



# THE POWER OF PARTNERSHIPS

Charity Finance Group  
Annual Report  
and  
Financial Statements 2020/21

Registered Company number: 03182826

**The 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 partners 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](http://www.cfg.org.uk)

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## WHY CHARITY FINANCE GROUP EXISTS

Our aim is to maximise charities' positive impact on those 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 1

Well-developed skills, learning, knowledge and practice

### OUTCOME 2

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

### OUTCOME 3

A supportive and understanding operating environment

## A MESSAGE FROM THE CHAIR AND CEO

Welcome to the Charity Finance Group's Trustees' Annual Report 2020/21. The term is frequently over-used, but the extraordinary events of the past 12 months warrant its use, the operational challenges faced by us all have been 'unprecedented'.

The level of uncertainty and volatility, the level of disruption and the size of the challenges we have endured have been more significant than anyone might have predicted or prepared for. CFG leant into the crisis with three principal considerations:

- CFG's members and ensuring that the support our beneficiaries need from us was maintained,
- CFG's place in the wider sector and ensuring that government did not overlook the needs of the sector, and
- CFG's own survival as a charity

We were extraordinarily impressed and proud of the efforts of the staff team and trustees across all three considerations.

Whilst our own survival was not more important than helping our beneficiaries or the wider sector, there is a practical reality that we cannot do the first two without ensuring our own sustainability. Our worst-case scenario as the year commenced was a funding gap of three quarters of a million pounds – one which would have wiped out our reserves entirely. To reduce that figure to a survivable deficit is testimony to the team and board. This year, more than any that has gone before, showed how creative, hard-working and pragmatic the executive and trustees of CFG are. We extend our heartfelt thanks to both the staff team and trustees for the determination, hard work and goodwill they have committed to CFG during 2020.

But we were not alone in rising to the challenge; the significant support shown by our members, funders, corporate partners and generous individuals helped massively. Our headline and main sponsors of the CFG Annual Conference, who patiently stuck with us as the circumstances continuously changed, and the exhibitors and delegates who, when it became clear a physical event would not take place, not only didn't demand refunds but also engaged so enthusiastically with the virtual events in May and December that they all deserve a special mention.

Huge thanks also to the three corporate partners who supported three alternative events to the CFG Annual Fundraising Dinner; Crowe for hosting a fun quiz night, and Ecclesiastical and Price Bailey for sponsoring technical events.

Whilst the funds raised were only a fraction of those raised by our Annual Dinners, these events helped ensure CFG survived. Additionally, we made some tough calls on service provision and took steps to temporarily close CFG in order to receive government support under the Coronavirus Job Retention Scheme.

The steps taken in the previous year and the in-built flexibility in our processes meant that we were able to pivot our offering at pace and retained the vast majority of the planned services. However, we went further and added content and free events to our offer to ensure that charities remained connected and supported during this most difficult challenge. CFG's support was #NeverMoreNeeded during this period.

We've always prided ourselves on working collaboratively with others but the last year has super-charged those principles. It was a year in which we worked closer with partners across the sector than ever before.

Our work leading a budget submission developed new meaning as the pandemic took hold. Together with NAVCA, DSC, NCVO, ACEVO and CIOF, CFG was instrumental in rapidly bringing together sector voices. It became apparent very early on in the financial year that we would need to dig deep and pull together if the sector was to avoid being plunged into irrecoverable crisis. Over the weeks and months that followed the number of partners increased, became more organised and pushed for significant support.

We didn't get everything we sought from government but there is no doubt in our minds that without the coordinated efforts of the coalition the sector's plight would have been far worse. The initial £750m provided by the government dwarfed previous government support for the sector (although this amount was eclipsed by the size of the income lost at c£10bn).

We ensured wider support schemes like the Retail Grants, CBILS/CLBLIS (business interruption loans) and furloughing mechanisms (CJRS) could be accessed by social change organisations. CFG's policy work became indispensable to these representations, and the discussions we had with both government and the regulator.

CFG are proud to have supported and driven many aspects of the work that minimised the fallout for many and, for others, was the difference between survival and collapse. We are pleased to have been able to flex and respond to member need, ensuring that at the time our members needed us most, we were there.

