policy terms, we've had a big impact. This year has been dominated by the cost of living crisis, fuelled by volatile energy prices, inflation and steep increases in interest rates. CFG led on the join sector submission to the government on the Energy Bills Relief Scheme which, when subsequently announced, included charities and voluntary organisations.

We've also led numerous webinars and conference session on issues relevant to the economic context, as well as producing guidance, information and tools for charities to use through our online Knowledge Hub.

Our messaging has been clear: government support must focus on the people who are feeling the impact of the economic situation and who need assistance. In this way, we can ensure many people are helped before they need charity support, which in turn helps charitable organisations better manage and meet demand.

There have been many highlights in our policy work this year. Two key areas of activity have been:

- Convening CFG's Technical Accounting Forum, holding roundtables and gathering insight from a range of sources to respond to the Financial Reporting Council on FRED 82 (Draft amendments to FRS 102, the Financial Reporting Standard).
- Working with partners to share further insights on the Butler-Sloss ruling and engaging with the Charity Commission for England and Wales (CCEW) on subsequent amendments to CC14, Investing charity money: guidance for trustees.

We've also continued to work on policy as part of our central role in the Civil Society Group, a collaboration between charity infrastructure bodies. CFG led on joint submissions ahead of the Autumn Statement and the Budget.

On driving improvements in access to banking services, there have been frustrations. Progress has not been straightforward but there is determination to improve the situation for charities and other social purpose organisations.

This year has been unusual – to say the least – with three Prime Ministers and numerous cabinet reshuffles. During this upheaval, and since, CFG has continued to engage with ministers, civil servants and advisers. Our focus has been engagement with DCMS and HM Treasury, and we welcomed the announcement of £100m for the sector in the Chancellor's budget in March 2023.

We've also been involved in engagement with the opposition parties, taking part in discussions around the contribution the sector makes to the economy and society, the mechanisms for communication and engagement between the sector, government and the Civil Service. We will continue to engage with government and political parties, collaboratively and independently, for the foreseeable future. In addition, we continue to work closely with regulators, specifically CCEW and the Office of the Scottish Charity Regulator (OSCR).

## Increasing knowledge and influence

We celebrated at the start the financial year when our online Knowledge Hub was launched, providing our members with a great

repository of information, case studies, technical updates, thought leadership and more, all in one easy to search area of our website. This was a huge project!

The year has seen us publish more policy and expert content than ever before. Accessibility is the key to this project and with that in mind we've produced a wider range of content types that appeal to those from the smallest to the largest of charities, and professionals at any level.

Launching the Knowledge Hub also means we have better data on audience engagement, and we can use this to ensure we are meeting needs. It has also meant that we've created more opportunities for our corporate partners to share their expertise and advertise their services.

During the year, we published our final Finance Focus magazine in its post-pandemic PDF format. By doing this, we increased capacity to develop more online content and immediately eliminated the costs associated with magazine production.

After the end of the financial year – but important to share here, to give readers the whole story – we focused our editorial efforts on developing a new, all-digital membership magazine to complement our fortnightly digital newsletter. This was launched in the next financial year (September 2023) and is an important way of keeping our members and other supporters up-to-date with all the latest news, thinking and best practice in charity finance.

These are just two of many examples where CFG's 'digital first' mindset has been developing over 2022/23 – and is leading to better communications and cost/time savings in the medium to long-term. As well as reshaping our regular communications and expert content, we've also grown our audiences, reach and engagement. In 2022, we entered into our first contract as an influencer, sharing partner content to give our audiences more expert information and help them maximise their impact through using their finances effectively.

## Intentional internal communications

The final piece I want to mention is the work we've done around internal communication at CFG. As a fully remote organisation, we've worked hard to increase intentional communication between teams and directorates, as well as individual members of staff.

As Caron wrote in her update on page 16, we can't leave those 'overheard while making a cuppa' conversations to chance. We need to be purposeful in keeping people informed and engaged and the key to this is excellence in our internal communications.

There's much more work to do in Policy and Communications, but you'll have to wait for next year's report to find out more!



The year has seen us publish more policy and expert content than ever before.

# Connection and community



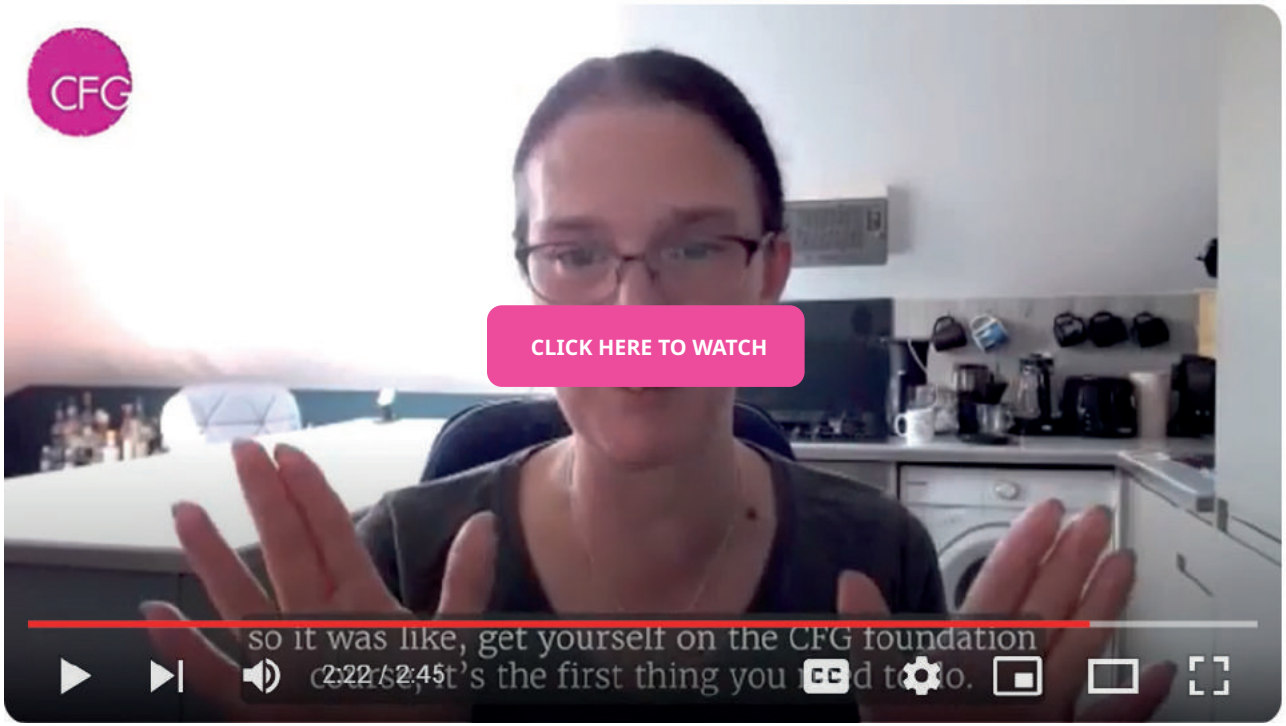
CFG's Board of Trustees, Leadership Team and Staff Team would like to thank all our members, partners and wider supporters for continuing to make this the most diverse, accessible and supportive community of charity finance professionals and leaders.

