INSPIRING FINANCIAL LEADERSHIP

Leading the way for our community



Charity Finance Group Annual Report and Financial Statements 2021/22

Registered charity in England and Wales number 1054914
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.

Our 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: www.cfg.org.uk

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Why Charity Finance Group exists

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

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

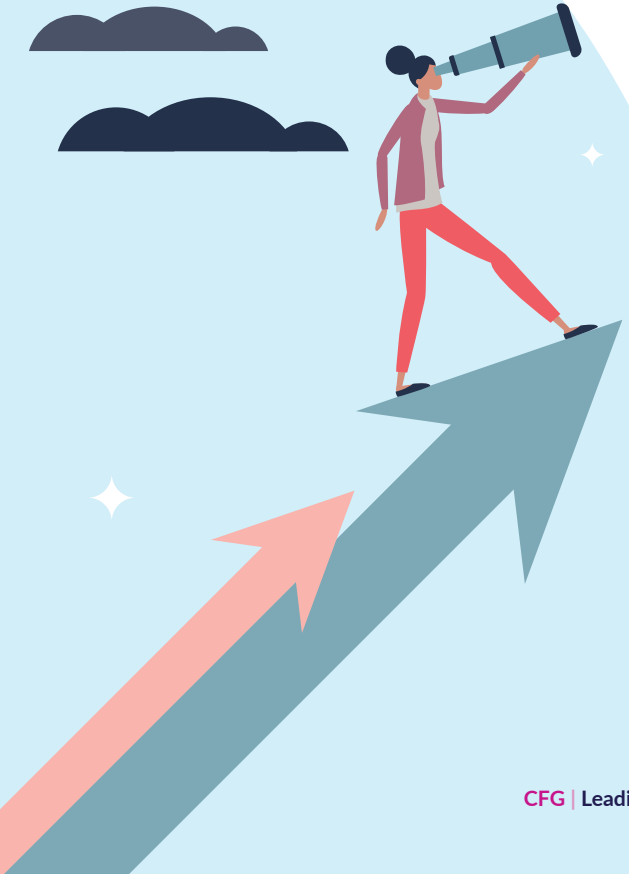


OUTCOME 01

Well-developed skills, learning, knowledge and practice

OUTCOME 02

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



OUTCOME 03

A supportive and understanding operating environment



A message from our Chair and CEO

At the time of writing last year's annual report, we already knew the pandemic would not be transitory. Indeed, we predict that we will be living with Covid-19 and its aftereffects for some significant time to come. Alongside this, we now face a number of other significant challenges: war in Ukraine, energy price explosion, high inflation, political turmoil and a cost of living crisis.

These are all matters of such magnitude that to describe them as 'a perfect storm' would seem wholly inadequate. At what point does continual and unprecedented change become the new state of being? Is this our 'new normal'?

It's essential that we do not become desensitised by the enormity of these challenges. As charities, individuals, communities and as a sector, we must not allow ourselves to be distracted from our purposes. And we must not give way to the notion that the difference we make is insufficient.

It is against this backdrop that we reflect on CFG's past year of activities and share with you some of the highlights in this annual report. Despite the wider operating challenges we've faced, and still face, we continue to make a positive difference.

During the pandemic, changes in our communications were driven at speed. In this financial year, we have focused even more keenly on what being digital first means for CFG and our community. You can read more on that later in this report.

We also recognised that the Covid-19 pandemic had taken its toll on our staff and wider stakeholders. So, we have sought out new ways to energise our community, and boost our sector and, vitally, support the wellbeing of our staff.

CFG's finances are still challenging, but we are confident that not only will we survive and rebuild, but that the investments we have made will transform our systems, improve our ways of working and create new opportunities to support even more members and partners.

Together, we are continuing to lay the groundwork for further adjustments, to ensure we are prepared for whatever the world throws at us next. And we couldn't have done this without you. We extend our thanks to every member of the CFG community:

- Our charity members who make up this vibrant and supportive community, and astound us daily with their passion, sense of purpose, insights and generosity of spirit.
- Our corporate partners who, yet again, generously shared their expertise and resources, ensuring the quality and timeliness of our offer remains leading class.
- Our CFG trustees, volunteers and staff who work so hard to make so many incredible conversations, connections and experiences happen, every day, for our members and partners.

And our gratitude extends to the foundations that have supported us with vital funding when we needed it most. Thank you.



Caron Bradshaw
CEO



Gary Foster
Chair

Strategic goals for 2021 and beyond

Our three main areas of leadership focus for the year 2021 and beyond are:

01

Be the ‘go-to’ body

02

Promote and support financial leadership at all levels

03

Use our position to convene powerful networks

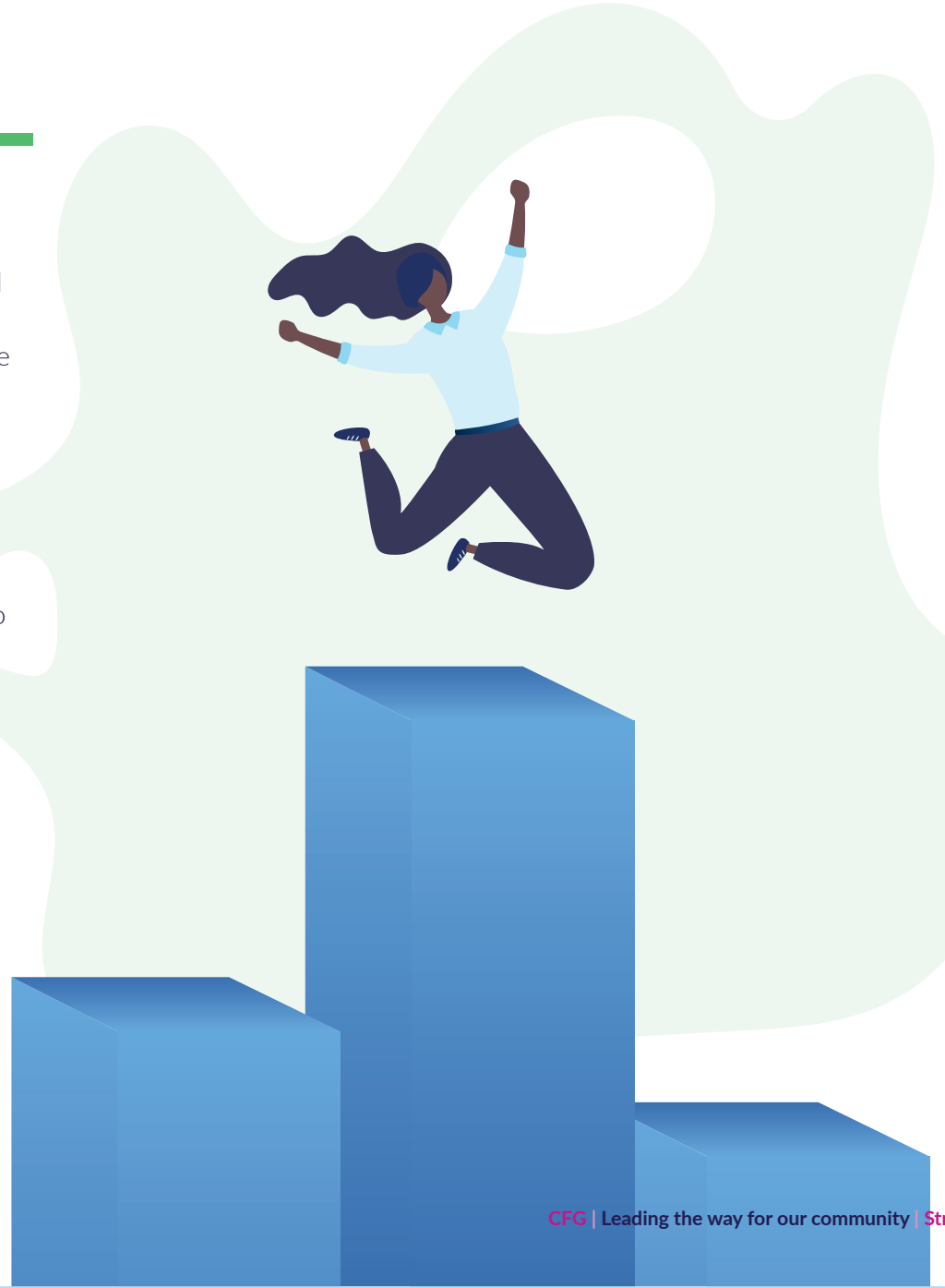
01

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 our 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.

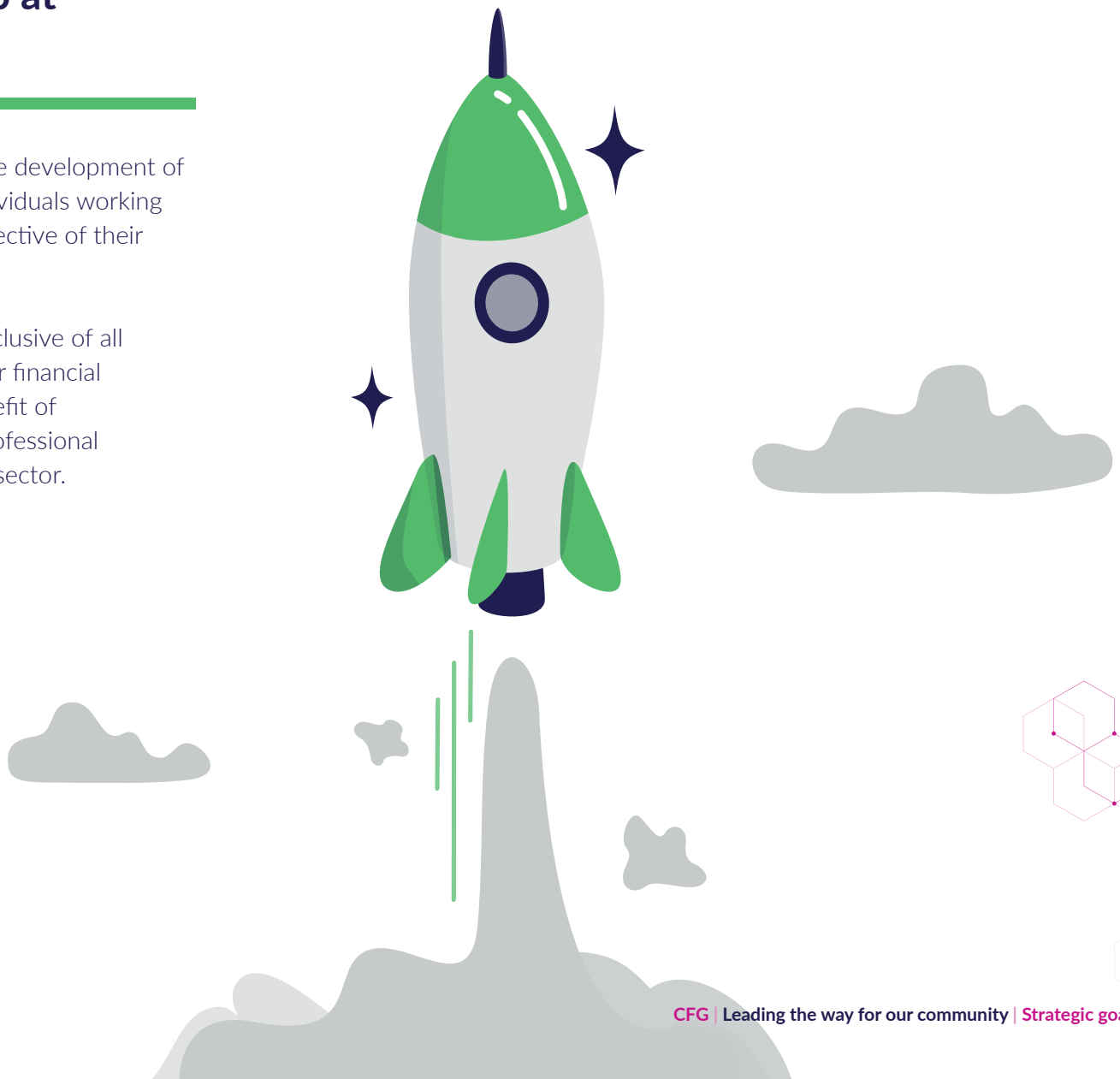


02

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 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.



03

Use our position to convene powerful networks

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

- Support each other's learning and knowledge, leading to greater social impact
- Position finance at the heart of decision making, to drive effective governance and sustainable operations
- Inform, instigate and shape better policy (legislation, regulation and official guidance) 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 Charity Finance Group.

As of March 2022, there were 169,000 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.

> Charity Finance Group provides public benefit by carrying out activities and providing services which improve financial management and leadership in the charity sector.

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

Charity Finance Group 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. We inspire different thinking about finance and its importance to charities' work.

By helping charities to improve their financial management and performance, we improve the effectiveness of charities, thereby supporting millions of beneficiaries in the UK and around the world.

> 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.

Improving the work of charities and helping their sustainability in a volatile and often unpredictable environment, we deliver significant public benefit.