Finally, we are delighted and thankful to have mitigated the financial impact on CFG itself. We are not 'out of the woods' yet and we are under no illusions that 2021-22 is going to be simple. But the support of our fabulous network of social change organisations and corporate experts has meant that this task is much easier than it might otherwise have been.

Thank you for all your support during this year and for the future.

*Gary Forster*

[Gary Forster \(Jan 27, 2022 17:06 GMT\)](#)

Gary Forster

Chair

*Caron Bradshaw*

[Caron Bradshaw \(Jan 28, 2022 10:54 GMT\)](#)

Caron Bradshaw

CEO

## STRATEGIC GOALS FROM 2021 AND BEYOND

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

- 1. Be the 'go-to' body**
- 2. Promote and support financial leadership at all levels**
- 3. Use our position to convene powerful networks**

CFG's strategic priorities evolved in 2020 as we focused on our position within the wider sector, our levels and areas of influence, and how our own internal knowledge and experiences feed into what we do.

### **1. Go-to body**

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

We will draw on our expertise and stature to be a bold, brave and confident advocate for the sector. CFG also draws upon its learning and experience to continually improve.

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

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

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

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

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

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

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

## MEETING AND REPORTING ON PUBLIC BENEFIT

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

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

As of January 2021, there were 169,000 charities in England and Wales registered with the Charity Commission, plus many more exempted or excepted charities. These charities work across a range of issues providing help to the vulnerable, delivering social change and making the world a better place to live.

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

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.

Improving the work of charities and helping their sustainability in a volatile and often unpredictable environment, we can 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 2020/21.



## FINANCIALS AT A GLANCE

	Total income (2021)	Total income (2020)	Total expenditure (2021)	Total expenditure (2020)
Outcome 1: Develop skills, learning, knowledge and practice	610,165 (-39%)	999,547 (-8%)	716,404 (-34%)	1,084,060 (+2%)
Outcome 2: Inspiring financial leadership	356,670 (-18%)	435,059 (+2%)	322,638 (-11%)	363,290 (+7%)
Outcome 3: Encourage a supportive environment	58,569 (-35%)	90,437 (-15%)	313,008 (-11%)	350,681 (+21%)

## PERFORMANCE AT A GLANCE

### CHARITY MEMBERSHIP

	Year 2020/21	Year 2019/20	Difference
Number of charity members	1,493	1,451	+42
Number of primary and additional contacts*	5,349	5,489	-140
Charities joined CFG as members for the first time in 2020/21	31	118	-87
Midlands	185	188	-3
Northern	264	223	+41
South west and Wales	222	218	+4
London and south east	822	822	-
Number of helplines	7	6	+1
Number of Special Interest Groups (SIGs)*	5	6	-1

\* The number of CFG Special Interest Groups (SIGs) decreased by one in 2020/21. The relaunch of the Finance in Grant-making Special Interest Group (FIG SIG) was postponed and the Community Accountants group was inactive during the year. The ARTS Special Interest Group (ARTS SIG) was launched in 2020, the Faith SIG is set to be launched in 2021/22, along with the relaunch of the FIG SIG.

### CORPORATE MEMBERSHIP

	Year 2020/21	Year 2019/20	Difference
Corporate members	102	127	-25
New corporate members	11	16	-5
Exhibitors at events	29*	76	

\*This is the number of all exhibitors, but for one event only – Annual Conference 2020. Exhibitors were not able to attend other events during the lockdown and therefore we cannot make a fair comparison.

### EVENTS AND TRAINING

	Year 2020/21	Year 2019/20	Difference
Total number of events	29	77	-48
Number of conferences	9	13	-4
Annual Conference attendees (all)	417	521	-104
Total number of delegates at CFG events	1,848*	3,010	-1,162
South west and Wales Conference	0*	61	-61*
Northern Conference	0*	54	-54*
Midlands Conference	0*	55	-55*

\*As above, due to the lockdown, we were unable to hold regional, in-person events in 2020/21. The figures above reflect this change in delivery method and the impact on delegate and exhibitor numbers. CFG organised, convened and led on numerous informal meetings that provided opportunities to network, share intelligence and work on topic-specific issues.