We would also like to thank those foundations and grant makers who have been so generous in their grants during the year.

Together, we will continue to make a difference, by supporting charities across the UK so they in turn can deliver even greater impact for the people and communities they serve.

Thank you.

## Some words from our members





## Some words from our partners

CFG has always been a place of support – not just the events and knowledge that it provides, but the connections and networks that it has created for me throughout my career. They have, and continue to be, invaluable in helping me develop and learn.

– Annual Dinner 2022 attendee

We had great conversations from small to large charities, where our services would be of huge value, to help drive value, savings and compliance. We have many conversations to follow up on, which will hopefully result in us helping charities deliver their procurement objectives.

– Exhibitor, CFG Annual Conference 2022

We have met decision makers at dozens of charities and raised awareness of the work we do in the sector.

– Exhibitor, CFG Annual Conference 2022

# Watch our 2022/23 annual fundraising appeal video




DONATE NOW

# Review of financial position



# CFG's business model

CFG has a history of working in partnership and through collaboration. This means that CFG will avoid duplication where others are meeting needs in a cost-effective way. But during the pandemic working together developed not just to achieve efficiency – it also drove efficacy. The sector needed to work together to address sector-wide and profound challenges. CFG's business model was perfectly positioned to lean into a new appetite for collaboration across the sector and continues to do so now.

CFG currently earns nearly all income through membership fees, sponsorship and delegate fees, supplemented by modest grant income. The brilliant core support received from the Paul Hamlyn Foundation of core funding over five years from 2018 was due to come to an end in this financial year, but was generously extended for a further two years.

Additionally, further grant funding support was received from the Rank Foundation (who provided £25k of funding), Barrow Cadbury Trust (£14.5k), the Pears Foundation (£15k), Paul Hamlyn Foundation (£33k) and Esmee Fairbairn (£2k) during this year. This recognition of the importance of not only supporting the work of CFG with core funding, but also the role of infrastructure in the ecosystem of the sector, is hugely appreciated and we are very grateful.

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

We were delighted to be able to return to the face-to-face element of our model with such success. The pandemic fast-tracked our ability to deliver content and activities through digital media and we intend to continue to do so (following a digital first mindset).

However, we believe that a blend of channels and approaches are necessary to ensure that our beneficiaries can access CFG services in a manner most suitable to their needs. This has not fundamentally changed our business model but has evolved our methods of delivery. Corporate support subsidises the cost of services to our charity members. Without corporate partners' support CFG could not effectively deliver to the sector without changing our business model. This continues to be a core part of our sustainability.

# Results for the year

For the financial year 2022/23 the Trustees had planned a breakeven budget for CFG, and the year ended with a minor deficit of £4,166 across all funds and small surplus of £2,880 on just unrestricted funds (2022: deficits of £87,165 on all funds and £60,716 on unrestricted funds). Income improved significantly in 2022/23, £1,514,685 compared to £1,277,520 in 2022/23. Expenditure, £1,518,850, was correspondingly higher than £1,364,685 spent in 2021/22, an increase of 11.3%, reflecting the recovery from the effect of the pandemic on CFG's operations.

CFG's target unrestricted reserves range is from £175,000 to £280,000.

**...the year ended with a minor deficit of £4,166 across all funds and small surplus of £2,880 on just unrestricted funds.**

Free reserves at the end of 2022/23 stand at £177,895, compared to £158,497 for 2021/22. Designated funds have been retained to continue to support employees at CFG who are undertaking long-term professional courses, so that CFG can continue to stand behind these personal development goals. A future development fund has been set up to continue our digital first journey. CFG's unrestricted reserves are just within the lower end of the acceptable reserves policy level, which helps the Trustees to balance the short-term needs to pivot the delivery model to digital with longer-term financial resilience. To offset this, another breakeven budget is planned for 2023/24.

## Reserves policy

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

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

The agreed reserves range has remained the same; £175,000 to £280,000. The basis of our calculations will be reviewed again as we emerge from the response phase of the crisis. It is important that the experience informs our decisions regarding risk-based reserves. Our available free reserves as at 31 March 2023 were £177,895 (2021/22: £158,497) just within the current agreed range. The Board will at times designate funds from free reserves for specific costs that fall outside the normal business as usual expenditure, or back into free reserves to withstand other pressures. Any funds received that can only be lawfully used for a specific charitable purpose will be held as restricted funds.