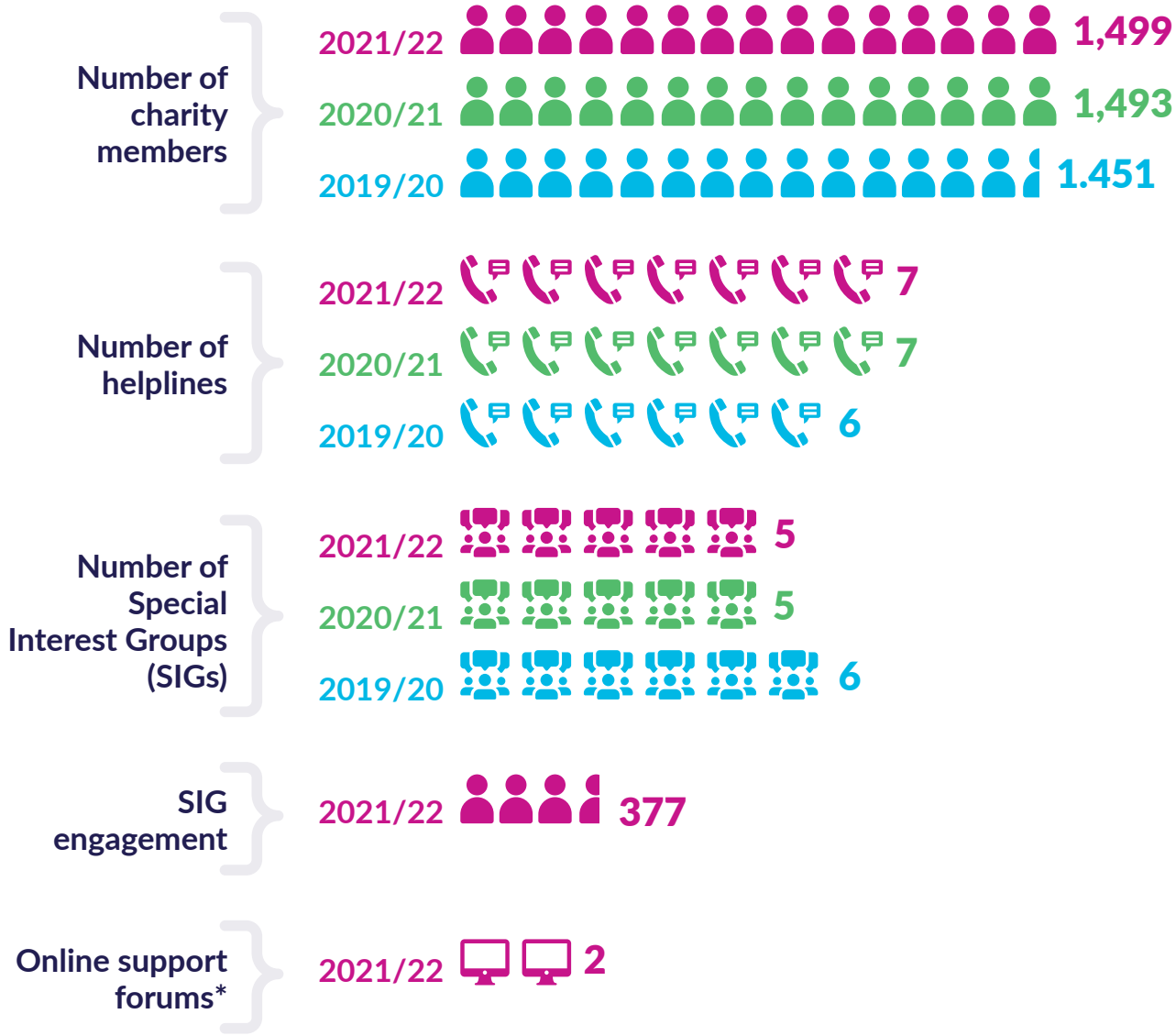
This report shares many of CFG's activities and achievements during the year, as set against our strategic aims and our plans for 2021/22.

Financials at a glance

	Total income (2022)	Total income (2021)	Total income (2020)	Total expenditure (2022)	Total expenditure (2021)	Total expenditure (2020)
Outcome 1 Develop skills, learning, knowledge and practice 	735,786 ↑21%	610,165 ↓39%	999.547 ↓8%	759,975 ↑6%	716,404 ↓34%	1,084,060 ↑2%
Outcome 2 Inspiring financial leadership 	252,944 ↓29%	356,669 ↓18%	435,059 ↑2%	269,691 ↓16%	322,638 ↓11%	363,290 ↑7%
Outcome 3 Encourage a supportive environment 	68,416 ↑17%	58,569 ↓35%	90,437 ↓15%	306,627 ↓2%	313,008 ↓11%	350,681 ↑21%

Performance at a glance

Charity membership



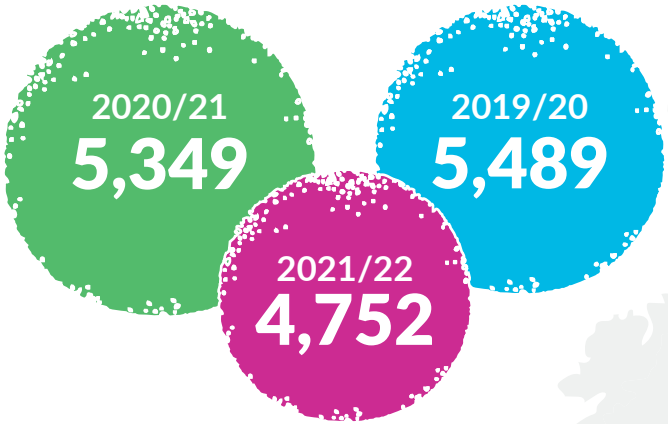
Data and data analysis in 2021/22

CFG's membership renewals process underwent a change in emphasis in mid-2021. This development continued into 2022, with an ongoing focus on improving data capture and improving communications. This meant that the renewals process was significantly shorter, saving weeks of staff time in processing and follow-up, especially during our main renewals period in April/May. By automating and streamlining the renewals process we have been able to spend time speaking to our members, focusing on their needs, and actively engaging them in CFG membership.

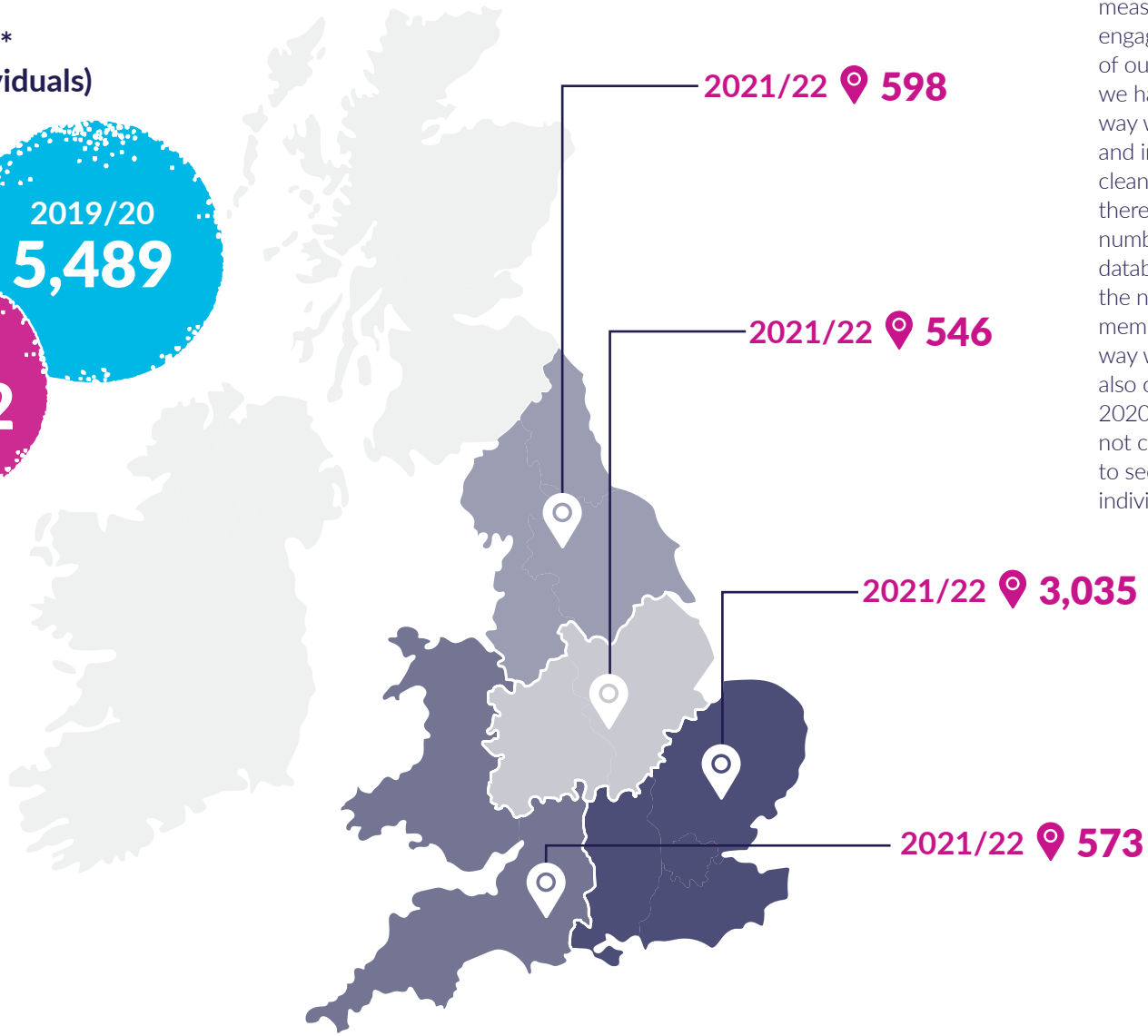
*CFG established two new online support forums in 2021 – a group for finance leaders, for those new to the sector and those wanting to share their support and knowledge, and one for those working in the arts sector.

Charity membership

CFG reach*
(number of individuals)



CFG reach, geographically*
(number of individuals)



Data and data analysis in 2021/22

*In 2021/22, we took the decision to focus on engagement and measure the number of actively engaged individuals across each of our charity members. To do this we have made changes to the way we gather and analyse data and in 2021/22 we undertook a cleansing of our data. Therefore, there has been a drop in the number of contacts on our database during the year, despite the number of individual charity members remaining stable. The way we analyse data by region has also changed and therefore the 2020/21 and 2021/22 figures are not comparative. In time, we expect to see an increase in the number of individuals we're engaging with.

Corporate membership

Corporate members

2021/22 109

2020/21 102

2019/20 127

New corporate members

2021/22 25

2020/21 11

2019/20 16

Exhibitors at events

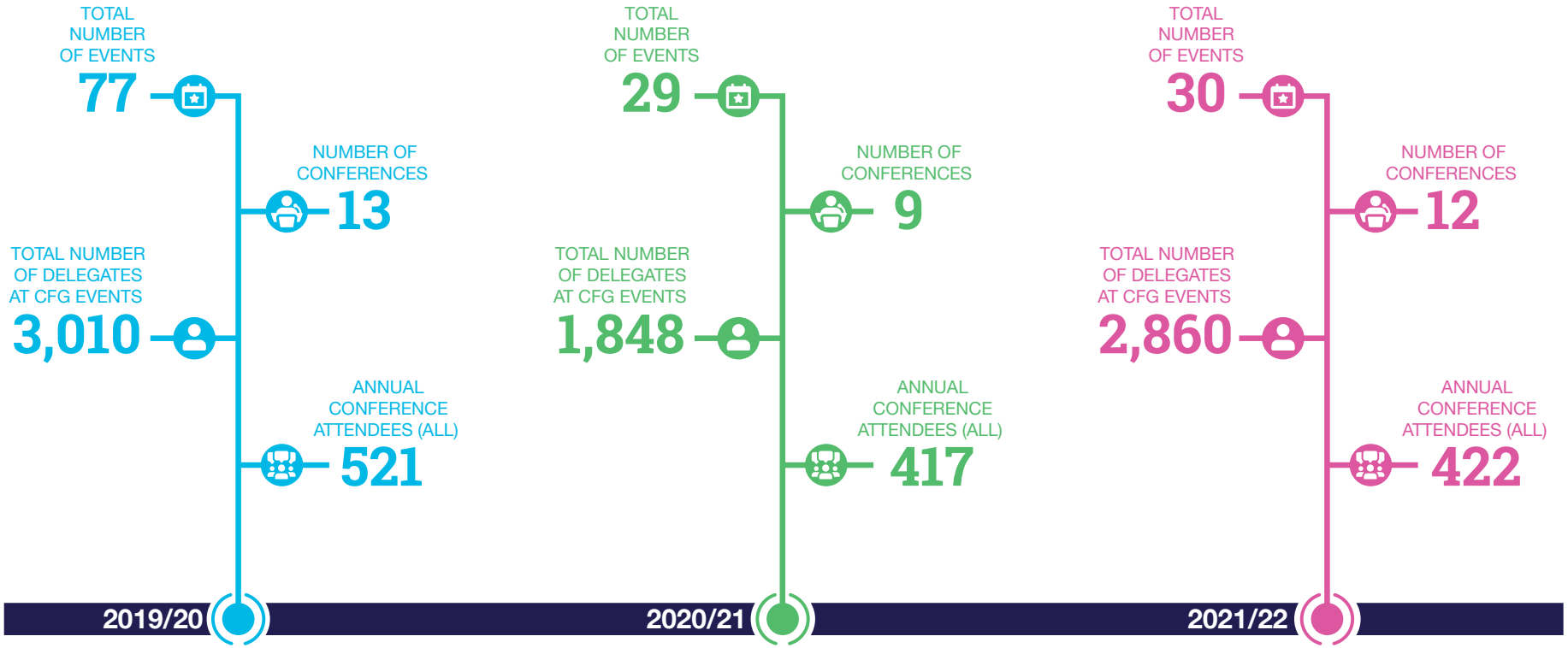
2021/22 8*

2020/21 29*

2019/20 76

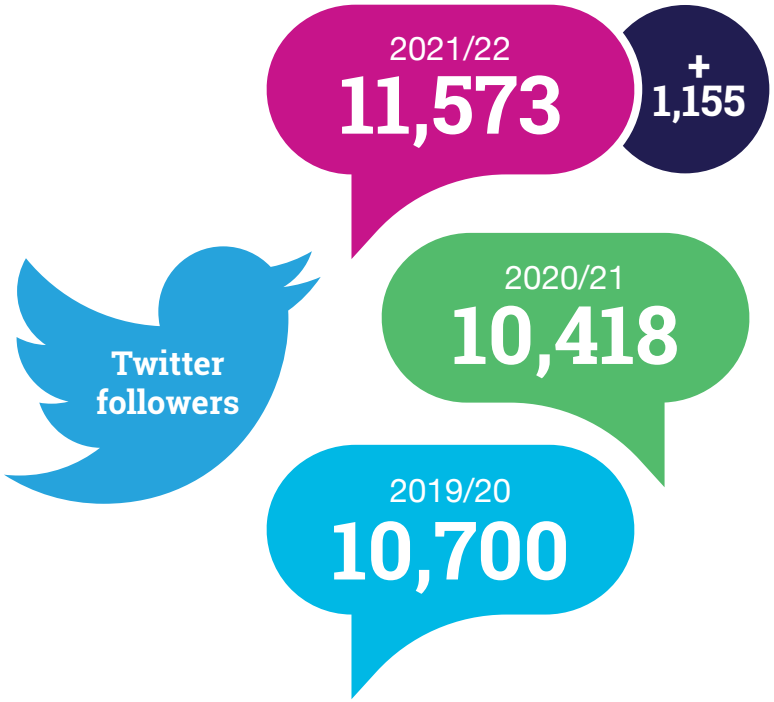
*This is the number of all exhibitors, but for one event only – our online Annual Conference 2021. Exhibitors were not able to attend other events during the lockdown and therefore we cannot make a fair comparison. However, we are delighted that by the end of March 2022, more than 18 organisations had booked to exhibit. In total, 41 exhibitors, not including sponsors, were present at the 2022 Annual Conference in June. This figure will be included in next year's annual report.