## MEDIA

	Year 2020/21	Year 2019/20	Difference
Twitter followers	11,418	10,700	+718
Greatest reach (Top Tweet)*	38,068 impressions	Data not collected	N/A
Website total page views	79,845*	273,181	-193,336
Website unique page views	60,691*	211,658	-150,967
New service - Number of webinars	9	17	-8
Total Webinar live attendees	338	847	-509
Total Webinar replay attendees	265	320	-585

## FURTHER COMMENTARY

### MEMBERSHIP

With a new Head of Membership & Marketing in place, the membership renewals process underwent a change in emphasis to a more proactive approach that would secure a greater renewals rate and great engagement with members. There has also been a focus on improving data capture and improving the communications during the renewals period.

### EVENTS AND TRAINING

As stated above, the events and training programme shifted rapidly to online delivery and the programme for 2020/21 was condensed. This new delivery model and the lockdown 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. Online delivery meant that geography no longer presented a barrier to accessing CFG events and training.

### MEDIA

We increased our reach in 2020/21 through social media, with new followers and for the first time, we are including in the statistics our greatest one-off reach with social media posts. This is useful in understanding our potential reach to external audiences.

We also increased our reach to the media with a new Communications Manager in post. In the six-month period between September 2020 and February 2021, there were at least 52 separate articles mentioning Charity Finance Group, published across digital news media. We have no comparative data from the previous year of the same period, however, we have seen a steady increase in media coverage and mentions during the financial year, as well as an increase in content on our own news pages.

The decrease in website page views is due to a series of changes in Google's algorithms. At the end of financial year 2020 we mapped out a two-phase project for the website and are undertaking a series of improvements, designed to improve user experience and to deliver more content to members.

[View our 2019/20 Annual Report.](#)

# REPORT OF THE BOARD OF TRUSTEES

## 2020/21 AIMS – PROGRESS SUMMARY

It has been a year like no other for CFG, our members and partners, the wider sector and globally. As we headed into 2020/21, we, like so many others, had little idea of what lay ahead and how prolonged and deep the Covid crisis would be.

We were immediately plunged into that crisis and whereas we would normally meet in person to take stock of the year and reflect on our year's activities, achievements, and where we had fallen short, we found ourselves working remotely from home, working out what needed to be done to support CFG's members, staff and the sector in that moment.

The reflections of the previous 12 months on how CFG should and could evolve to keep pace with a volatile and ever-changing operating environment were brought into sharp focus. Immediately, many of the plans we had were either brought forwards, particularly those around our digital communications, and others had to be paused to be re-configured, such as our events and training programmes.

The investments we had made in previous years through the Future Investment Fund, and the restructuring process that we went through as the pandemic took hold, stood us in good stead. We were able to pivot quickly to new ways of working whilst maintaining close contact with our members. This was due to our focus in previous years on CFG's business model, processes, product development and data.

However, this wouldn't have counted for much if it had not been for CFG's staff and the incredible commitment they showed to delivering services and activities in new and sometimes challenging circumstances. Due to CFG's restructure of the previous financial year we were recruiting for four key positions during the financial year and these spanned finance & operations, commercial services, membership and communications.

In Q2, we recruited a new Director of Commercial Services, a new Head of Membership & Marketing and a new Communications Manager. These key roles boosted CFG's ability to deliver our strategy. However, due to the financial constraints faced, we were unable to recruit to the planned headcount meaning that the staff team capacity was squeezed.

Throughout the financial year it was necessary to constantly review capacity and strike a balance between mothballing our services (placing staff on furlough) and mobilising our team to deliver more.

We hope that through greater collaboration with partner organisations, the use of flexible furlough and greater creativity and innovation, we were able to maintain, and in some areas increase, support for our members whilst addressing the fiscal stress we were under.