## Investment policy

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

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

# Structure, management and governance



# Structure

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

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

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

# The boards

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

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

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

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

# Board induction and conduct

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

# Management

Day-to-day management of CFG is delegated to the CEO. Performance and risk are monitored against strategic objectives. CFG's average headcount during the year to 31 March 2022 was 17 members of permanent staff.

# Risk Management

CFG's strategic risks are defined as those matters which could inhibit or, if managed appropriately, advance the achievement of our charitable objects as articulated in our outcomes' framework. Trustees

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

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

CFG continues to view active risk management as a day-to-day aspect of running the organisation. Risk is the responsibility of every member of staff and all Trustees. It has been embedded into staff activities, reporting and Board meetings ensuring CFG has the best opportunity to prevent issues arising, minimise risks and maximise opportunities. The leadership team review risk on a regular basis, especially when considering changes to plans or new opportunities. The Trustees review a 'risk issues' log at Finance & Audit Committee (twice a year) and Board meetings (once a year) in order to monitor the effectiveness of CFG's risk management. Key changes in risk are reported to the Board as required and it is a standing agenda item at every Board meeting.

Reflecting the challenges of the last financial year in terms of income generation, supporting our people and amending our systems, policies and procedures as we adapt to new ways of working the top three risks faced were in the following categories:

- Financial and resource management
- People and development
- Systems, policies and procedures



## Risk: Financial and resource management

Whilst the acute impact of the pandemic abated it was replaced by a cost of living crisis. Our charity members and corporate partners continued to face into an economic climate of increasing costs and squeezed income. Our physical resources, such as our office accommodation, and our digital capacity will feature heavily in our considerations as we focus on delivering our charitable objectives in a challenging operating environment which will be open to further change. The strength of financial skills at both executive and board level gives us confidence that the financial risks can be well managed.



## Risk: People and development

The effect of the pandemic on our members of staff, including working remotely and below full capacity, continues to be felt keenly. We have focused significantly on staff wellbeing, instigating a programme of activity to address people and development matters. Despite this, people and development issues remains a high area of concern and focus as we continue to find new ways of working post pandemic and wrestle with the impact of the cost of living crisis. We anticipate people and development remaining a focus for the future.



## Risk: Systems, policies and procedures

Consistent with the previous two areas of risk we anticipate systems, policies and procedures requiring focus and investment into 2023/24 and beyond. This is because moving to a remote by default and digital first mindset necessitates adaptation in our established systems, policies and procedures.

# Financial and resource management

This report is produced for the performance of the charity up to the 31 March 2023. For this year, the Covid-19 pandemic followed by the cost of living crisis have had a major impact on individuals, companies and charities. CFG was not isolated from that.

CFG's key income lines are membership (charities and corporate entities), our Annual Conference and our Annual Fundraising Dinner. As our income for 2022/23 is due to renewals that took place predominantly in February and March, this again held up for the year. However, the longer-term impact of high inflation and the cost of living is yet to be fully felt by the charity sector and could therefore impact this income stream in the future.

Both the Annual Conference and the Annual Fundraising Dinner were held in-person for the first time since 2019, helping us to start the recovery to pre-pandemic income levels.

This impact on our incoming financial resources has again been mitigated in 2022/23 through the generosity of funders and through reducing our spend on different areas. It is a testament to our team at CFG that we have still delivered all the support to the sector that we have and have been a strong voice for the sector.

Current estimates of our net income for the 2023/24 financial year show a continuation of the positive movement, which will mean that there will be a further rebuilding of reserves.

Pre-pandemic plans included a potential deficit as part of a spend down of reserves. Running deficits every year is not sustainable, so the Trustees have set an expectation that we should return, as soon as possible, to a breakeven annual financial position and have stated the following principles for CFG going forward:

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

# Remuneration: how we decide to pay staff

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

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

- all payments to trustees (no trustees receive 'pay')
- the number of staff in receipt of more than £60,000 and above (in bands of £10,000)
- pensions and other benefits.
- CFG has a remuneration committee, which meets annually, is comprised of the CFG Chair, Vice Chair, Treasurer and one other (who shall be appointed by the Chair), which sets the pay for all staff. The CEO and Director of Finance and Operations are in attendance for the meeting (leaving for the discussion regarding their remuneration respectively) and no members of the executive are members of the committee. The main responsibilities of the Committee are to:

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

For the financial year 2022/23 CFG awarded a cost of living uplift in salary of 2.25%, reviewing in the light of the potential economic impact of Covid-19 (2022: nil). Two members of staff, the CEO and the Director of Finance & Resources, earned more than £60,000 per annum.

In determining CFG's remuneration policy, the remuneration committee takes into account all factors which are deemed necessary. The objective of the policy is to ensure that the Chief Executive and staff team are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the charity. The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other charities ensuring CFG remains sensitive to the broader issues e.g. pay and employment conditions elsewhere.

# Equality, diversity and inclusion (edi)

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

We regularly review our progress towards ensuring that staff, Trustees and members are not subjected to practices that lead to inequality, lack of diversity or exclusion. One of our trustees is our EDI champion on the board. However, we are disappointed that following staff changes our staff-led diversity forum has been relatively inactive during the financial year. Our EDI strategy remains focused on:

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

Alongside other charity infrastructure bodies, CFG continues to take part in collaborative working on addressing racism, chaired by James Watson-O'Neil of Signhealth.