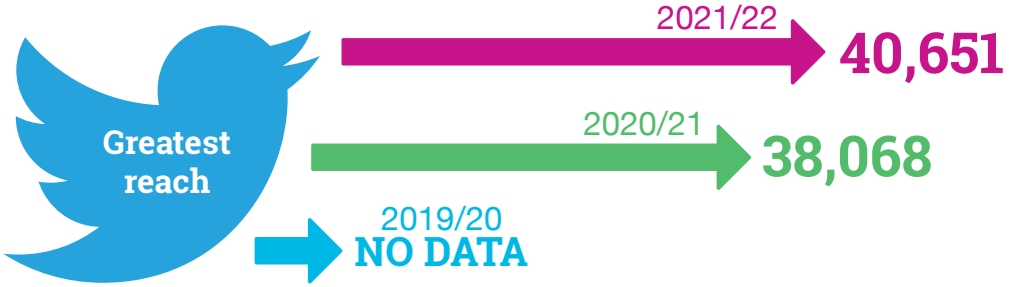
Events and training



Due to government restrictions, we continued to deliver our events and training programme online during 2021/22. This new delivery model, and the impact of further lockdowns, led to a scaling back of larger events, the organisation of many smaller, more regular events for members and the cancellation of regional, in-person events. We also provided opportunities to network, share intelligence and work on topic-specific issues through numerous informal meetings. Online delivery meant that geography no longer acted as a barrier to accessing CFG events and training, improving accessibility for many. The figures above reflect this change in delivery method and the impact on delegate and exhibitor numbers.

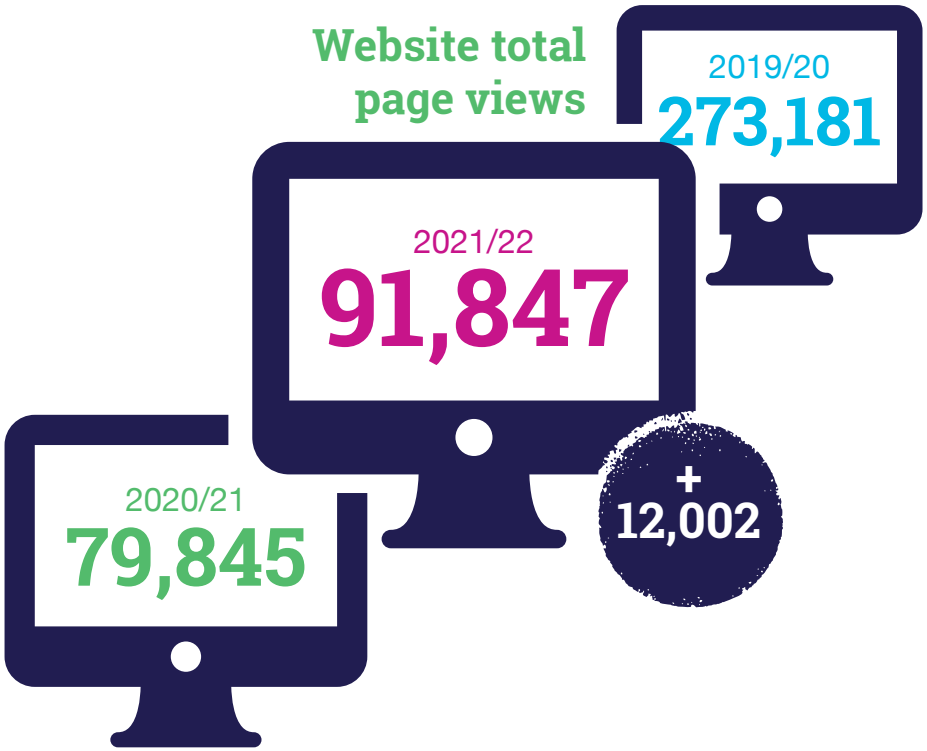
Our greatest reach

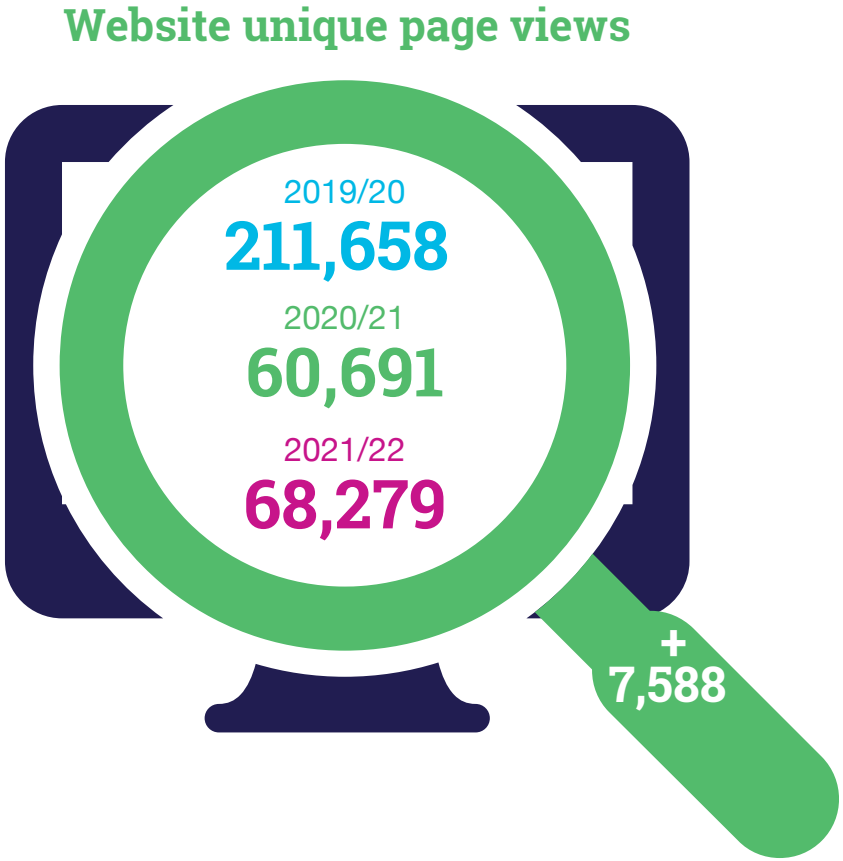




Once again, we increased our social media reach in 2021/22, with new followers and a growing audience. Last year, we included data on our greatest one-off reach with social media posts. This is useful in understanding our potential reach to external audiences.

Website views





The two-phase website improvement project we mapped out at the end of 2020 began mid-2021 and phase 1 was successfully completed by January 2022. Phase 2 began in February 2022 and was completed in June 2022. These improvements mean that we can more efficiently collect and analyse data, providing more in-depth data on visitor behaviour. The investment has also provided us with the digital building blocks we need to deliver more content to members and our other stakeholders. This in turn gives us more opportunities to work with our charity members and corporate partners. More on this in the forthcoming 2022/23 annual report.

View our 2020/21 Trustees' Annual Report.

Report of the Board of Trustees

It has been another busy and challenging year for CFG, our members, partners, and the wider sector. In April 2021, we were still trying to make sense of the Covid-19 crisis – what it meant for us as an organisation, those we exist to serve and the wider sector and society.

In the previous year, the pandemic pressed pause on many activities, within the sector and also within government. In 2021/22, we saw many of those activities resume and a sense that we were heading back to 'business as usual'. Work continued apace on many of the activities we had brought forward, such as the drive to becoming 'digital first' and new, exciting projects launched.

Our relentless focus on providing members and partners with the support and opportunities they needed during the year continued. Our achievements were underpinned by sound financial management, as well as investment in our organisation's systems and processes, many of which had dramatically changed in the previous year because of the pandemic.

Our achievements were also underpinned by the commitment of our staff and volunteers. At the beginning of 2021, as we looked ahead to another year of uncertainty and the threat of a second lockdown, we could see the toll that the pandemic had taken on people working in the charity sector.

> If we cannot invest in their wellbeing, growth and development, then we undermine all that we are trying to deliver and achieve.

In January 2021, a *survey by Third Sector* showed that more than nine out of ten charity workers said they had felt stress, overwhelm or burnout. Many had put in extra hours to ensure their charity's sustainability and stability. There was little doubt that the sector was starting to feel the effects of moving at pace for long periods to keep providing public benefit. For many charities, this level of delivery was achieved against all odds and a backdrop of increasing demand and decreasing funds.

This 'burden of effort', as a *study by Pro Bono Economics* described it later in the year, led to 75% of charity leaders reporting their concerns for other paid staff. The watchword was 'burnout'. Nearly half of those leaders had similar concerns about their volunteers.

This was not lost on anyone at CFG. As the 2021/22 financial year came round, it became clear that CFG was not immune to stress and burnout. We wanted to do more, not only to directly address the 'wellbeing gap', but to shape an inclusive culture and environment where all staff could thrive and be the best versions of themselves.

We recognise that our people are our main stakeholder group – a high power, high interest group. If we cannot invest in their wellbeing, growth and development, then we undermine all that we are trying to deliver and achieve. We refocused on our culture, brand and people.

Through this work we have gone 'back to basics' and invested in the systems and processes we need for the 21st century. As a result, we've increased and improved the opportunities and support we provided to members and partners.

It is thanks not only to our staff, but also to our volunteers, charity members, corporate partners and sector partners that we have so much positive news to report in this 2021/22 Trustees' Annual Report.

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

CFG played a pivotal role in the development and launch of the newly formed Civil Society Group and we have been instrumental in piecing together a strategy and plan for future work.

Led the sector's response to CSR/Budget, and also led the sector's response to the various fiscal events, working closely with other bodies.

CFG's CEO was part of the sector's engagement with DCMS.

Continued to work on SORP engagement and the revision of the SORP. The CEO remained a committed member of the SORP Committee.

Supported the IFR4NPO project as UK country champion.

Submitted a number of responses to important consultations on charity finance subjects like the future funding of DB schemes (The Pensions Regulator).

WHAT WE'VE LEARNED

Collaborating in constrained times makes better use of resources.

CFG's expertise in financial matters is trusted but we need to focus on securing better data for the sector to make the case for a resilient and sustainable funding model.

When we work together it is possible for the narrative assigned to the sector to be changed positively.

There is demand for our input from beyond our existing members.

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

Delivered an online Annual Conference over four days, with nearly 70 speakers with 44 speaker presentations and 'clinics' providing thought leadership, technical support and consultancy from our corporate partners, sponsors and exhibitors.

Conducted a range of online member meetings, covering a wide selection of topics, some sector-specific and others on core topics and Covid-19 related themes.

Deepened our understanding of member need across our Special Interest Groups (SIGs), as well as providing space for networking and knowledge sharing.

Successfully transferred our flagship *Inspiring Financial Leadership* course with partners Sayer Vincent and Centre of Charity Effectiveness (at Bayes) online.

Continued to deliver an innovative approach to mentoring with the virtual format, removing geographical barriers to participation.

Launched 'The Finance Journey 2.0', the second edition of CFG's finance team and individual development tool.

Offered bursaries for smaller charities and supported BAME and BAME-led organisations through IFL bursaries.

WHAT WE'VE LEARNED

The demand and need for technical, professional and personal development remains high. This seems certain to remain a core part of our offer and content.

The need for wider transformational skills and business recovery/turnaround skills is growing.

We have a real opportunity to use the refreshed 'Finance Journey' to support organisations and finance leaders to develop effective and transformational finance functions.

Participation continued to increase in some areas as a result of easy digital access. As a result, our digital systems and processes require flexing and updating and we need to ensure that they are fit for a more online world.

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

Continued to lead the Finance and Funding Group of the infrastructure coalition (alongside CIOF) and the corresponding DCMS working group on Finance. The Infrastructure coalition developed into The Civil Society Group with CFG taking a lead role.

Grew our lively discussion/enquiry group which members described as a lifeline during Covid-19.

Attracted more followers to our social media channels, helping to diversify and grow our networks and communities online.

Increased our number and diversity of corporate partners.

Offered some tailored affinity deals and brought charities and corporate partners together.

WHAT WE'VE LEARNED

The ability to bring together our corporate and charity members to tackle problems and co-create solutions was evident in our work, for example responding to The Pensions Regulator on the DB Funding Code proposals.

Collaboration enriches both our experience and the understanding of our partners and we were successful in opening a channel of communication with The Pensions Regulator which should ultimately benefit charities and those we serve in a resource efficient way.

CFG is very well-placed to bridge different industries and sectors, but we are not always well-known outside of the charity and non-profit sector. We need to build on the connections we have already made.

Read all about it!

There have been many, many highlights throughout the year and we've also played a crucial role in some important projects and policy work. Read on to find out more...

Leading the way for our community

By Caron Bradshaw OBE, Chief Executive Officer, Charity Finance Group



This year marked an interesting and, in many ways, exciting point in CFG's history. Like so many organisations, we were caught in a strange hiatus. We were still experiencing a global crisis and pandemic, but we were no longer managing an emergency. In 2021/22, CFG was primarily focused on achieving three things:

1. **STABILISING** the organisation, and the sector as a whole.
2. **ENERGISING** our people, our stakeholders and our wider community.
3. **PREPARING** for whatever was going to come next.

Stability and transformation

This year, we've had to strike a balance between stabilising the organisation post-pandemic, whilst, at the same time, exploring and cementing new ways of working, and continuing to deliver support to our members, partners and wider stakeholders.

We knew that it was vital to look ahead and make sense of what came to be described as the 'new normal'. In looking at how to futureproof our organisation, we were asking many of those questions common to our members: 'Do we keep the physical office?' and 'Should we return to holding face-to-face meetings and events? If so, when?'

Then there were those questions which we're always asking ourselves, but in 2021/22 had a slightly different complexion: 'How do our members and partners want to engage with us?' and What do they need to make sense of this altered political and financial landscape?'

One of the areas we've had to focus on much more keenly is our digital processes and systems. In 2020, our digital transformation was supercharged and, as we moved from emergency to crisis mode, we took the opportunity to pause and really examine what was working, what wasn't and what needed to improve.

Much of the work that came out of this was foundational – ensuring that we were putting in place the right building blocks for future development. And, as is always the case with technology, that work is ongoing.

> In 2020, our digital transformation was supercharged and, as we moved from emergency to crisis mode, we took the opportunity to pause and really examine what was working, what wasn't and what needed to improve.

A legacy of partnership

Collaborative working has been a positive part of the pandemic's legacy. In our previous annual report, 'The Power of Partnerships', we looked at the importance of further close working with organisations and individuals. CFG has been instrumental in setting out the next phase of collaboration within the wider sector and has played a leading role in the formation of the new Civil Society Group.

This work not only strengthens each of the collaborating organisations but, importantly, it also ensures that our sector continues to speak up with one clear, impactful voice where we can, and celebrate the differences in views when we cannot. I'm proud of CFG's contributions to this work. Together, we are able to have more informed and fruitful discussions with government, key policymakers and the media.