## HOW DID WE DO?

### BE THE GO-TO BODY

OUR STRATEGIC GOAL	KEY ACHIEVEMENTS/ OUTPUTS	WHAT WE'VE LEARNED
<p><b>Be the go-to body</b></p> <p>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.</p>	<p>CFG played a pivotal role in the coalition of infrastructure bodies (securing £750m emergency funding, amending support schemes such as CBILS and CVJRS for sector and took part in a number of campaigns #EveryDayCounts, #NeverMoreNeeded, #MobiliseNotMothball).</p> <p>CFG led the sector's response to CSR/Budget.</p> <p>CFG's CEO was part of the sectors engagement with DCMS.</p> <p>CFG's CEO was part of the working group determining the future of the infrastructure bodies coalition beyond the pandemic.</p> <p>Continued to lead SORP engagement and support the wider process through the CEO's membership of the SORP Committee and convening/supporting engagement strands.</p> <p>Supported the IFR4NPO project as country champion.</p> <p>Submitted a number of responses to important consultations in charity finance subjects like the future funding of DB schemes (The Pensions Regulator).</p>	<p>During the pandemic this strategic goal acquired renewed importance as we were called upon to provide data, insight and expert opinion on the funding and business models of the sector.</p> <p>However, our main focus was Covid-19 related, meaning capacity to address many of our core topics, from pensions to accounting, was squeezed.</p> <p>Financial constraints prevented the planned introduction of an entry level policy role aimed at using our place in the sector to increase diversity in policy formation. This meant our team was smaller than planned.</p> <p>We recognise that our resources and ambition are not currently matched and careful management will be required to maximise impact in constrained times.</p> <p>Member and partner input has been vital to our work and the mechanisms for tapping into this will need to be maintained.</p>

## PROMOTE AND SUPPORT FINANCIAL LEADERSHIP AT ALL LEVELS

OUR STRATEGIC GOAL	KEY ACHIEVEMENTS/ OUTPUTS	WHAT WE LEARNED
<p>Promote and support financial leadership at all levels;</p> <p>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.</p>	<p>Delivered an online Annual Conference over five days providing 21 speaker presentations and 'clinics' providing technical help and consultancy from our 30+ sponsors, exhibitors and corporate partners.</p> <p>Conducted all planned member meetings online, covering a wide range of topics, some sector-specific and others touching on core topics and Covid-19 related themes.</p> <p>Relaunched our Overseas Special Interest Group and ran online meetings to discuss key issues, including the IFR4NPO consultation and merger of DFID and FCO, as well as provided space for networking and knowledge sharing.</p> <p>Successfully transferred our flagship <i>Inspiring Financial Leadership</i> course with partners Sayer Vincent and Centre of Charity Effectiveness (now Bayes) online.</p> <p>Launched a Mentoring scheme online with two cohorts and a total of 26 attendees taking part during the year. The virtual format meant there were no geographical boundaries and participants engaged from different regions of the country.</p>	<p>The demand and need for technical, professional and personal development remains high.</p> <p>Participation increased in some areas as a result of easy digital access.</p> <p>Member's access and engage with different elements of their career development and knowledge (CPD) requirements in a range of ways. CFG needs to amend and adapt the range and channels of delivery to remain relevant and meet demand.</p> <p>Greater segmentation and tailored support is demanded by members.</p> <p>Knowledge of key products and services could be improved to ensure greater support to charitable organisations and individuals working in charity finance.</p>

## USE OUR POSITION TO CONVENE POWERFUL NETWORKS

OUR STRATEGIC GOAL	KEY ACHIEVEMENTS/ OUTPUTS	WHAT WE'VE LEARNED
<p><b>Use our position to convene powerful networks; to bring together different groups within and with the sector to:</b></p> <p>a) support one another's learning and knowledge leading to greater social impact</p> <p>b) position finance at the heart of decision making (driving effective governance and sustainable operations), and</p> <p>c) inform, instigate and shape better policy (regulation and legislation) and enhance public understanding of charities so that charities operate in a supportive environment.</p>	<p>CFG led the Finance and Funding Group of the infrastructure coalition (alongside CIOF) and the corresponding DCMS working group on Finance.</p> <p>CFG refreshed the Large Charity Special interest group and undertook a number of online meetings for knowledge sharing and best practice development.</p> <p>A new Special Interest Group for the arts and culture sector (ArtSIG) was launched, and convened new policy roundtables on key topics, such as pensions, Brexit and gift aid.</p> <p>Regular CEO contributions to CFG's magazine <i>Finance Focus</i> and <i>Charity Times</i> ensured a continuous debate around key issues and brought communities online to reflect and debate.</p> <p>Attracted more followers to our social media channels, helping to diversify and grow our networks and communities online.</p>	<p>The ability to bring together our corporate and charity members to tackle problems and co-create possible solutions was evident in our work, for example responding to the DB funding code proposals.</p> <p>This method enriches both our experience and the understanding of our partners and was 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.</p> <p>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.</p>

## READ ALL ABOUT IT!

It has been a year like no other. Read on for news stories and highlights from CFG in 2020/21.