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

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

We have committed to ongoing improvements and to ensuring that future reports include our performance against targets and relevant benchmarks where possible. However, data collection relating to protected characteristics remains difficult with a small staff team and we are disappointed to have not yet reached the position where we can make releavnt disclosures. We will continue to listen to our staff and Trustees through various communications channels, including our annual staff survey, to challenge our assumptions and monitor our performance.

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

# Fundraising

As the Covid-19 pandemic started to impact CFG's finances in 2020/21, CFG registered for the first time with the Fundraising Regulator, as we sought to start to raise funds to bridge the shortfall in income.
We have continued to be registered with the Fundraising Regulator although our direct fundraising has been at a low level, almost exclusively through our appeal video, first shown at our in-person 2022 Annual Fundraising Dinner.

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

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

# Statement of the Board of Trustees' responsibilities



The Trustees are responsible for preparing the strategic report, the report of the Board of Trustees and the Financial Statements in accordance with applicable law and regulations. Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under Company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the income and expenditure of the group for that period. In preparing these financial statements, the trustees are required to:

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

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

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

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

## Appointment of auditors

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

# CFG's Board of Trustees (as of November 2023)



## Gary Forster, chair of the board of trustees

Gary joined Publish What You Fund as CEO in July 2018 after taking a career break to travel with his wife. Before this he was the CEO of the INGO Transaid from 2011 until 2017, having joined the organisation as a volunteer in 2006. With a background in logistics from his time at Procter and Gamble, and qualifications in Public Health from the London School of Hygiene and Tropical Medicine, Gary has spent much of his career designing, implementing and evaluating health programmes throughout sub-Saharan Africa.



## Angela Linton

Angela is Chief Operating Officer at The National Foundation for Youth Music. Angela has a breadth of experience working in charitable organisations across the cultural sector. As well as having had previous experience of being a trustee and undertaking company secretary duties, Angela is a member of the Living Wage Foundation, Third Sector Steering Committee and actively advocates for the payment of the real living wage. Angela is committed to equality of opportunity and supporting emerging leaders develop their leadership skills, knowledge and personal confidence.



## Mwiza Mkandawire

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



## Tim Nicholls

Tim is Director of Finance and Resources/Company Secretary at The Arts Society based in Central London. He is also Chairman of North Kent Volunteer Centre. Tim has held senior finance positions within the charity sector for over ten years. Before his move to the charity sector, he enjoyed a successful career in the NHS. Until 2021, Tim was an elected Council Member of the Association of Accounting Technicians (AAT).

Continued over next page...



## Kevin O'Brien

Kevin joined the CFG Board in December 2018 having joined the not-for-profit sector in July 2016 as Director of Finance & Corporate Resources at Young Lives vs Cancer. Kevin then moved to a similar role at RSPCA before moving to Be First – a regeneration and social housing developer. Before joining the charity sector, Kevin held various finance roles in several large, global and multinational corporates in manufacturing, trading and property. Kevin Is CIMA qualified. Kevin is and independent member of the Finance Committee at The Lullaby Trust.



## Kelly Ryder

Kelly is Head of Finance for the Orchard Trust, a charity based in the Forest of Dean who support adults with learning and physical disabilities to live independent and fulfilled lives. Prior to this, Kelly worked for many years in the financial services industry and then in finance for a global manufacturing company, where she obtained her AAT qualification.



## Stella Smith

Stella is an independent consultant specialising in leadership and strategy in the charity sector. Since setting up her practice in 2006, she has worked with a wide range of organisations, from large household names to small community groups in the UK, Europe and Africa. Her career started as an English teacher first in Greece and then with VSO in China before going on to work in strategy and change management at RNIB and Centrepoint. She has been a trustee with VSO and Chair of Y-Gen, a north London charity focused on developing life skills for young people. She has written numerous articles and guides on charity sector management.



## Hugh Wallace

Hugh Wallace is Chief Information Officer at Research Data Scotland, a charity focused on enabling access to public sector data about people, places and businesses. Prior to that he led a high-profile programme to deliver a common payments platform in Scottish Government and support digital service development within Scotland's Social Security agency. His previous roles include leading the digital teams at Oxfam and National Museums Scotland, as well as heading up the design function in a digital agency.

By order of the Board, 07 December 2023

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

## Opinion

We have audited the financial statements of Charity Finance Group (the 'charity') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity and the group's affairs as at 31 March 2023 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

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

## Conclusions relating to going concern

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

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

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

## Other information

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

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

We have nothing to report in this regard.

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

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

- the information given in the Trustees' Report which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

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

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

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

## Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 38, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

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

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

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

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

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

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

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

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

## Use of the audit report

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

Nicola Wakefield
(Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS
Date: 31/01/2024

# Financial statements 2022/23

# Consolidated statement of financial activities

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

The notes on pages 78 to 94 form part of these financial statements.

| | Notes | Unrestricted Funds | Restricted Funds | Total 2023 | Total 2022 |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **INCOME** | | | | | |
| Donations | 2 | 98,555 | - | 98,555 | 100,864 |
| Income from charitable activities | 3 | 1,271,189 | - | 1,271,189 | 1,057,146 |
| Income from trading activities | 4 | 132,012 | - | 132,012 | 3,000 |
| Investment income | 5 | 6,879 | - | 6,879 | 148 |
| Other income | | 6,050 | - | 6,050 | 116,362 |
| **TOTAL INCOME** | | **1,514,685** | **-** | **1,514,685** | **1,277,520** |
| **EXPENDITURE** | | | | | |
| Expenditure on charitable activities | 6 | 1,518,850 | - | 1,518,850 | 1,364,685 |
| **TOTAL EXPENDITURE** | | **1,518,850** | **–** | **1,518,850** | **1,364,685** |
| **Net (expenditure) and net movement in funds for the year before transfers** | | **(4,166)** | **-** | **(4,166)** | **(87,165)** |
| Transfer between funds | | 7,046 | (7,046) | - | - |
| **Net income/(expenditure) and net movement in funds for the year** | | **2,880** | **(7,046)** | **(4,166)** | **(87,165)** |
| Reconciliation of funds<br>Total funds, brought forward | | 266,772 | 7,046 | 273,818 | 360,983 |
| **Total funds, carried forward** | | **269,652** | **(0)** | **269,652** | **273,818** |

# Balance sheets

The notes on pages 78 to 94 form part of these financial statements.