Putting people first

The crises we have faced, and continue to face, have led people in the sector to question their purpose and reimagine how they want to live and work. It's no secret that many people have been experiencing burnout. And there is now a very real danger that, as the cost of living crisis bites deeper, people will leave their purpose-driven jobs in search of greater financial reward elsewhere.

CFG is acutely aware of the toll these crises have taken on our staff, stakeholders and wider community. And we understand the risk that poses too. This year, we took strides to invest in our greatest asset – our people. This work began with a survey to better understand the thoughts and feelings of staff and how they felt at work. From this, we honed in on developing and nurturing a culture and working environment that is diverse, inclusive and, importantly, I feel, enjoyable!

This year, we worked together as a whole team to truly understand and shape CFG's values. And we have undertaken to invest in more

training and staff development. Is it worth it? Yes, it absolutely is. Is it necessary? I think it's essential. And do we always get it right? Of course we don't, but our commitment right across the organisation is unquestionable.

Building resilience, ensuring effectiveness

This year, we have had tremendous support from several foundations who gave us emergency funding to bridge the financial gap. And, although we ended the year with a sizeable deficit, it is one that is manageable and survivable. Unlike many other charities, we did not see a complete hollowing out of our reserves. They are seriously reduced but we had, and still have, the opportunity to invest in rebuilding our resilience and in new activities that support our charitable objectives.

This work included the successful delivery of a second online annual conference where, thanks to our sponsors, we delivered four full days of rich, high-quality content to more than 400 members and partners.

During the year, we were able to offer two new bursaries. The first, launched with generous support from Garfield Weston, meant that we welcomed nearly 200 small charities into membership whilst covering their membership fees.

The second bursary supported BAME and BAME-led organisations by providing them with free access to our flagship leadership training course, Inspiring Financial Leadership. This was thanks to the support of our course partners, Bayes Business School Centre for Charity Excellence and Sayer Vincent.

Our other exciting launches included 'The Finance Journey 2.0'. This development tool for charity finance teams and individuals saw an important update in 2021, thanks to a brilliant team of volunteers and staff, led by Simon Hopkins. We are looking forward to developing this tool further still in the year ahead, so watch this space!

On top of this new work, our 'drumbeat activities' continued with the same energy and enthusiasm as in previous years. We had another very successful Gift Aid Awareness Day in October and continued to support other campaigns. We responded to a plethora of government consultations and led on the current issues of our time, such as net zero. It's important that we remember and celebrate these successes and I hope this annual report will give you a good flavour of those highlights.

As we look ahead, it is both scary and exciting. My granny used to say that the physiological response to fear and excitement is the same; it's just your mindset that makes it different.

So, I'm confident that in 2021/22 we have built the foundation that will help us face into those challenges in the same way we have done before – with energy, optimism, and hope. And, of course, we will be armed with our shared values of support, dynamism and integrity.

Thank you for being a part of this journey.

Caron Bradshaw OBE
Chief Executive Officer, CFG



Read all about it!

Spring 2021 (Q1)

Overseas aid budget cuts spark outcry

CFG joins with international development charities, including the Small International Development Charities Network to speak up against the government's "devastating" 80% cuts to the international aid budget.

Queen's Speech: what it means for charities

CFG reports on the Queen's Speech and how it will impact charities. The bills affecting CFG members included the Charities Bill, the Subsidy Control Framework Bill and the Dormant Assets Bill. The Charities Bill legislates for the proposals outlined in the Law Commission's review on technical issues in charity law. CFG responded to each of the consultations before the bills were announced and noted positive changes, including the unlocking of almost £880m for social and environmental initiatives.



CFG marks Mental Health Awareness Week

CFG staff, members and partners take time out to mark Mental Health Awareness Week 2021. This year's theme is 'nature' and CFG staff share what they've done to reconnect with nature and improve their mental health and wellbeing. In advance of the awareness week, the team talks to mental health charities and shares their advice and ideas for improving wellbeing at work with CFG members and partners.

CFG celebrates Mentoring Scheme success

On the second anniversary of its launch, CFG celebrates its Mentoring Scheme, which continues to go from strength to strength. CFG's team looks to its future, setting down the foundations to welcome even more charity finance professionals into the peer mentoring network,

CFG bursary boosts small charities



Thanks to generous support from Garfield Weston, CFG launches a new membership bursary to cover the cost of membership for 200 small charities. The bursary gives those small charities adversely impacted by the Covid pandemic the opportunity to join CFG membership for one year and access all the support, events and resources available through membership.

CASE STUDY

Creating a supportive space for finance leaders

"Charity finance can be scary. The operating environment and regulations can change quickly and for those coming into it from another sector, it can be daunting."



When Jon King left his role at Kent University to join the Social Care Institute for Excellence (SCIE) as Head of Finance and Corporate Resources, he was acutely aware that he was facing a new set of financial and technical challenges, as well as a new sector with its own regulatory framework.

"I joined SCIE in August 2021, having spent almost 18 years working in a variety of finance roles at the University of Kent," explains Jon.

"During my tenure there, I was very lucky to have a large support network which included being chair of a finance special interest group, where my group could tackle strategic financial issues and share best practice."

Joining Charity Finance Group was the first step in Jon's search for similar professional support. He says: "Being new to this sector, it was very important to me to feel supported, to be able to bounce ideas off colleagues who have perhaps experienced similar issues and, in turn, share advice and support where I could too.

Following conversations with CFG's membership team, Jon hit upon the idea of establishing a group for finance leaders new to the charity sector.

"I knew that CFG provided a range of resources and tools, through the magazine, the CFG website and so on. When I spoke to the team, I realised that there could be even more support."

Following conversations with CFG's membership team, Jon hit upon the idea of establishing a group for finance leaders new to the charity sector. And in December 2021, CFG launched the Charity

CASE STUDY

Finance Leaders group to provide a dedicated space for finance professionals looking for support.

The idea was to bring together professionals from smaller charities, to share knowledge and resources, and connect with their peers.

The group instantly took off and has grown steadily in the past year. Finance leaders from more than 25 charities from across the UK now meet regularly to share their best practice, discuss tricky issues and scan the horizon.

Jon continues: "Sometimes you just want to be able to ask a silly question without feeling like it is a silly question. So, it's a support group where you're not judged.

"Many of us in the group are at a similar place in our finance journey and we cover a wide range of topics. It has been brilliant so far, really exciting and very rewarding.

"I would like to give a special mention to the membership team, and Zoe Bennett in particular, because without her I'd be lost. She has given the group so much time and support."

The group holds regular meetings online and uses an online discussion forum where members can post questions as and when they arise. Jon says the group's expertise is diverse and growing, but there's always room for more!

"We are always looking to welcome new members to the group. The more we are, the more we can help each other to flourish and grow."

Many of us in the group are at a similar place in our finance journey and we cover a wide range of topics. It has been brilliant so far, really exciting and very rewarding.

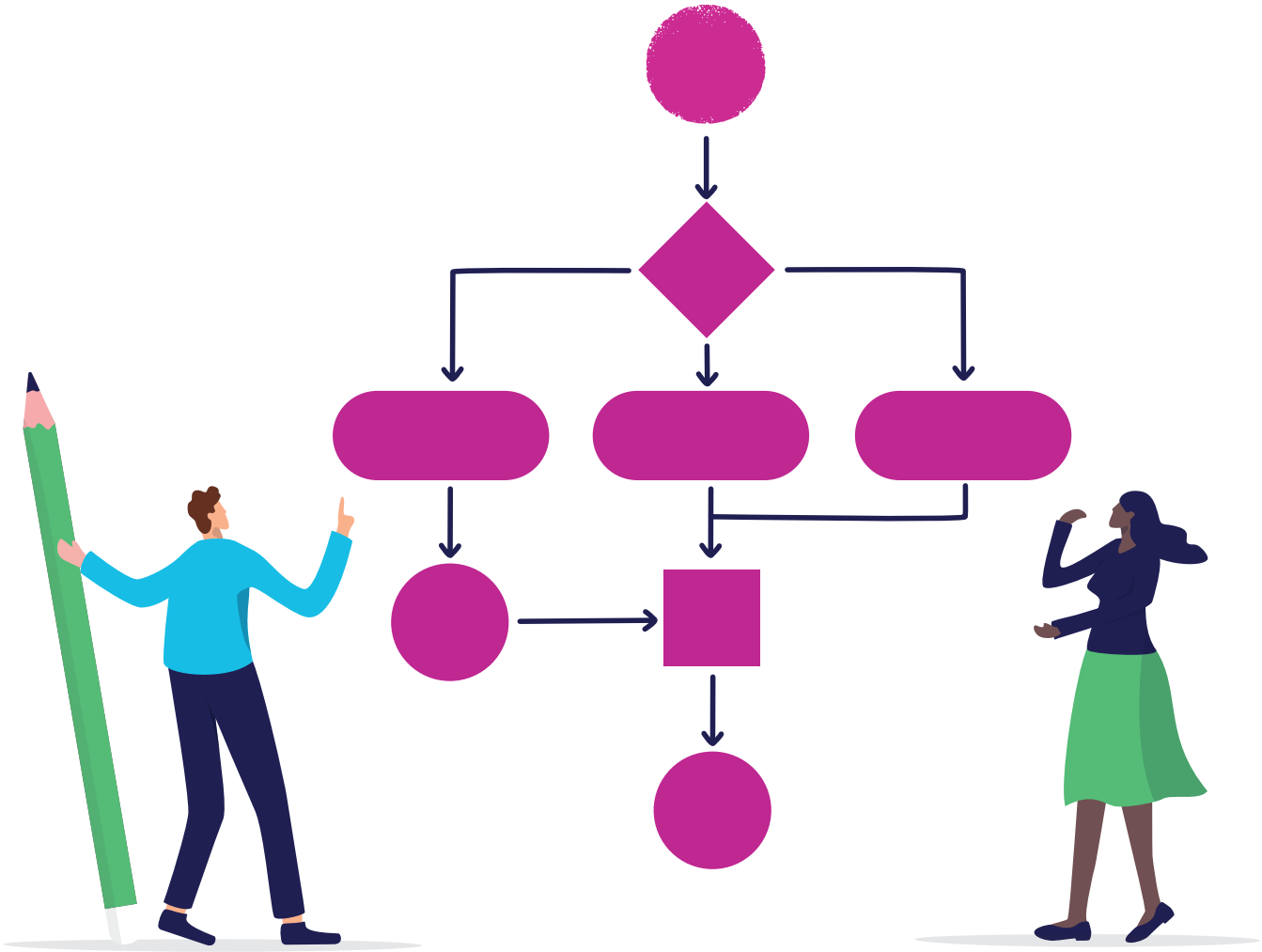
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Jon King,
CFG member and Director of Finance and Corporate Resources, Social Care Institute for Excellence



People and processes: the key to stability

By Rui Domingues, Director of Finance and Operations, Charity Finance Group



In early 2021, we began to look ahead to make sense of the landscape post-Covid-19. As restrictions began to lift we could start to think about our priorities for the future, as well as what we needed to do to rebuild our finances and ensure we were once again on a sustainable footing.

For the finance and operations directorate, it meant primarily focusing on three things – our people and CFG as an employer; our infrastructure, facilities and systems, from the office through to the technology we use; and, of course, ensuring we remained financially sustainable and secure.

Our finances and infrastructure

We came into the year with a significant deficit, but during the year we were able to halve that amount. That allows us to look towards rebuilding our reserves soon.

We accessed the Resilience and Recovery Loan Fund which provided us with a crucial safety net during the year. This loan, which we've now repaid in part, was in addition to the government support via Coronavirus Job Retention Scheme (CJRS), which meant that we didn't have to look to make any redundancies.

We also received generous grant funding during the year. This helped us through the worst of the pandemic. The grants, which totalled more than £100,000, allowed us to invest in new and improved systems and technologies, more fit for the virtual world that we continue to work in. This included greater investment in our website, and our virtual event tools and technologies.

Most significantly, however, the grant funding meant that we could provide even more support to our members. During the year we welcomed new charities into membership by developing a small charity bursary scheme, with the help of Garfield Weston.

One of the big questions we had to answer during the year was what to do with our office. We knew that at some point we would re-open, and this prospect was positively welcomed by staff and other stakeholders. However, we needed to ensure that it was fit for purpose and well managed. Since reconfiguring the office, we have successfully sub-let part of it.

Our people

The financial strain of the year is well-documented, and we've seen the longer-term impact of Covid-19 too. Going into 2021, we knew that our staff were exhausted and feeling the effects of working in new and isolated ways. This shift presented us with an opportunity to rethink how we engage with our staff and come together as teams.

Work to improve internal communications deepened during the year and this work is ongoing, alongside our work on values and culture. At the heart of it, we want CFG to be a great place to work and grow.

We were reading about and seeing across the sector the phenomenon that was dubbed the 'Great Attrition' or 'Great Resignation'. And we could see that the cost of living crisis that began to unfold in 2021 and 2022 would likely compound the challenges of staff retention.

This training programme was created by our HR Manager and covered a wide range of topics and skills. It has helped to deepen our understanding of important issues around diversity and inclusion and has given us new insights into the work of our members and their communities.

At this point, I want to pay tribute to the team. During this challenging period, they continued to invest in their own personal learning, growth and development, and they undertook whole team training and development opportunities with enthusiasm.

This training programme was created by our HR Manager and covered a wide range of topics and skills. It has helped to deepen our understanding of important issues around diversity and inclusion and has given us new insights into the work of our members and their communities.

The training has also given us the skills we need to better support, coach and feed back to one another, allowing us to have more meaningful conversations and find solutions more effectively. This has become more important than ever as we continue to work remotely.

The team has also worked to embed CFG's new organisational structure along with new processes and systems. This has allowed us to respond and communicate more efficiently, not only internally, but with our members and other stakeholders.

The challenges ahead

We have come a long way during this financial year, having improved our financial position and invested in our people, processes and activities.

It cannot be underestimated just how tough this financial year has been and we remain cognisant of the cost of living crisis and increasing rates of inflation. This poses a threat to the financial health and the wellbeing of the organisation – and our people, members and wider communities. But the steps we took in this financial year give us every chance of continued success and future growth.

Member support

Alongside the support we've given to staff, we've looked to see how we can support our members too, particularly when it comes to providing grants for our programmes.

We're not out of the woods yet, but I'm again blown away by the way our members have renewed with us and new members have come on board, recognising the benefits and community that CFG provides for them.

Throughout this period of renewal and going back to basics, members continued to attend courses and events, renew their membership and work with us in increasingly collaborative ways.

We thank them for continuing to support us and seeing the value that we bring to them and to the sector more widely.

Rui Domingues
Director of Finance and Operations, CFG





Read all about it!