### ADJUSTING OUR LENSES DURING A CRISIS

*By Caron Bradshaw OBE, Chief Executive Officer*

**Over the past year, the whole sector has experienced the impact of the Covid-19 pandemic and this has been at the front and centre of everything we've done. When the pandemic hit, CFG had three lenses through which we had to operate and respond to the pandemic.**

The first lens was around CFG's place in the wider sector and how we came together with other infrastructure organisations to ensure the sector had its voice heard. This was at the time the government was wrestling with its own responses and what was required from them, both from a fiscal point of view and in terms of practical advice and guidance.

CFG were at the heart of those conversations, and we played a pivotal role in bringing together a coalition of partners. We found great strength in the unprecedented levels of collaboration across the sector, which will continue long after this situation is over.

As a sector we've had to quickly pivot towards our services, delivering support in a very different way. They've had to be delivered in a time of increased demand and at exactly the time our income sources from nearly all our avenues had been cut off. So, it's been an incredibly challenging year for the whole sector.

At the same time, we've had to work in different ways with organisations and those that were not our official partners before the pandemic, for example mutual aid organisations, and new volunteers. Therefore, it has been an incredibly demanding world for the sector operationally, as well as financially, emotionally, and as organisations that employ individuals too.

The second lens we had to think about was our members. We asked ourselves how we should provide our charity and corporate members with the support and services they would expect outside of the pandemic. And we also thought about and recognised that our members had specific needs during the pandemic.

#### **Common challenges**

In common with all our members, our final and third lens was that we had our own challenges after suddenly abandoning the office in March 2020 and not going back. As of Summer 2021, many of us are still working from home or working in a hybrid manner.

We had to respond to our own income challenges; recognising that a lot of our income is generated through face-to-face activities. We've had to face financial and operational challenges, whilst also thinking about our staff wellbeing. We've encountered the challenges of isolation and being stripped of that support mechanism you get and the camaraderie that you experience when you're working physically together as a team.

As an organisation there were three parts to our response internally; practical, financial and pastoral. I think everyone has experienced the practical challenges around having an office space and whether we had the technology to carry on working. When we came into this pandemic, we anticipated the worst-case scenario of losing up to £750,000 in income, and not being able to easily identify the corresponding amount of expenditure without undermining our ability to deliver products and services, support the wider sector and our members – our charitable activities.



And the third aspect is about us as an employer. We have an ethos that our staff are human beings with lives outside work, and they do their best when they can bring their whole selves to work. We have leant into culture as being a really important part of who we are. That means recognising that not everyone is in the same boat and that we all have different circumstances at home.

### **Culture and change**

The culture of our organisation is about self-support, supporting each other, developing and working together. I have been quite surprised how much that culture had been reliant on the incidental conversations, the unstructured workspace and face-to-face environment.

Switching to digital and remote working has presented some significant challenges and, whilst we've all been working on a burning platform, goodwill has got us through. The aftermath of the pandemic is likely to create some tensions and challenges – not just for us, but all organisations – that we will all have to recognise and lean into. If we don't value and love our people, then we're not going to get the best out of them.

### **Restructuring during a crisis**

Coming into the new financial year, CFG had already gone through a process of self-reflection, and we had been looking at our business model and structure to make ourselves fit for the future.

We'd moved to our rolling strategy and had adopted several steps to try to make ourselves flexible and agile to respond to an ever-changing world – because life doesn't operate in nice, neat boxes, or linear lines.

In March 2020, we were in the middle of a restructure of CFG's staff and that presented a whole range of challenges – not just in terms of continuity and losing a lot of knowledge that had been built up over a period of time – as we said goodbye to some long-serving and skilled individuals as we restructured – but also in bringing on-board new people in a totally online environment – I have still not met some of my staff physically, face-to-face.

We had planned to recruit for some new roles to make that structure really perform for us, but the financial reality was that we had to pause some of those plans. This put extra pressure on staff. I want to pay tribute to those who have dug deep and carried the extra workload while their team members or line managers were still yet to be appointed. They've worked incredibly hard to ensure we carried on delivering to our members and to the sector.