Approved by the Trustees on 07 December 2023 and signed on their behalf by Gary Forster (Chair):

| | Notes | 2023 | | 2022 | |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| | | Charity | Group | Charity | Group |
| **Fixed assets** | | | | | |
| Tangible fixed assets | 8 | - | - | 3,950 | 3,950 |
| Investments | 8.1 | 10,000 | - | 10,000 | - |
| **Current assets** | | | | | |
| Debtors | 9 | 504,547 | 452,085 | 411,941 | 529,788 |
| Short term deposits | 9.1 | 297,538 | 297,538 | 340,659 | 340,659 |
| Cash at bank and in hand | | 418,257 | 654,114 | 430,697 | 509,294 |
| | | **1,220,342** | **1,403,737** | **1,183,297** | **1,379,741** |
| **Liabilities** | | | | | |
| Creditors falling due with in one year | 10 | (956,269) | (1,103,779) | (886,985) | (1,059,873) |
| **Net current assets** | | **264,073** | **299,958** | **296,312** | **319,868** |
| Creditors falling due after one year | 10 | (30,306) | (30,306) | (50,000) | (50,000) |
| **Net assets** | | **243,767** | **269,652** | **260,262** | **273,818** |
| **The funds of the charity** | | | | | |
| Unrestricted funds: | | | | | |
| General | 11 | 152,010 | 177,895 | 144,941 | 158,497 |
| Designated | 11 | 91,757 | 91,757 | 108,275 | 108,275 |
| Restricted funds | 11 | - | - | 7,046 | 7,046 |
| **Total charity funds** | | **243,767** | **269,652** | **260,262** | **273,818** |

# Consolidated statement of cash flows

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Cash Flows from Operating Activities** | | | | |
| Net Expenditure | (4,166) | | (87,165) | |
| Adjustments for: | | | | |
| Depreciation | 3,950 | | 57,215 | |
| Interest Expense | 1,105 | | 148 | |
| Trade and Other Receivables | 77,703 | | (254,435) | |
| Trade and Other Payables | 231,865 | | 318,703 | |
| **Cash Flows generated / (used by) from Operations** | | **310,457** | | **34,466** |
| Interest paid | | (1,105) | | (148) |
| **Net Cash Flow from Operating Activities** | | **309,352** | | **34,318** |
| **Cash Flows from Finance Activities** | | | | |
| Repayment of loan | (207,653) | | | |
| | | **(207,653)** | | |
| **Net Increase / (Decrease) in Cash** | | **101,699** | | **34,318** |

| | At 1 April 2022 | Cash Flows | At 31 March 2023 |
|---|---|---|---|
| Cash at bank | 509,294 | 144,820 | 654,114 |
| Cash on deposit | 340,659 | (43,121) | 297,538 |
| | **849,953** | **101,699** | **951,652** |

# Notes to the financial statements

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

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

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

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

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

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

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

## Donated facilities
Donated facilities are included at the value to CFG i.e., the value CFG would have paid in the open market. Although SORP 2019 recommends that the value of donated facilities is included in voluntary income, they are included under the relevant category of income for charitable activities because CFG considers this gives a fairer presentation.

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

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

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

basis to the key strategic areas of activity. Overheads and other salaries are allocated between expenses headings based on time spent.

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

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

## Operating leases

Rentals paid under operating leases are charged to expenditure on a straight-line basis over the terms of the leases. The rent-free period incentive on the lease of 15/18 White Lion Street, London, N1 9PG, has been spread over the term to the first break in the lease i.e., five years.

## Going concern

Free unrestricted reserves of CFG at the year-end amount to £177,895. After consideration of the current strategic plan for 2023/24 and with an aligned high-level, three-year budget agreed, the Trustees consider there is a reasonable expectation that the CFG group has adequate resources to continue in operational existence for the foreseeable future. The Trustees are also satisfied with the controls in place for monitoring and flexing the budget throughout the years. There are no material uncertainties that would impact on the charity's ability to continue. Accordingly, we continue to adopt the going concern basis in preparing this annual report and financial statements.

## Intangible and Tangible Fixed assets

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

## Significant judgements and estimates

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

## Investments

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



# Notes to the financial statements

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

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

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| **CFDG Trading Limited** | | |
| Turnover | 410,022 | 301,708 |
| Cost of sales | (141,265) | (158,979) |
| **Gross profit** | **268,757** | **142,729** |
| Administrative expenses | 199 | (25,053) |
| **Operating profit** | **268,956** | **117,676** |
| Interest receivable | – | – |
| **Profit before tax and Gift Aid distribution** | **268,956** | **117,676** |
| Fund balance brought forward | 23,556 | 67,121 |
| Distribution to parent charity | (256,627) | (161,241) |
| Retained in subsidiary | 35,885 | 23,556 |
| **Balance sheet** | | |
| Current assets | 573,984 | 287,107 |
| Current liabilities | (538,099) | (263,551) |
| **Net assets** | **35,885** | **23,556** |
| Share capital | 10,000 | 10,000 |
| Reserves | 25,885 | 13,556 |
| **Total funding** | **35,885** | **23,556** |