Summer 2021 (Q2)

CFG welcomes charity funding report

CFG welcomes the publication of the Commons Public Accounts Committee's report of their inquiry into the government's support for charities during the initial Covid-19 pandemic, to which CFG submitted evidence.

Restoring Trust: CFG responds

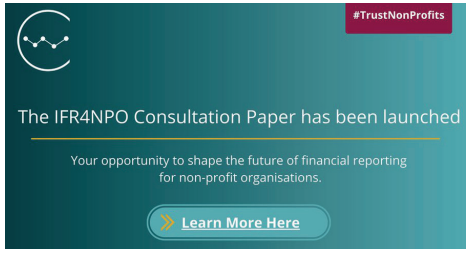
CFG responds to a government consultation on restoring trust in audit and corporate governance. The consultation is part of government plans 'to strengthen the UK's framework for major companies and the way they are audited.' CFG's response is endorsed by 16 large charity and corporate members, including British Heart Foundation, National Trust, Great Ormond Street Hospital and Oxfam.

Levelling up the UK's social needs

Charity think tank Think NPC publishes a report that shows the public think the most important aspects to an area being levelled up are reduced homelessness, reduced poverty (36%), lower levels of crime (34%), and lower levels of unemployment (32%). This is contrary to the government's approach of emphasising physical infrastructure as a means to levelling up.

Leading the Way: Annual Conference

CFG announces that HSBC Private Banking, Oracle NetSuite, Sarasin & Partners and SmartSimple are this year's CFG Annual Conference sponsors. As well as being the 2021 headline sponsors, HSBC Private Banking will present a session on how charities can lead the way in achieving net zero.



CFG champions IFR4NPO project

CFG urges members to get involved in the second part of IFR4NPO's consultation on international reporting, following its own consultation submission to the IFR4NPO project.

CFG publishes Charities Bill briefing

CFG joins with sector partners to produce a briefing paper on the Charities Bill. Written for Peers, the joint briefing paper will inform the second reading Committee Stage in the House of Lords.

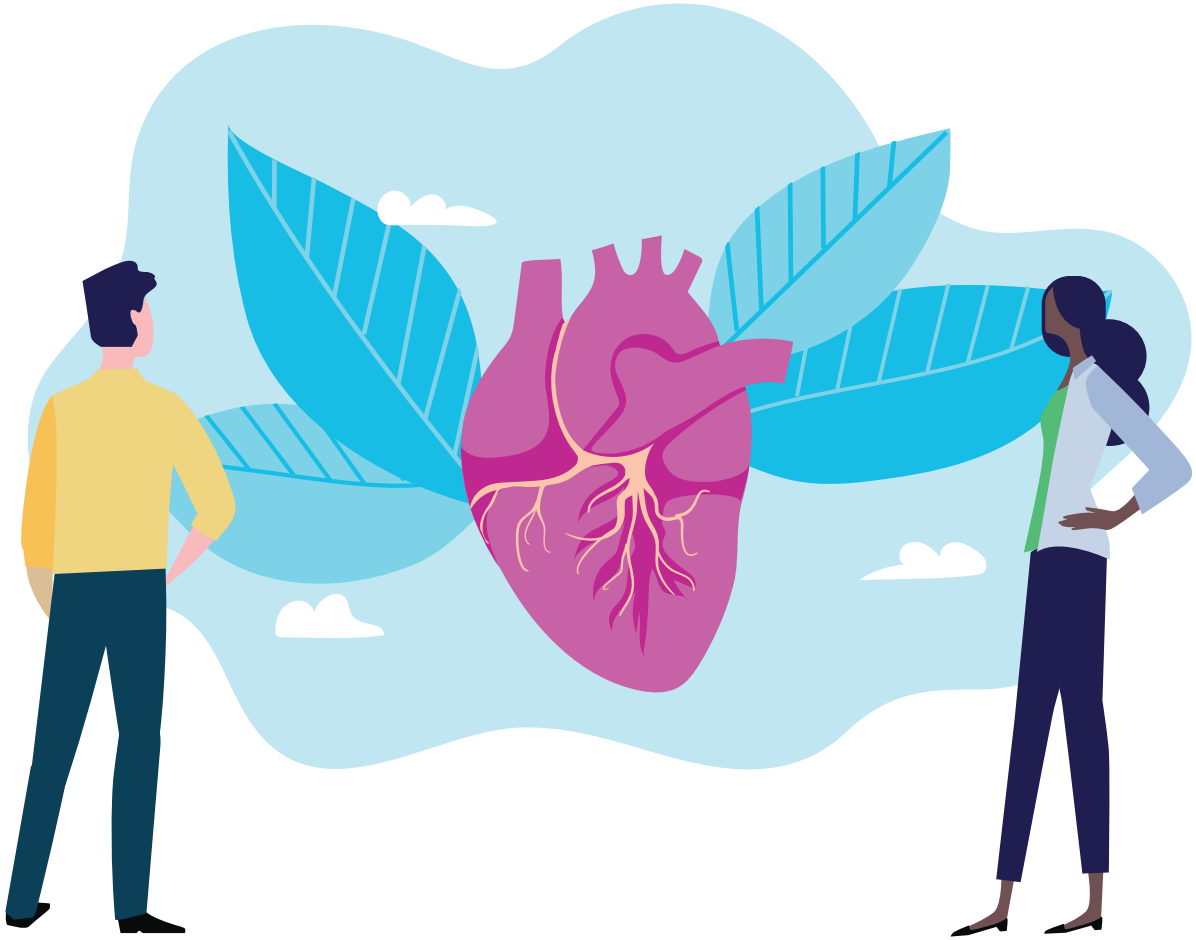
New bursary for BAME organisations

CFG launches a new bursary to give BAME and BAME-led organisations free access to CFG's flagship leadership training course. The bursary covers 15 places on the Inspiring Financial Leadership (IFL), run in partnership with Sayer Vincent and the Centre for Charity Effectiveness. Caron Bradshaw, CEO, comments: "BAME communities have been significantly and disproportionately impacted by Covid-19 and this has increased the pressure on BAME-led charities. We're proud to be launching this new bursary scheme in time for the new IFL cohort to begin in October."



Great values: the beating heart of charity

CFG's HR Manager, Laura Millar, talks about the work CFG is doing to understand the charity's values and how these can drive the charity's impact, culture and wellbeing.



Core values are the principles and beliefs that form the bedrock of an organisation's culture. They are an agreed set of words or statements that we all strive to work by, and they help us to understand what behaviours lead to success.

It starts with our values

For us at CFG, our values shape identity, culture and brand. And they help us to understand not only what the charity wants to achieve, but how we set out to achieve it.

As we headed into the 2021/22 financial year, we realised that our values needed to be dusted off and shared once again with the whole team, not only for those who were new to CFG – and there were many new faces! – but for those longer-serving team members who had seen rapid change due to the pandemic and CFG's 2020 restructure.

But what were our values? Had they remained the same as those we had set out in 2018? Or were they different? And how should we start articulating them?

These were the questions we put to staff, with the help of an external consultant already familiar with CFG. This work presented a rare but important opportunity to come together as a whole team, to think about our core values and how they drive our behaviours and, ultimately, lead not to CFG's success, but the successes of our members, partners and the wider sector.

We soon learned that the process of determining our values was, in itself, really important for the team. Not only did it give everyone the chance to talk about what they believed our organisational values to be; it gave us time to connect in ways we wouldn't have normally. For an organisation that was still working remotely in 2021, these were important and valuable interactions.

Over the course of several online workshops and follow-up conversations, we managed to tease out which values bind us and how they relate to the way we do things on a day-to-day basis.

It takes time and thought

This work wasn't easy. It demonstrated that words mean many different things to different people, and it showed us all that words matter. Perhaps the most difficult part of this exercise was boiling down all our conversations to just three values and words, whilst trying not to lose their meaning.

For our values to have true meaning we need to go further than simply agreeing them and understanding where they came from. For our values to retain their meaning, they need to connect with our daily working lives and the work that we do. They must be a rallying point for employees.

For our values to have meaning we need to go further than simply agreeing them and understanding where they came from. For our values to retain their meaning, they need to connect with our daily working lives and the work that we do. They must be a rallying point for employees.”

We're excited to share this work with you. We believe our values underpin who we are and who we aspire to be. Our values are the foundation of everything we do, ensuring that the way we **SUPPORT** our members and other stakeholders is driven by **DYNAMISM** and has **INTEGRITY** at its core.



Laura Miller,
HR Manager, CFG



Deepening engagement, creating opportunities

By Sarah Lomax, Director of Commercial Services, Charity Finance Group



2021/22 was my first full financial year in post and reflecting back we have much to celebrate.

At the beginning of April 2021, we began our membership renewals process. This performed strongly, and we were delighted to see so many members renewing their membership, and new members joining up too.

We introduced a rolling membership model that allows us to be much more agile with our annual memberships, on both the corporate partner and charity member sides. From an engagement and commercial perspective, the move to rolling membership will benefit CFG and members in the longer term.

All members now benefit from a full year of membership. This seamless approach gives us more time to engage with members.

During the year, the Large Charities Special Interest Group was relaunched and our Mentoring

Scheme went from strength to strength. We were also approached to provide SORP training for Charities Institute Ireland, cementing our reputation as the 'go-to' body for charity finance.

We were delighted to receive grants from Rank Foundation, Pears Foundation and Barrow Cadbury. Our Garfield Weston grant came to an end, with 196 small charities with income under £1m benefitting from the grant.

Also, during the year, we created a one-off bursary for our Inspiring Financial Leadership course for BAME-led organisations. And we launched the second edition of 'The Finance Journey' in October 2021.

These are all reasons to step back and reflect on our successes, but, of course, the activities don't stop there!

Delivering more for more members

On the back of our success engaging more small charities with the Garfield Weston grant, we launched a small charities programme on our website that includes articles ranging from financial strategy and contingency planning to mental health and wellbeing.

We also set to work to produce a series of CFG guides for small charities, covering insolvency, gift aid, fraud, reserves just to name a few. If you are part of a small charity finance team, do check it out as we think you will find it useful!

The membership team has worked hard to deliver programmes and activities that help our members grow professionally and personally, and there has been a significant focus on the development of our special interest groups.

Through these groups, we have been able to offer more events, roundtables, webinars and discussion forums. The high engagement in these groups, and the connections that are being made, demonstrate the need to create even more spaces for our members to connect and grow in.

> Since the pandemic our training courses have had to shift online, and although very powerful when delivered face-to-face, the virtual training sessions also continue to go from strength to strength and we are capitalising on that. We've welcomed participants from across the UK and it has enabled us to break down geographical barriers.

Since the pandemic our training courses have had to shift online, and although very powerful when delivered face-to-face, the virtual training sessions also continue to go from strength to strength and we are capitalising on that. We've welcomed participants from across the UK and it has enabled us to break down geographical barriers.

Seeing our training courses performing so well digitally is fantastic. Another highlight is our series of technical update conferences that are held twice a year and attract well over 100 delegates each time. They are clearly popular with our members and fulfil their need for regular charity finance updates.

Support when we needed it most

Our flagship Inspiring Financial Leadership course, with our partners Bayes Business School and Sayer Vincent, has continued to be extremely popular and we were delighted to be able to offer BAME and BAME-led organisations the opportunity to join the course free of charge in 2021.

As Covid-19 restrictions were rolled back, it was challenging to stick to our approach of delivering our

Annual Conference for 2021 in a digital, virtual format and balance different interests. Although the feedback from charity members favoured a digital event, many of our corporate partners were keen to return to a physical format.

We were delighted to work with HSBC as our headline sponsor of the Annual Conference in 2021, and we're grateful to all our sponsors and exhibitors for supporting our second digital Annual Conference. It was a huge success and received excellent feedback from delegates, speakers and supporters.

Working together to build back better

From a team perspective, we have been continuing to build our working relationships remotely, supporting each other with our endeavours and working towards projects that will benefit our members.

We have strengthened our engagement with charity members through our special interest groups, and with our corporate partners with an account management approach.

We have also been taking more time to understand and interrogate our data. The insights we have gained are helping us to develop and shape our strategic and commercial thinking.

During the year, the directorate has put in place the building blocks for more and deeper engagement with members. They have scrutinised our processes and systems, from how we deliver digital events through to how we launch and develop new networks and groups.

By taking a fresh look at the ways in which we work and connect with one another, we've been able to ensure that what we deliver remains of high quality and is fit for the future.

Where next?

These are exciting times for CFG. Since spring 2022, we've been able to meet once again face-to-face. Our Annual Conference in June 2022 was incredibly exhilarating for all who attended (more on that in next year's Trustees' Annual Report!)

With the return to business as usual following the pandemic, we are once again looking at new opportunities to grow our membership and support even more organisations.

We are now looking to provide services in Scotland which we are very excited about. A number of CFG members and corporate partners are based in Scotland or have a presence there, so we are looking to develop those relationships and build our networks there. We continue to receive enquiries from charitable organisations in Scotland, so there is a clear demand for our services and support there.

We're really looking forward to getting out and about in the coming year, and connecting with even more members in more places!

Sarah Lomax
Director of Commercial Services, CFG



CASE STUDY

Reaping the rewards of membership

"There's always a good chance that you'll meet someone through CFG who's been through it before or is going through it at the same time."



At the heart of CFG's mission is the desire to support charity finance professionals on their finance journey, by providing information, training, conferences and networking opportunities.

For Sharon Martin, CFG membership plays a vital role in her professional growth, enabling her to contribute to the smooth management of Born Free Foundation where she has been the Chief Financial Officer since May 2021.

Before joining Born Free Foundation, Sharon held similar leadership roles at Cats Protection and RSPCA – both significantly larger charities. Before that, Sharon worked at the Charity Commission.

"When you move into the charity sector, from another sector, or from a larger charity to a smaller one, as I have done, you don't necessarily have the same level of resources and support at your fingertips.

"One of the biggest challenges you face is being in charge of your own learning. No one is going to do it for you, so you must be proactive in that. That's why I was really keen to remain engaged with CFG when I moved to Born Free."

"When you move into the charity sector, from another sector, or from a larger charity to a smaller one, as I have done, you don't necessarily have the same level of resources and support at your fingertips."

One of the first specialist areas Sharon needed to get up to speed on at Born Free was leading and managing overseas operations. She explains: "This was my first big exposure to working with charities that also have bases and officers overseas, so that was a big, new learning curve for me.

CASE STUDY

> With the cost of living crisis starting to bite, and charitable organisations looking to do even more with a lot less, CFG provides space for charity leaders to connect and learn from one another.