## 2. Donations

| | Unrestricted Funds | Restricted Funds | Total 2023 | Total 2022 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Donations & Grants | 98,555 | - | 98,555 | 100,864 |
| | **98,555** | **-** | **98,555** | **100,865** |

## 3. Income from charitable activities

| | Unrestricted Funds | Restricted Funds | Total 2023 | Total 2022 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Developing Skills, Learning, Knowledge and Practice | 849,626 | – | 849,626 | 735,786 |
| Inspiring Financial Leadership | 358,800 | – | 358,800 | 252,944 |
| Encouraging a Supportive Environment | 62,763 | – | 62,763 | 68,416 |
| | **1,271,189** | **-** | **1,271,189** | **1,057,146** |

## 4. Income from trading activities

| | Unrestricted Funds | Restricted Funds | Total 2023 | Total 2022 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Other Trading Activities | 132,012 | - | 132,012 | 3,000 |
| | **132,012** | **-** | **132,012** | **3,000** |

## 5. Investment income

| | Unrestricted Funds | Restricted Funds | Total 2023 | Total 2022 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Bank interest | 6,879 | - | 6,879 | 148 |
| | **6,879** | **-** | **6,879** | **148** |

## 6. Expenditure on charitable activities

| Analysis for total expenditure | Staff costs | Support costs | Other direct costs | Total 2023 | Total 2022 |
|---|---|---|---|---|---|
| | | | | £ | £ |
| **Raising funds** | **22,486** | **8,603** | **6,168** | **37,257** | **28,392** |
| **Charitable activities** | | | | | |
| Develop skills, learning, knowledge & practice | 535,825 | 204,138 | 191,569 | 931,532 | 759,975 |
| Inspire financial leadership | 140,196 | 53,635 | 29,380 | 223,212 | 269,691 |
| Encourage a supportive environment | 218,242 | 83,493 | 25,115 | 326,850 | 306,627 |
| | **916,749** | **349,869** | **252,232** | **1,518,850** | **1,364,685** |
| **Total expenditure 2021-22** | **910,698** | **334,398** | **119,589** | **1,364,685** | |

## 7. Analysis of support cost

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

| | Raising funds | Develop skills, learning, knowledge & practice | Inspire financial leadership | Encourage a supportive environment | Total 2023 | Total 2022 |
|---|---|---|---|---|---|---|
| | | | | | £ | £ |
| **Support cost** | | | | | | |
| Premises & Office Services | 2,556 | 60,895 | 15,932 | 24,802 | 104,185 | 91,807 |
| IT & Communications | 1,869 | 44,536 | 11,653 | 18,140 | 76,198 | 90,698 |
| Human Resources, Recruitment & Training | 1,345 | 32,052 | 8,386 | 13,055 | 54,838 | 50,078 |
| Financial Costs | 1,337 | 31,001 | 8,335 | 12,974 | 53,647 | 26,271 |
| Depreciation | 97 | 2,309 | 604 | 940 | 3,950 | 57,215 |
| Governance (incl External Audit) | 1,399 | 33,345 | 8,725 | 13,582 | 57,051 | 18,329 |
| | **8,603** | **204,138** | **53,635** | **83,493** | **349,869** | **334,398** |

## 7.1. Net outgoing resources

a) These are stated after charging:

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Auditor's remuneration | | |
| Audit | 25,000 | 7,296 |
| Non-audit services | 1,500 | 1,515 |
| Depreciation | 3,950 | 57,215 |
| Operating lease premises | 75,991 | 74,031 |

## Operating lease commitments

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

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| **Group and Charity property** | | |
| Leases which expire: | | |
| Within one year | 51,945 | 80,000 |
| Within one to two years | – | 51,945 |
| Within two to five years | – | – |
| | **51,945** | **131,945** |

## b) Valuation of donated resources

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

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Raising funds | – | – |
| Charitable activities | | |
| Develop skills, learning, knowledge & practice | 139 | 22,523 |
| Inspire financial leadership | – | 39 |
| Encourage a supportive environment | – | 13 |
| **Total** | **139** | **22,575** |

## 7.2. Trustees and employee information

a) Trustee information

No remuneration was paid to or waived by any Trustee during the year (2022: Nil). No expenses for travel and subsistence were reimbursed to trustees during the year (2022: Nil).

b) Employee information

| i) Employee numbers | 2023 | 2022 |
|---|---|---|
| | No. | No. |
| Full time equivalent number of staff employed during the year was: | 17.3 | 19.2 |
| Average headcount during the year was: | 18.0 | 20.2 |

| ii) Employee costs | £ | £ |
|---|---|---|
| Salaries | 768,022 | 777,113 |
| Social security | 82,649 | 82,730 |
| Pension | 61,078 | 60,669 |
| **Sub-total salaried staff** | **911,749** | **920,512** |
| Holiday pay accruals | – | (7,995) |
| Other | – | (1,819) |
| **Total employee costs** | **911,749** | **910,698** |

Within the above figures, there were no redundancy payments made to employees (2022: no payments).

## 7.2. continued...

| iii) The number of employees whose total pay amounted to £60,000 or above for the year is as follows: | 2023 | 2022 |
|---|---|---|
| | No. | No. |
| Above £90,000 | 1 | 0 |
| £80,001 – £90,000 | 0 | 1 |
| £70,001 – £80,000 | 1 | 0 |
| £60,001 – £70,000 | 0 | 1 |

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

**iv) Benefits**

Only two members of staff included in the above bandings for 2023 (2022: 2 employee) have benefits accruing under CFG's group pension arrangement. The employer contributions into the group personal pension scheme during the year on behalf of these members of staff amounted to £15,575 (2022: £14,987).

There were seventeen active members of staff in total accruing benefits under the group's personal pension schemes as at 31 March 2022 (2022: Fifteen).

## 7.2. continued...

c) Remuneration of Key Management Personnel

The total of employee benefits including pension contributions received by Key Management Personnel in 2023 is £321,004 (2022: £259,037). CFG's Board had defined that "key management personnel" would be based on our scheme of delegation where significant control had been delegated to the CEO and others; namely Directors or those making decisions of a significant nature. As a result, the following roles have been included; CEO, Director of Commercial Services and Marketing, Director of Policy and Engagement and Director of Finance and Operations.

d) Pensions

CFG offers an auto-enrolment compliant group personal pension scheme which is currently administered and managed by The Peoples Pension. For previously signed up employees CFG has a group pension scheme which is currently administered and managed by Aegon. New employees are enrolled at an employee contribution rate of 3%. CFG pays twice the percentage that the employee contributes up to a maximum of 10%. The amount of outstanding contributions as at 31 March 2023 was £3,865 (2022: £7,445).

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

| | Office Furniture (Tangible fixed assets) | Computers (Tangible fixed assets) | Software (Intangible fixed assets) | Total 2023 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Cost** | | | | |
| As at 1 April 2022 | 27,522 | 18,573 | 218,281 | 264,376 |
| Additions | – | – | – | – |
| Disposals | – | – | – | – |
| **As at 31 March 2023** | **27,522** | **18,573** | **218,281** | **264,376** |
| **Depreciation/Amortisation** | | | | |
| As at 1 April 2022 | (27,522) | (18,573) | (214,331) | (260,426) |
| Charge for the year | – | – | (3,950) | (3,950) |
| Disposals | – | – | – | – |
| **As at 31 March 2023** | **(27,522)** | **(18,573)** | **(218,281)** | **(264,376)** |
| **Net book value** | | | | |
| As at 31 March 2023 | – | – | – | – |
| As at 31 March 2022 | – | – | 3,950 | 3,950 |

The above fixed assets are used to support all of CFG's activities. As at 31st March 2023, CFDG Trading Ltd had no fixed assets.

## 8.1. Investment

| | 2023 subsidiary No. | 2023 Charity £ | 2022 £ |
|---|---|---|---|
| At historic cost: | | | |
| Investment in Subsidiary-CFDG Trading Ltd | 10,000 | 10,000 | 10,000 |
| | | **10,000** | **10,000** |

| **Principal Subsidiary Undertakings** | **Registered in** | **Percentage of capital held** | **No. of £1 ordinary shares held** |
|---|---|---|---|
| CFDG Trading Limited | England & Wales | 100% | 10,000 |

Company No: 06810640
Registered Office: 15-18 White Lion Street, London N1 9PG

## 9. Debtors

All amounts fall due within one year.

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| | **Charity** | **Group** | **Charity** | **Group** |
| Trade debtors | 169,244 | 363,274 | 236,550 | 434,297 |
| Bad debt provision | (5,831) | (52,162) | (3,668) | (59,417) |
| Deposits | 11,410 | 11,410 | 11,410 | 11,410 |
| Amounts due from subsidiary undertakings | 200,160 | - | 28,569 | - |
| Prepayments | 129,563 | 129,563 | 104,678 | 109,097 |
| Accrued income | - | - | 34,402 | 34,402 |
| | **504,547** | **452,085** | **411,941** | **529,788** |
| **Short Term Deposits** | | | | |
| Other debtors | 297,538 | 297,538 | 340,659 | 340,659 |
| | **297,538** | **297,538** | **340,659** | **340,659** |

## 10. Creditors

All deferred income brought forward at the beginning of the year was released to income during the year (2022: same). All deferred income relates to membership fees and event bookings in advance.

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| | **Charity** | **Group** | **Charity** | **Group** |
| Trade creditors | 17,871 | 17,871 | 78,711 | 78,771 |
| Other creditors | 32,127 | 32,127 | 19,627 | 19,627 |
| Accruals | 28,071 | 35,071 | 13,321 | 17,321 |
| Deferred income | 622,365 | 953,303 | 518,804 | 723,684 |
| Amounts due to subsidiary undertakings | 190,428 | – | 62,094 | – |
| Bank loan- Current portion | 12,041 | 12,041 | 200,000 | 200,000 |
| Taxation and social security | – | – | – | – |
| VAT Control Account | 49,501 | 49,501 | (12,990) | 13,053 |
| Net Salary | – | – | (27) | (27) |
| Pension Contributions | 3,865 | 3,865 | 7,445 | 7,445 |
| | **956,269** | **1,103,779** | **886,985** | **1,059,873** |

The loan listed above (2022: value £250,000) was provided by Social Investment Business FM Ltd, under the UK Government's Coronavirus Business Interruption Loan Scheme (CBILS). The loan term is 5 years; interest rate in year 1 was 9% and 7% in subsequent years; there was a 12 month repayment holiday; there are no early repayment fees. £200,000 was repaid in 2022/23.

| | | | | |
|---|---|---|---|---|
| | 30,306 | 30,306 | 50,000 | 50,000 |
| | **30,306** | **30,306** | **50,000** | **50,000** |

## 11. Outline Summary of Fund Movements

| | Balance at 01/04/2022 | Income | Expenditure | Transfer between funds | Balance at 31/03/2023 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **Restricted funds:** | | | | | |
| Small Charities Programme | 7,046 | | | (7,046) | - |
| | **7,046** | **-** | **-** | **(7,046)** | **-** |
| **Designated funds:** | | | | | |
| Fixed Assets Reserves | 3,950 | | 3,950 | | - |
| IFL Training | 39,325 | 31,932 | 12,500 | (32,000) | 26,757 |
| Qualification Training Contracts | 15,000 | | | | 15,000 |
| Future investment | 50,000 | | | | 50,000 |
| | **108,275** | **31,932** | **16,450** | **(32,000)** | **91,757** |
| **Unrestricted fund:** | | | | | |
| Free Reserves | 158,497 | 1,482,753 | 1,502,400 | 39,046 | 177,895 |
| | **266,772** | **1,514,685** | **1,518,850** | **7,046** | **269,652** |
| **Total funds** | **273,818** | **1,514,685** | **1,518,850** | **-** | **269,652** |