Sharon Martin
CFG member and Chief Financial Officer, Born Free Foundation



"Being part of CFG and its overseas special interest group has really helped, particularly with an issue we've been dealing with on the use of consultants engaged overseas. It's a very complex area and just getting in touch with other charities and hearing their experiences, which has all been facilitated by CFG, has been really, really helpful."

But not only is it the big, complex issues that Sharon has felt supported with, it's the smaller things too. Sharon continues: "I think one of the things the charity sector is really noted for is how well everyone works together and how collegiate it is. So, we might share a policy, and avoid reinventing the wheel. For smaller charities like Born Free that's invaluable; you can save a lot of headspace and time."

With the cost of living crisis starting to bite, and charitable organisations looking to do even more with a lot less, CFG provides space for charity leaders to connect and learn from one another. But there's also another important benefit: "Getting specialist professional and legal advice can be expensive and there are always new issues popping up to deal with.

"And there's always a good chance that you'll meet someone through CFG who's been through it before or going through it at the same time. It can save quite a bit of money on advisory fees too!"

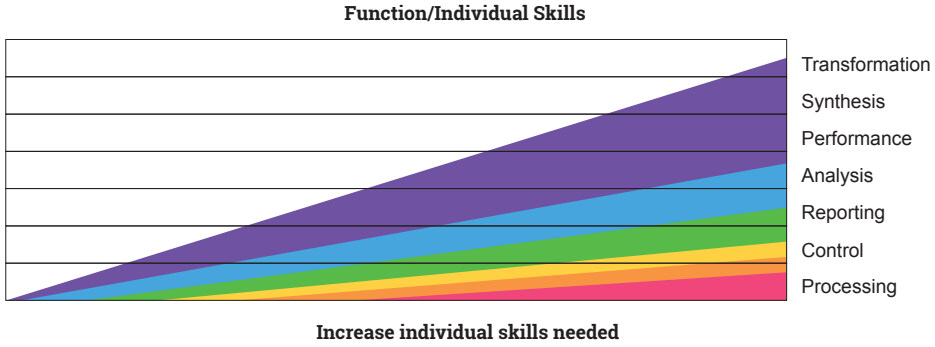
Read all about it!

Autumn 2021 (Q3)



CFG Annual Conference 2021: huge success

Helen Stephenson, CEO of the Charity Commission for England and Wales, got CFG's Annual Conference 2021 off to a flying start. Stephenson looked at the effect of the pandemic on the sector, noting that around one quarter of the smallest charities (those with income under £10,000) stopped all services during the lockdown. However, Stephenson predicted that the worst was yet to come for charities as the after-effects of the pandemic and the cost of living started to take hold.



'The Finance Journey' 2.0 launched

The second edition of the highly anticipated The Finance Journey is launched at CFG's Annual Conference. The publication is a tool for the development and leadership of charity finance teams and professionals. The new edition includes case studies and research from charities which set out how the model has been used in real-world settings. It also reflects the ongoing integration with CFG's flagship leadership course – Inspiring Financial Leadership (IFL), run in partnership with Bayes Business School and Sayer Vincent.

Charity sector optimism grows

More than one third of charities felt more positive about their situation between April and June 2021 when compared to the previous three months. The optimism comes despite 66% of charities saying that they face a hike in demand for their services, as well as staff shortages. The Covid Charity Tracker Survey, by CFG, Pro Bono Economics and CIoF, shows the majority of charities said they did not expect to see job losses because of furlough ending.

Collaboration at heart of gift aid campaign

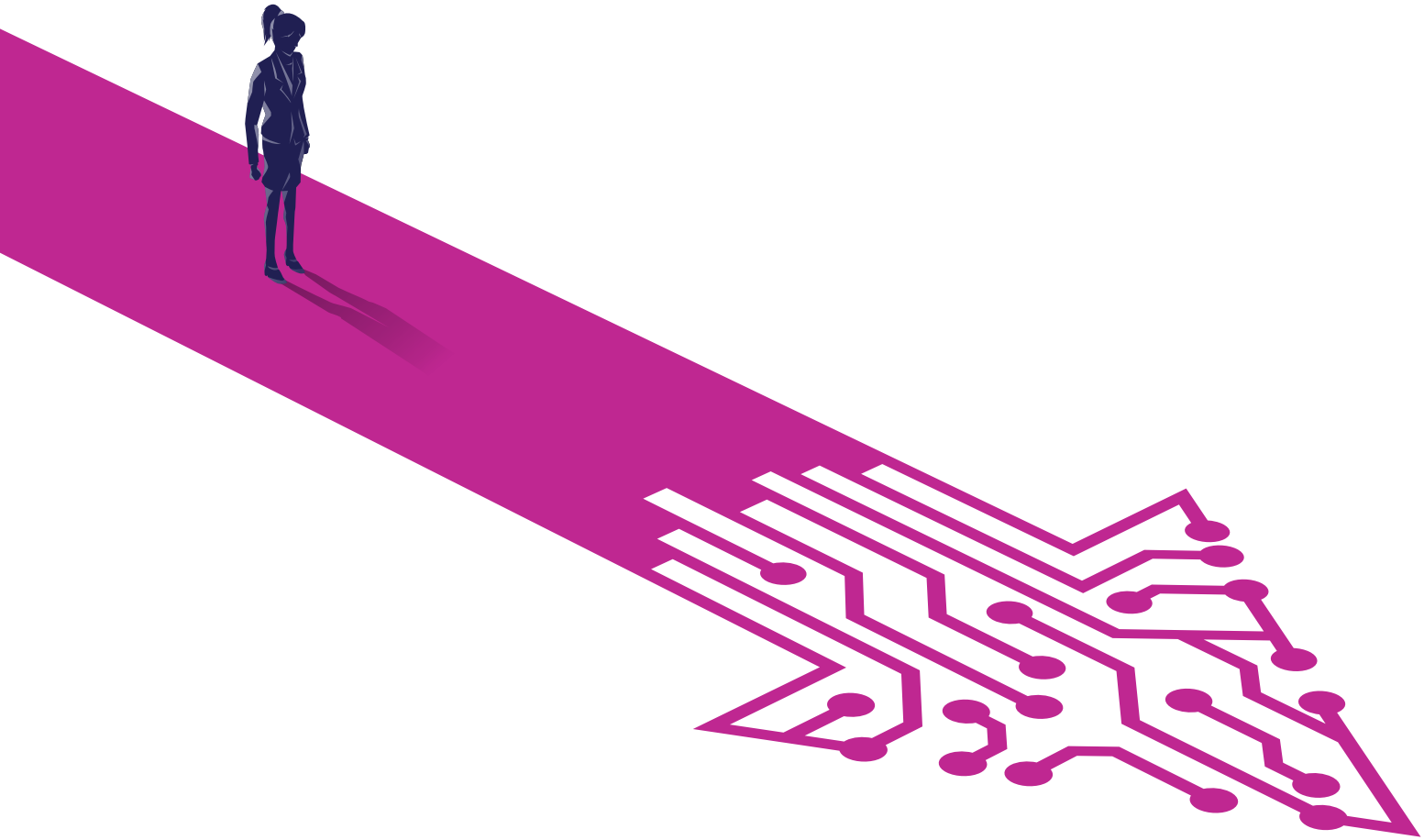
On Thursday 7 October, the sector took part in CFG's flagship campaign: Gift Aid Awareness Day. In a first for the campaign, CFG collaborated with a group of charities, large and small, to launch a short video to explain why ticking the box matters. The video receives more than 30,000 impressions on twitter on the day.

Charities urged to act on pensions

CFG and partners urge members to act to avoid the potential pitfalls of new pensions rules. The new regulations, expected to come into force in 2022, will change how charities and other employers fund their defined benefit pension schemes.

Shaping policy and driving digital forward

By Dr Clare Mills, Director of Policy & Communications, Charity Finance Group



It's exciting to be writing for the 2021/22 Trustees' Annual Report – the first in my new role as Director of Policy and Communications.

I came into post in January 2022, towards the close of the financial year. We were still all feeling the impact of the pandemic, but we were excited about the coming year, and hopeful for a return to some normality, including our in-person events.

Policies and partnerships

When I joined CFG I was already familiar with the charity's policy and communications activities. I had collaborated with my predecessor, Roberta Fusco, Caron Bradshaw and other members of CFG's team on the sector's joint campaigns, including #NeverMoreNeeded.

CFG's policy work is about influencing and horizon scanning. It's about knowing what's going on politically and economically, and understanding how that impacts our

members, the wider charity sector and all those organisations that are purpose-driven.

Our members are charities, social enterprises, community and voluntary groups. They operate across all sectors, from health and housing to arts and culture, and their beneficiaries, members and communities are equally diverse.

To represent their interests and provide high-quality resources and opportunities, it's vitally important that CFG understands and shares what's coming down the line, whether it's a change in pensions rules or new charity regulation. Equally, we must keep abreast of the global and societal issues that affect our stakeholders, such as the cost of living crisis and net zero.

During the financial year, the team continued to work closely with policymakers, parliamentarians, sector and corporate partners and many more individuals and organisations on a wide range of policy-focused activities. This work was also supported by expert volunteers and consultants, to whom we are extremely grateful.

Our partnership working with other charity sector bodies and leaders, which was so crucial in 2020/21, continued in 2021/22, culminating in the launch of The Civil Society Group in November 2021.

The Civil Society Group brings sector leaders together to exchange information and ideas, and work together to build positive and effective relationships with government. It's a forum where we can speak with one voice when we agree or support each other when we take differing positions. Above all, it is a collaborative place where the value, contribution, impact and absolute necessity of a thriving charitable sector is at the heart of our work.

Our work on the effects of the Covid-19 pandemic continued, and this included the joint sector campaign on gift aid emergency relief. Other notable areas of policy work included our support of the crucial IFR4NPO project.

As UK country champion, we wholeheartedly believe in this exciting initiative to develop the world's first internationally applicable financial reporting guidance for non-profit organisations (NPOs).

One of our most significant pieces of policy work began in late summer 2021 when The Pensions Regulator launched its long-awaited consultation on draft changes to the Defined Benefit Pension Code. In partnership with pensions consultants LCP LLP, we analysed the draft regulations, consulted with our members and submitted a response.

Other policy work included continued engagement on Charities SORP, with CFG being invited to be an engagement partner and convenor.

> CFG's policy work is about influencing and horizon scanning. It's about knowing what's going on politically and economically, and understanding how that impacts our members, the wider charity sector and all those organisations that are purpose-driven.

Driving digital first forwards

In 2021, the team undertook a review of CFG's website to enhance the way we share and promote our content and improve our users' experiences. Following conversations with other CFG team members, charity members, corporate partners and trustees, a series of small but vital website projects launched.

The first of these aimed to make some fundamental changes to the structure of the website, to allow for more data gathering and smoother content delivery. The first

round of improvements went live in January 2022 and, although many of these changes were set behind the scenes, they have meant that we can create more opportunities for commercial activities, such as website advertising and sponsored content delivery.

This work underpinned further improvements which culminated in the exciting launch of CFG's Knowledge Hub in June 2022. More on that in next year's Trustees' Annual Report!

Our work to improve our digital 'shop window' has been driven by our 'digital first' strategy. It's a phrase we hear a lot, but it can mean different things to different people.

So, what does 'digital first' mean for CFG? For us, it is a new mindset that informs behaviours and tactics. It impacts everything we do, from how we present information and data to our stakeholders and audiences, to how we gather and use data and information from them (or not!).

If we're looking to solve a problem or create a new opportunity, product or service, we review all possible digital solutions and approaches. If we can't deliver something digitally, we ask ourselves why and question whether its delivery is integral to furthering our vision and strategy.

At the heart of this thinking is the desire to make our systems and processes efficient, easier to use, accessible and, importantly, a seamless and enjoyable experience We are still on the first stretch of our 'digital first' journey – it has no final destination – but this year we've made giant leaps forward in our approach to external and internal digital communications, which ultimately benefit our members, partners and other stakeholders.

Reaching out

We've had numerous opportunities during the year to communicate our vision and work more widely. We are now one of the first ports of call for sector journalists when they are researching and developing stories on charity sustainability, finance and policy.



Thanks to greater engagement through our social media channels, our reach continues to grow and our Gift Aid Awareness Day campaign goes from strength to strength. In 2021, we not only supported charities to talk about the importance of gift aid, we took the chance to thank those who donate.

For the first time, we collaborated with more than 20 charities to co-create a short film to explain the importance of gift aid. Launched on Gift Aid Awareness Day, the video had more than 5,321 views in one day and that figure has risen since. In total, participating charities created 6.2 million impressions on twitter on campaign day.

Through our policy and communications work we are cementing CFG's reputation as the 'go-to' body in charity finance. We've also been able to support our members and other stakeholders in their personal and professional development through the regular sharing of professional resources and publications. And we've been able to bring together and grow influential networks.

Our most notable publication in 2021/22 was the relaunch of 'The Finance Journey' and we are looking forward to evolving that digitally in 2023. Other notable work was our research on net zero which laid the path to some important discussions within the sector. That work, which took place at the end of 2021, has since informed the publication of 'Charities and the Path to Net Zero', a new CFG publication delivered in October 2022.

Looking ahead

The challenges that lay ahead are not insignificant. The cost of living crisis has increased pressure on the charity sector and many other factors are making for a difficult operating environment.

Despite this, I'm optimistic about the future. The team is working hard on several new digital and communications projects and, working with colleagues across the whole of CFG, we continue to deliver high quality information and resources for our members.

I would like to thank the team for all their hard work during the year. They've kept ahead on policy and campaign work, continued to deliver high-quality content to members, and have worked incredibly hard and effectively, meaning we're in a good place for the next stage of our digital journey.

I'd also like to thank my predecessor, Roberta Fusco, who steered the policy and communications ship through turbulent waters in 2020/2021, ready to make new waves!

I also thank you for making me feel so welcome this year. Along with the team, I look forward to working with you on many more inspiring policy and communications projects in 2023 and beyond. There's no doubt that I've joined CFG at an exciting time!

Clare Mills
Director of Policy and Communications, CFG



CASE STUDY

Member interview: A guide star for life

"We want to be professional. We want to be the best that we can be. And we want to be legal and up to date. CFG provides this."



Steve Murrill has been a chartered accountant for almost 20 years. He has worked for charities large and small, in different parts of the country and overseas. For most of his working life, CFG has been there every step of the way, to provide support, professional guidance and a listening ear.

Steve, who now works part-time as Finance Manager with faith organisation Philo Trust, explains: "I've worked for World Vision, which is one of the world's major charities, and I've worked for some very small charities. You need different skills in both. I have found that CFG gives me access to people and knowledge in both arenas, which I've really appreciated."

Among the challenges Steve has tackled is bringing a charity back from the brink of insolvency. Steve explains: "The people I met from CFG at that time helped me determine the way forward. The accounting system needed to change, and I got a lot of support, especially when we moved to the new system. We weren't sure at the

Steve says that alongside the technical support CFG provides, there is also an element of credibility that is brought to the finance role: “I found I was able to go into new roles as the professional.”

time whether the charity was going to make it, but it’s still here to this day. Being a member of CFG in those early days was very, very helpful.”

Steve says that alongside the technical support CFG provides, there is also an element of credibility that is brought to the finance role: “I found I was able to go into new roles as the professional. I could push back with confidence and say: ‘No, this is the way to do it.’ To have that kind of back-up through organisations like CFG was invaluable.

“Membership is massive value for money, especially when you don’t have a large team to bounce ideas around with and you’re looking for support and encouragement.”

Today, Steve continues to attend CFG events and training, and most recently attended CFG’s Annual Conference in London. He continues: “I met one of the speakers afterwards. We sat down and talked for about an hour about what we were struggling with. It was the openness that I found so helpful, and the offer to get in touch again.

“From a CPD point of view, CFG provides what I need and what the organisation needs. We’re a small charity. We want to be professional. We want to be the best that we can be. And we want to be legal and up to date. CFG provides all this, as a professional guide, but also as a mentoring guide too.”

Steve says he is now considering joining CFG’s Mentoring Scheme and giving something back in a volunteering capacity.

Talking about the challenges and joys of working in the charity sector more generally, he shares a short story:

“There’s this man walking along the beach, and there are thousands of starfish on it. He sees a child pick up a starfish and throw it back into the sea. There are literally thousands, but the child just keeps picking them up and throwing them back. The man shouts over: ‘What are you doing? You’re not going to make any difference!’ The boy replies: ‘I’m making a difference to this one though’, and throws it in.

“Sometimes we think we can always do more to help, but you have made a difference. If we’ve helped one person, we’ve helped.”

Steve Murrill
CFG member and Finance Manager, Philo Trust



Read all about it!

Winter 2021/22 (Q4)



CFG welcomes new director

CFG is delighted to announce the appointment of Dr Clare Mills as the charity's new Director of Policy & Communications. Clare joins from NAVCA (National Association for Voluntary and Community Action) where she was their Head of Communications and External Affairs. Clare brings a wealth of experience from both the public and not-forprofit sectors.

Spending Review: good, bad and ugly?

CFG sifts through the details of the Autumn Budget and Spending Review to share a briefing for members and the wider community. Caron Bradshaw OBE, says: There's no doubt that it includes some welcome announcements. We're delighted that the Chancellor has acted upon many of the sector's recommendations. But it's what's missing from the budget that spells bad news for millions."

Net zero: can we do more?

The charity sector must do more to reduce carbon emissions and tackle climate change, says CFG following the results of a survey among members. Eight in ten charities (84%) surveyed said that they do not yet have a net zero objective and only 14% said they currently report on their carbon emissions.

New CFG trustees announced

CFG welcomes two new trustees to its board: Mwiza Mkandawire and Kelly Ryder. Mwiza is Head of Finance and Administration at Transaid and Kelly is Head of Finance for the Orchard Trust. They bring with them a wealth of financial expertise, as well as experience from both the charity and commercial sector.

CFG helps launch Civil Society Group

The Civil Society Group – an informal collaboration of organisations representing members and groups from across the charity sector and wider civil society – announces its official launch. The Civil Society Group will increase collaboration between the infrastructure, representative and member organisations working across civil society.

Charities urged to sign Fraud Pledge

During Fraud Awareness Week 2021, CFG urges charities to sign the Fraud Pledge and commit to some simple steps to prevent charity fraud. The Charity Commission's most recent figures estimate some £8.6m income was lost between April 2020 and March 2021. As one of the campaign's supporters, and co-founder of the Fraud Pledge, CFG urges all members to keep fraud front of mind.

CFG trials first 'wellbeing week'

As part of ongoing work on culture and looking after its people, CFG announces that it will trial its first 'wellbeing week' in January 2022. Caron Bradshaw OBE, explains: "If our sector can't be leaders in safety, wellbeing and happiness in the workplace, then who can?"

Review of financial position

CFG business model

CFG has a history of working in partnership and through collaboration. This means that where others are meeting needs in a cost-effective way CFG will avoid duplication. But during the pandemic working together wasn't just about efficiency, it was about 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.

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 supplemented by a further emergency grant of £20k. We were also grateful for emergency Covid-19 crisis support from the Rank Foundation (who provided £25k of funding), Barrow Cadbury Trust (£15k), the Pears Foundation (£15k) and Esmee Fairbairn (£20k). 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.

During the pandemic we sought to maintain as many opportunities as possible for continued networking and exchanges of expertise. However, with many of the established methods of bringing together our communities face-to-face closed off, the team had to amend our offer rapidly to deliver remotely. Our annual fundraising event could not take place and instead we ran three smaller digital events with generous support from Crowe, Price Bailey and Ecclesiastical. Income generated in this way did not match the levels achieved through face to face events in previous years but was still hugely important, and we were able to maintain this element of our business model, preserving the underlying role for future years post-pandemic.

CFG currently earns nearly all income through membership fees, sponsorship and delegate fees, supplemented by modest grant income.

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. During the financial year grant funding took on greater importance as anticipated and we expect this need to remain for the next financial year at least.

The challenge for the business model over the next two financial years remains monetising the activities delivered digitally and bridging the financial impact brought about by restrictions in movement and appetite for face-to-face events. We are applying lessons from last year and looking for ways to build on our digital offering.

Results for the year

For the financial year 2021/22 the Trustees had planned a deficit for CFG, which totalled at year end a deficit of £87,165; £60,716 if just looking at unrestricted funds (2021: deficits of £159,396 and £185,844 respectively). Income improved slightly in 2021/22, £1,277,520 compared to £1,239,686 in 2021/22. Expenditure, £1,364,685, was again slightly lower than the £1,399,082 spent in 2020/21, a decrease of 2.5%, reflecting the effect of the pandemic on CFG's operations.

As a result, funds have been moved from various designated funds in the year to ensure that we

stay within our target unrestricted reserves range of £175,000 to £280,000. Free reserves at the end of 2021/22 stand at £158,497, compared to £224,187 for 2020/21. 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 new future development fund has been set up to continue our digital first journey. This decision has taken CFG's reserves below the lower end of the acceptable reserves policy level, which the Trustees helps to balance the short-term needs to pivot the delivery model to digital with longer-term financial resilience. To offset this, a breakeven budget is planned for 2022/23.

Our strategy had involved a planned deficit in 2021/22. But the effects of the pandemic on both the sector in general, on our members and on our ability to operate pushed the emphasis onto responding to and withstanding the economic storm. With a return to a more normal operating environment expected in future years, we envisage reinstating designated funds to help us deliver our strategy to support members.

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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;
- To allow for periods of unexpected drops in planned income;
- To cope with sudden short-term increases in planned expenditure;
- To 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 2021 were £158,497 (2020/21: £224,187) just below 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 2 to the financial statements.

The Board

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 in order 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.

During the pandemic additional meetings were undertaken as necessary to ensure the sustainability of CFG and careful management of cash flow and expenditure was undertaken.

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. Subcommittees 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 20.2, representing 19.2 full-time equivalent roles.

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 senior management 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.

Pre-pandemic, the majority of risk issues recorded in our risk issues log related to people and development (specifically around restructure and capacity); systems, policies and procedures (reflecting a focus of the consolidation year); and financial and resource management (reflecting the impact of the restructure and a planned deficit).

From the latest review, the most frequently occurring risks arising were in the following categories:

- Financial & Resource Management
- Reputation
- People & Development

Risk: Financial & Resource Management

In common with the whole economy CFG has been hard hit by the pandemic. This is because the impact of the Covid-19 pandemic was felt for financial year 2020/21 and also well into 2021/22. We have been able to capitalise on earlier decisions around structure and technology to ensure delivery of products and services to our members.

As our charity members and corporate partners feel the lasting impact of the economic consequences of Covid-19 we will have to take steps to reduce expenditure and maximise 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: Reputation

CFG has played a pivotal role in the run-up to year end in relation to policy issues, engaging with the government and across the sector. This presents a risk and an opportunity in relation to reputation. Sector commentators, to whom the activities of CFG and the wider sector collaborative working is less visible, have been negative in their view about the relationship between government and the sector. Whilst CFG has not been the subject of negativity directly, this presented a reputational risk during the year which continues beyond the period of this report. In addition, as a bold and forthright commentator, CFG may from time to time be viewed as being at odds with government policy, the sector regulator or commentators. However, we recognise the importance of our reputation to our policy and engagement work and therefore we will continue to ensure that the arguments we present, and the dialogue around those arguments, remains balanced, evidence-based and brave.

Risk: People & Development

The effect of the pandemic on our members of staff, including working remotely and under full capacity, has been felt more and more keenly over the last 12 months. We have been proud to have maintained our staff levels against the fiscal turbulence in the sector and the wider economy, and we are confident we have in place actions

to enable CFG to respond appropriately and to ensure the well-being of our team. However, we anticipate people and development remaining a focus for 2022/23 and beyond.

Financial and resource management

This report is produced for the performance of the charity up to the 31 March 2022. For this year, the Covid-19 pandemic started to have 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 2021/22 is due to renewals that took place predominantly in February and March, this again held up for the year, but the longer-term impact on charities is yet to be fully felt and could therefore impact this income stream in the future, especially when the effect of the war in Ukraine and the cost-of-living crisis are taken into account.

Both the Annual Conference and the Annual Fundraising Dinner, usually being face-to-face events, were severely impacted by the virus and the lockdowns that were put in place to help save lives. These events pivoted to being online events, but the financial drop in income had a significant impact on our finances for the year.

This impact on our incoming financial resources has again been mitigated in 2021/22 through the use of government support (predominantly through the Coronavirus Job Retention Scheme from the UK Government), through generosity from funders and through reducing our spend on different areas, including adapting to deliver our annual conference as a fully digital event. 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 2022/23 financial year show that we are likely to still be running a deficit, which will mean that there will be a further drawdown on reserves, although again reduced from the 2021/22 level.

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 make use of government financial support packages, as long as they remain in place.
- 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 2021/22 CFG again did not award cost of living uplift in salary, reviewing in the light of the potential economic impact of Covid-19 (2021: 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, and we have a staff-led diversity forum, agreed an EDI strategy focusing 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.

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 BAME 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. 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 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

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.

Arati Patel



A Fellow of the Chartered Association of Certified Accountants, Arati has over 25 years of experience in the charity sector. Currently she is interim Director of Finance at I CAN. Prior to her current role she has held the position of Director of Finance and Operations at Barts Charity and St George's Hospital Charity. Arati has led on several change management programmes, including CRM systems implementation and digital projects. Arati is passionate about using her role as a Trustee to not only serve CFG members and further the aims of the charity, but also to use it as a platform to raise awareness of challenges affecting the sector.

Kerry Shea



Kerry is the Finance Director at Everybody Sport and Recreation, a charity which encourages individuals to improve their health through participation in recreation. Kerry previously worked for VAST, where she established their very successful Community Accountancy project. As a Chartered Management Accountant she trained in industry, then moved over to the public sector before joining the Voluntary Sector in 2008. Kerry is very passionate about charity finance and believes that finance teams are in a unique position to influence and drive their organisations, and so change the shape of the whole sector.

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.

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.

Saf Rahbour



Saf joined the CFG Board in September 2019. She is currently Director of Finance & Operations at The Tropical Health and Education Trust (THET). As a CIMA qualified Chartered Management Accountant, Saf has over 15 years' experience working within the non-profit and INGO sector. Her roles have included supporting senior management and board members through strategic leadership and operational support, leading teams during transition phases, and delivering financial management training and guidance to country directors, finance managers and project staff based across Africa, Asia, and MENA regions. Saf is passionate about championing best practice, especially the essence of inspiring financial leadership.

Avtar Boparai



Avtar is a Fellow of the ACCA and works as a Professional Development Expert for Corndel Ltd teaching the Data Technician Apprenticeship, where he is able to utilise his Finance experience and passion for Data/ Technology to enable future Data Professionals. Previously he has worked as a Finance Director at Ambition Institute and Head of Finance at Barnardo's. He joined the CFG Board in October 2019. Avtar trained and qualified as an accountant in industry before moving into the not-for-profit sector in 2015.

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.

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.

By order of the Board, 21 December 2022

Financial statements 2021/22

Consolidated Statement of Financial Activities

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

	Notes	2022 Unrestricted Funds	Restricted Funds	Total Funds	2021 Total Funds
		£	£	£	£
INCOME FROM:					
Donations and legacies		127,312	(26,448)	100,864	108,917
Charitable activities					
Develop skills, learning, knowledge & practice		735,786	–	735,786	610,165
Inspire financial leadership		252,944	–	252,944	356,670
Encourage a supportive environment		68,416	–	68,416	58,569
Other trading activities					
Fundraising events		3,000	–	3,000	37,150
Investments		148	–	148	379
Other		116,362	–	116,362	67,836
TOTAL INCOME		**1,303,968**	**(26,448)**	**1,277,520**	**1,239,686**
EXPENDITURE ON:					
Raising funds		28,392	–	28,392	47,032
Charitable activities					
Develop skills, learning, knowledge & practice		759,975	–	759,975	716,404
Inspire financial leadership		269,691	–	269,691	322,638
Encourage a supportive environment		306,627	–	306,627	313,008
TOTAL EXPENDITURE	3	**1,364,685**	**–**	**1,364,685**	**1,399,082**
NET (EXPENDITURE)		**(60,717)**	**(26,448)**	**(87,165)**	**(159,396)**
TOTAL FUNDS BROUGHT FORWARD AT 1 APRIL		**327,489**	**33,494**	**360,983**	**520,379**
TOTAL FUNDS CARRIED FORWARD AT 31 MARCH		**266,772**	**7,046**	**273,818**	**360,983**

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.

For Companies House purposes, total income is £1,254,945 (2021: £1,238,508) and total expenditure is £1,342,110 (2021: £1,397,904), which is total income and expenditure as shown above, both net of gifts in kind of £22,575 (2021: £1,179). All the above amounts relate to continuing activities.

For the charity, total income is £1,296,033 (2021: £1,152,278) and total expenditure is £1,500,873 (2021: £1,365,356).