## 11. continued...

Analysis of charitable funds – previous year

| | Balance at 01/04/2022 | Income | Expenditure | Transfer between funds | Balance at 31/03/2023 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **Restricted funds:** | | | | | |
| Small Charities Programme | 7,046 | - | - | - | 7,046 |
| Membership Bursary Fund | 26,448 | (26,448) | - | - | - |
| | **33,494** | **(26,448)** | **-** | **-** | **7,046** |
| **Designated funds:** | | | | | |
| Fixed Assets Reserves | 61,165 | - | 57,215 | - | 3,950 |
| IFL Training | 27,137 | 35,717 | 13,259 | (10,270) | 39,325 |
| Qualification Training Contracts | 15,000 | - | - | | 15,000 |
| Future investment | - | - | - | 50,000 | 50,000 |
| | **103,302** | **35,717** | **70,474** | **39,730** | **108,275** |
| General funds | 224,187 | 1,268,251 | 1,294,211 | (39,730) | 158,497 |
| | **327,489** | **1,303,968** | **1,364,685** | **-** | **266,772** |
| **Total funds** | **360,983** | **1,277,520** | **1,364,685** | **-** | **273,818** |

## 12. Related party transactions

During the year ending 31 March 2023, the charity charged its subsidiary £141,265 for management fees relating to CFDG Trading Ltd's activities (2022: £158,979). CFDG Trading Ltd donated £256,627 to CFG from its profits (2022: £161,241). There were no other related party transactions. As at 31 March, the balance due from CFDG Trading Ltd to CFG was £9,732 (2022: £33,525 balance due to CFDG Trading Ltd from CFG).

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

| | |
|---|---|
| Avtar Boparai | Director of CFDG Trading Ltd |
| Kevin O'Brien | Director of CFDG Trading Ltd |
| Kelly Ryder | Finance Manager, The Orchard Trust (£1,370.50) |
| Kerry Shea | FD, Everybody Health and Leisure (£1,343.00) |
| Mwiza Mkandawire | Head of Finance, Transaid Worldwide Services (£807.00) |
| Saf Rahbour | Independent Audit Committee Member, UNICEF UK (£2,025.00) |
| | Director of Finance & Operations, Tropical Health and Education Trust (£430.00) |

## 13. Summary of Assets and Liabilities by Fund

| Current Year | Unrestricted Funds | Designated Funds | Restricted Funds | Total Funds |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Intangible Fixed Assets | – | – | – | – |
| Tangible Fixed Assets | – | – | – | – |
| Current Assets | 1,311,980 | 91,757 | – | 1,403,738 |
| Current Liabilities | (1,103,779) | – | – | (1,103,780) |
| Long-term Liabilities | (30,306) | – | – | (30,306) |
| **Totals** | **177,895** | **91,757** | **–** | **269,652** |

| Prior Year | Unrestricted Funds | Designated Funds | Restricted Funds | Total Funds |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Intangible Fixed Assets | – | 3,950 | – | 3,950 |
| Tangible Fixed Assets | – | – | – | – |
| Current Assets | 1,291,415 | 104,325 | 7,046 | 1,402,786 |
| Current Liabilities | (1,082,918) | – | – | (1,082,918) |
| Long-term Liabilities | (50,000) | – | – | (50,000) |
| **Totals** | **158,497** | **108,275** | **7,046** | **273,818** |

## 14. Events after the reporting period

i) Adjusting events
There are no adjusting events that took place after the reporting period.

ii) Non-adjusting events
There are no adjusting events that took place after the reporting period.

## 15. Comparative statement of financial activities

For the year ended 31 March 2022 (incorporating the income and expenditure account)

| | 2022 | | |
|---|---|---|---|
| | Unrestricted Funds | Restricted Funds | Total Funds |
| | £ | £ | £ |
| **Income from:** | | | |
| **Donations and legacies** | **127,312** | **(26,448)** | **100,864** |
| **Charitable activities** | | | |
| Develop skills, learning, knowledge & practice | 735,786 | – | 735,786 |
| Inspire financial leadership | 252,944 | – | 252,944 |
| Encourage a supportive environment | 68,416 | – | 68,416 |
| **Other trading activities** | | | |
| Fundraising events | 3,000 | – | 3,000 |
| **Investments** | **148** | **–** | **148** |
| **Other** | **116,362** | **–** | **116,362** |
| **TOTAL INCOME** | **1,303,968** | **(26,448)** | **1,277,520** |
| **Expenditure on:** | | | |
| **Raising funds** | **28,392** | **–** | **28,392** |
| **Charitable activities** | | | |
| Develop skills, learning, knowledge & practice | 759,975 | – | 759,975 |
| Inspire financial leadership | 269,691 | – | 269,691 |
| Encourage a supportive environment | 306,627 | – | 306,627 |
| **TOTAL EXPENDITURE** | **1,364,685** | **–** | **1,364,685** |
| NET INCOME / (EXPENDITURE) | (60,717) | (26,448) | (87,165) |
| TOTAL FUNDS BROUGHT FORWARD AT 1 APRIL | 327,489 | 33,494 | 360,983 |
| **TOTAL FUNDS CARRIED FORWARD AT 31 MARCH** | **266,772** | **7,046** | **273,818** |




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Registered charity in England and Wales no.: 1054914
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