Balance Sheets

As at 31 March 2022
Company no: 3182826

	Notes	2022 Group	Charity	2021 Group	Charity
		£	£	£	£
Fixed assets					
Intangible assets	6	3,950	3,950	61,165	61,165
Investments	7	–	10,000	–	10,000
		3,950	**13,950**	**61,165**	**71,165**
Current assets					
Debtors	8	552,833	434,986	298,398	253,855
Short term deposits		340,659	340,659	340,511	340,511
Cash at bank and in hand		509,294	430,697	475,124	319,805
		1,402,786	**1,206,342**	**1,114,033**	**914,171**
Liabilities					
Creditors: amounts falling due within one year	9a	(1,082,918)	(910,030)	(814,215)	(681,474)
Net Current assets		**319,868**	**296,312**	**299,818**	**232,697**
Liabilities					
Creditors: amounts falling due within one year	9b	(50,000)	(50,000)	–	–
Total assets less current liabilities		**273,818**	**260,262**	**360,983**	**303,862**
Funds	**10**				
Unrestricted funds:					
Free reserves		158,497	144,941	224,187	167,066
Designated funds					
Fixed asset reserve		3,950	3,950	61,165	61,165
Inspiring financial leadership		39,325	39,325	27,137	27,137
Business improvements		–	–	–	–
Qualification training contracts		15,000	15,000	15,000	15,000
Future investment		50,000	50,000	–	–
Restricted funds					
Garfield Weston		–	–	26,448	26,448
Small charities programme		7,046	7,046	7,046	7,046
		273,818	**260,262**	**360,983**	**303,862**

The charity generated a deficit of £43,600 for the year ended 31 March 2022 (2021: a deficit of £213,078). The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The notes on pages 72 to 86 form part of these accounts. The accounts were approved and authorised for issue by the Board of Trustees on 21 December 2022 and signed on their behalf by:

Consolidated statement of cash flows

As at 31 March 2022
Company no: 3182826

	2022		2021	
	£	£	£	£
Cash Flows from Operating Activities				
Net Expenditure	(87,165)		(159,396)	
Adjustments for:				
Depreciation	57,215		59,440	
Interest Expense	148		379	
Trade and Other Receivables	(254,435)		79,367	
Trade and Other Payables	318,703		(229,857)	
Cash Flows generated / (used by) from Operations		**34,466**		**(250,067)**
Interest paid		(148)		(379)
Net Cash Flow from Operating Activities		**34,318**		**(250,446)**
Cash Flows from Investing Activities				
Purchase of IT Systems/Equipment	–		–	
		–		–
Net Increase / (Decrease) in Cash		**34,318**		**(250,446)**

	At 1 April 2021	Cash Flows	At 31 March 2022
	£	£	£
Cash at bank	475,124	34,170	509,294
Cash on deposit	340,511	148	340,659
	815,635	**34,318**	**849,953**

Notes to the financial statements

1. 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, as described in note 4b below, 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 £158,497. After consideration of the current strategic plan to 2021/22 and with an aligned 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.

2. 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

	2022	2021
	£	£
CFDG Trading Limited		
Turnover	301,708	330,847
Cost of sales	(158,979)	(120,000)
Gross profit	**142,729**	**210,847**
Administrative expenses	(25,053)	(33,726)
Operating profit	**117,676**	**177,121**
Interest receivable	–	–
Profit before tax and Gift Aid distribution	**117,676**	**177,121**
Fund balance brought forward	67,121	13,439
Distribution to parent charity	(161,241)	(123,439)
Retained in subsidiary	23,556	67,121
Balance sheet		
Current assets	287,107	265,385
Current liabilities	(263,551)	(198,264)
Net assets	**23,556**	**67,121**
Share capital	10,000	10,000
Reserves	13,556	57,121
Total funding	**23,556**	**67,121**

3. Expenditure analysis

a) Analysis for total expenditure

Within total expenditure, the "Other direct costs" column includes costs of £22,575 (2021: £1,179) relating to services donated to CFG that were not incurred by CFG (see Note 4b). Had these services not been donated, CFG would have incurred this cost.

	Staff costs	Support costs	Other direct costs	Total 2022	Total 2021
	£	£	£	£	£
Raising funds	22,338	8,202	(2,148)	28,392	47,032
Charitable activities					
Develop skills, learning, knowledge & practice	532,288	195,450	32,237	759,975	716,404
Inspire financial leadership	139,271	51,139	79,281	269,691	322,638
Encourage a supportive environment	216,801	79,607	10,219	306,627	313,008
Total expenditure	**910,698**	**334,398**	**119,589**	**1,364,685**	1,399,082
Total expenditure 2020-21	921,817	385,073	92,192	1,399,082	

b) Analysis of support costs

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 2022	Total 2021
	£	£	£	£	£	£
Premises & Office Services	2,252	53,660	14,040	21,856	91,808	93,583
IT & Communications	2,225	53,010	13,870	21,592	90,697	136,997
Human Resources, Recruitment & Training	1,228	29,270	7,658	11,922	50,078	12,273
Financial Costs	644	15,355	4,018	6,254	26,271	71,796
Depreciation	1,403	33,441	8,750	13,621	57,215	59,440
Governance (incl External Audit)	450	10,713	2,803	4,363	18,329	10,984
	8,202	**195,449**	**51,139**	**79,608**	**334,398**	385,073

4. Net outgoing resources

a) These are stated after charging:

	2022	2021
	£	£
Auditor's remuneration		
Audit	7,296	12,215
Non-audit services	1,515	1,515
Depreciation	57,215	59,440
Operating lease premises	74,031	76,002

Operating lease commitments

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

	2022	2021
	£	£
Group and Charity property		
Leases which expire:		
Within one year	80,000	80,000
Within one to two years	51,945	80,000
Within two to five years	–	29,370
	131,945	**189,370**

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.

	2022	2021
	£	£
Charitable activities		
Develop skills, learning, knowledge & practice	22,523	620
Inspire financial leadership	39	15
Encourage a supportive environment	13	544
Total	**22,575**	**1,179**

5. Trustees and employee information

a) Trustee information

No remuneration was paid to or waived by any Trustee during the year (2021: Nil). No expenses for travel and subsistence were reimbursed to trustees during the year (2021: Nil, no trustees).

b) Employee information

	2022	2021
	No.	No.
i) Employee numbers		
Full time equivalent number of staff employed during the year was:	19.2	21.1
Average headcount during the year was:	20.2	21.9

Within the above figures, there were no redundancy payments made to employees (2021: no payments).

	£	£
ii) Employee costs		
Salaries	777,113	791,685
Social security	82,730	80,234
Pension	60,669	51,093
Sub-total salaried staff	**920,512**	**923,012**
Holiday pay accruals	(7,995)	(1,195)
Other	(1,819)	–
Total employee costs	**910,698**	**921,817**

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

	2022	2021
	No.	No.
iii) The number of employees whose total pay amounted to £60,000 or above for the year is as follows:		
£80,001 – £90,000	1	1
£70,001 – £80,000	0	0
£60,001 – £70,000	1	0

iv) Benefits
Only two members of staff included in the above bandings for 2022 (2021: 1 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 this member of staff amounted to £14,987 (2021: £8,859).

There were nineteen active members of staff in total accruing benefits under the group's personal pension schemes as at 31 March 2022 (2021: twenty).

c) Remuneration of Key Management Personnel
The total of employee benefits including pension contributions received by Key Management Personnel in 2022 is £259,037 (2021: £276,258). 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, 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 2022 was £7,445 (2021: £7,243).

6. Tangible and Intangible fixed assets – Group and Charity

The above fixed assets are used to support all of CFG's activities. As at 31st March 2022, CFDG Trading Ltd had no fixed assets.

	Office Furniture (Tangible fixed assets)	Computers (Tangible fixed assets)	Software (Intangible fixed assets)	Total 2022
	£	£	£	£
Cost	8,202	(2,148)	28,392	47,032
As at 1 April 2021 and 31 March 2022	27,522	42,972	218,281	288,775
Disposals	–	(24,399)	–	(24,399)
As at 31 March 2022	**27,522**	**18,573**	**218,281**	**264,376**
Depreciation/Amortisation				
As at 1 April 2021	(27,522)	(42,972)	(157,116)	(227,610)
Charge for the year	–	–	(57,215)	(57,215)
Disposals	–	24,399	–	24,399
As at 31 March 2022	**(27,522)**	**(18,573)**	**(214,331)**	**(260,426)**
Net book value				
As at 31 March 2022	**–**	**–**	**3,950**	**3,950**
As at 31 March 2021	–	–	61,165	61,165

7. Investments

Company No: 06810640

Registered Office: 15-18 White Lion Street, London N1 9PG

	Shares in subsidiary undertaking	Charity
	No.	£
At historic cost:		
At 1 April 2021 and at 31 March 2022	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

8. Debtors

All amounts fall due within one year.

	2022 Group	Charity	2021 Group	Charity
	£	£	£	£
Trade debtors	397,924	255,928	229,552	143,564
Other debtors	11,410	11,410	11,190	11,190
Prepayments and accrued income	143,499	139,079	57,656	52,406
Amounts owed by subsidiary	–	28,569	–	46,695
	552,833	**434,986**	**298,398**	**253,855**

9. Creditors

a) Creditors: amounts falling due within one year

All deferred income brought forward at the beginning of the year was released to income during the year (2021: same). All deferred income relates to membership fees and event bookings in advance.

	2022 Group	Charity	2021 Group	Charity
	£	£	£	£
Trade creditors	104,813	78,711	40,664	42,982
Deferred income	723,684	518,804	558,454	408,567
Pension contributions outstanding	7,445	7,445	7,243	7,243
Taxation and social security creditors	(12,990)	(12,990)	49,454	49,454
Other creditors and accruals	59,966	55,966	158,400	154,400
Short-term loan	200,000	200,000	–	–
Amounts owed to subsidiary	–	62,094	–	18,828
	1,082,918	**910,030**	**814,215**	**681,474**

b) Creditors: amounts falling due after one year

The loan listed above (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.

	2022 Group	Charity	2021 Group	Charity
	£	£	£	£
Long-term loan	50,000	50,000	–	–
	50,000	**50,000**	**–**	**–**

10. Outline Summary of Fund Movements

Free reserves are those reserves that are wholly at the discretion of the trustees to utilise for our charitable objectives.

The **Fixed Assst Reserves** equates to the Net Value of CFG's Fixed assets and therefore cannot be easily converted into cash balances.

The **IFL Training** fund ring-fences surpluses made through the IFL course.

The **Qualification Training Contracts** fund is to be used to support staff members undertaking professional qualifications.

The **Future Investment** designated fund has been set aside to fund digital first and other strategic initiatives.

The restricted fund for the **Small Charities Programme** relates to the balance of funding given by Esmee Fairbairn Foundation which will be used to support small charities improve their financial capabilities.

The restricted fund for the **Membership Bursary Fund** relates to funding given by Garfield Weston Foundation to be used to support small charities to allow them to benefit from CFG's services.

	Balance b/f 1st April 2021	Income	Expenditure	Transfers between funds	Balance as at 31st March 2022
	£	£	£	£	£
Fund					
Unrestricted Funds					
Free Reserves	224,187	1,268,251	(1,294,211)	(39,730)	158,497
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
Restricted Funds					
Small Charities Programme	7,046	–	–	–	7,046
Membership Bursary Fund	26,448	(26,448)	–	–	–
Total expenditure	**360,983**	**1,277,520**	**(1,364,685)**	**–**	**273,818**

11. Related party transactions

During the year ending 31 March 2022, the charity charged its subsidiary £158,979 for management fees relating to CFDG Trading Ltd's activities (2021: £120,000). CFDG Trading Ltd donated £161,241 to CFG from its profits (2021: £123,439). There were no other related party transactions. As at 31 March, the balance due to CFDG Trading Ltd from CFG was £33,525 (2021: £27,867 balance due from CFDG Trading Ltd to CFG).

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

Avtar Boparai	Director of CFDG Trading Ltd
Kelly Ryder	Finance Manager, The Orchard Trust – £761: - £336 membership fee - £425 delegate fees for events
Kerry Shea	FD, Everybody Health and Leisure – £905: - £671 membership fee - £154 delegate fees for events
Kevin O'Brien	Director of CFDG Trading Ltd
Mwiza Mkandawire	Head of Finance, Transaid Worldwide Services – £1,278: - £599 membership fee - £679 delegate fees for events
Saf Rahbour	Independent Audit Committee Member, UNICEF UK – £1,588: - £1,588 membership fee Director of Finance & Operations, Tropical Health and Education Trust – £681: - £371 membership fee - £308 delegate fees for events

12. Summary of Assets and Liabilities by Fund

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds
	£	£	£	£
Current Year				
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**

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds
	£	£	£	£
Prior Year				
Intangible Fixed Assets	–	61,165	–	61,165
Tangible Fixed Assets	–	–		–
Current Assets	1,038,402	42,137	33,494	1,114,033
Current Liabilities	(814,215)	–	–	(814,215)
Long-term Liabilities	–	–	–	–
Totals	**224,187**	**103,302**	**33,494**	**360,983**

13. Events after the reporting period

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

ii) Non-adjusting events
The only non-adjusting event to note for these accounts was the future effect of the global Covid-19 pandemic. This has been discussed in more depth throughout this document and the Board are satisfied that it does not change the going concern basis used to produce these accounts.

In June 2021, CFG received a loan under the Coronavirus Business Interruption Loan Scheme of £250,000, to help with future cash flow pressures. In July 2022, £200,000 of this loan was repaid, with £50,000 retained to help fund our 'digital first' journey.

14. Comparative statement of financial activities

For the year ended 31 March 2021
(incorporating the income and expenditure account)

	Notes	2021 Unrestricted Funds	2021 Restricted Funds	2021 Total Funds
		£	£	£
INCOME FROM:				
Donations and legacies		82,469	26,448	108,917
Charitable activities				
Develop skills, learning, knowledge & practice		610,165	–	610,165
Inspire financial leadership		356,670	–	356,670
Encourage a supportive environment		58,569	–	58,569
Other trading activities				
Fundraising events		37,150	–	37,150
Investments		**379**	**–**	**379**
Other		**67,836**	**–**	**67,836**
TOTAL INCOME		**1,213,238**	**26,448**	**1,239,686**
EXPENDITURE ON:				
Raising funds		47,032	–	47,032
Charitable activities				
Develop skills, learning, knowledge & practice		716,404	–	716,404
Inspire financial leadership		322,638	–	322,638
Encourage a supportive environment		313,008	–	313,008
TOTAL EXPENDITURE		**1,399,082**	**–**	**1,399,082**
NET INCOME / (EXPENDITURE)		**(185,844)**	**26,448**	**(159,396)**
TOTAL FUNDS BROUGHT FORWARD AT 1 APRIL		**513,333**	**7,046**	**520,379**
TOTAL FUNDS CARRIED FORWARD AT 31 MARCH		**327,489**	**33,494**	**360,983**

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 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity 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 2021 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 37, 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.

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 identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 and the Charities Statement of Recommended Practice.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were 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 use of restricted and endowment funds, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our 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.

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,
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Date: 21 December 2022



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