The restructure in some ways was the worst of times in that it coincided with the pandemic, but equally, in other ways it has been the best of times as it has been an opportunity to really relish the challenge of onboarding new staff and ask ourselves questions like 'who are we?' and 'what is our brand?'

I was extraordinarily impressed and immensely proud of the efforts of our staff, and our trustees, our corporate supporters and our charity members in the way we've all come together to carry on.

From the bottom of my heart, I would like to say thank you to all those individuals and organisations who have stood by us during this difficult and challenging time. They have helped us to come through and have enabled us to deliver in a new and exciting way, at pace, to make those changes quickly.

Thank you.

## SPRING 2020 (Q1)

### **#EveryDayCounts campaign launch**

Many charities face the brink of collapse and others look to abandon or curtail services to survive the deepening Covid crisis. CFG is at the centre of the #EveryDayCounts campaign, encouraging charities to join the campaign and provide evidence to government. The team is taking an active role in the campaign by partnering with a wide range of sector organisations to develop policy responses and campaigns. Caron Bradshaw, CEO, CFG, comments that actions taken by charities is not about saving charity, but about saving the role charities play in society for the good of our beneficiaries. The campaign sets out that it is about helping charities play their part in responding to the unprecedented times and ensuring the most vulnerable in society are not the hardest hit during the crisis.

### **CFG continues its support as Covid-19 crisis deepened**

CFG continues to publish the latest information, tools and resources to members on Covid-19 and coronavirus. CFG's live Coronavirus guide is continually updated and news and guidance on government grants, schemes and other support is shared.

### **#NeverMoreNeeded coalition gets moving**

Following on from the #EveryDayCounts campaign, the coalition of civil society charities takes the next step in the joint campaign. The #NeverMoreNeeded campaign launches with a new website and information hub.

### **Commission publishes additional help**

Following consultation with CFG and others, the Charity Commission issues supplementary example tables to help trustees decide if they need to report a serious incident that is related to the coronavirus pandemic.

### **CFG and others raise the alarm on income shortfall**

CFG and other sector bodies continue to raise the alarm as charities face a huge predicted loss of more than £12bn as the Covid-19 crisis lengthens and they continue to grapple with the impact of social distancing measures.

### **Government support package is announced**

Chancellor Rishi Sunak makes a long-awaited announcement that the charity sector will receive a £750m package of measures to support it through the significant interruption caused by the Coronavirus. The announcement comes following significant pressure on the government from sector organisations, including CFG. The announcement is welcome, but concerns continue that it isn't enough.

## LEANING INTO THE THREE 'R'S

*By Rui Domingues, Director of Finance and Operations, CFG*

**I joined CFG in July 2020, and at the time of writing I'm marking my first anniversary as Director of Finance and Operations, leading a small team responsible for finance, HR, facilities and IT/technology.**

I've been a member of CFG for more than 20 years, but my directorship began right in the peak of the pandemic. That period was a very strange one for everybody, but looking back now there were three overlapping stages at CFG – the Response, the Recovery and the Renewal phases.

The Response phase – essentially a time of crisis management – was dominant for 2020 for us as a charity, for the sector, for the economy, for the world. This crisis management mode affected all aspects of the organisation – from the management of facilities, in particular the office and technology we use, and also our HR and staffing. And, of course, it impacted finances.

Like many other organisations, a lot of our delivery was via face-to-face conferences and training events, but in 2020 we just couldn't work like that any longer. We had to change delivery completely and we were aware that there could be a significant drop in our impact.

Despite being in the thick of that, CFG still managed to do some of the operational things that we'd planned to do, such as the restructuring of teams. But the most critical and key part of that phase was responding to a 40% drop in our income.

### **How did we respond?**

There were several things we did as a response to the pandemic and restrictions.

Firstly, just looking at the purely practical side – we had a closed office and we had to move to remote working for the whole staff team. Until then, we'd been using desktop computers, so we had to move very rapidly to laptops and Office 365. Staff set up their own mobile ways of working, some on kitchen tables, others in bedrooms. We all had to learn how to work remotely and blend our personal and professional lives that little bit more. The support we received from our technology partners was crucial during this period.

Another change we quickly implemented was that we changed how we did our reporting. It may seem counterintuitive, but rather than beef up the depth of our management accounting, we took a decision to go back to more basic reporting and monitoring during the year. We went to a very cash-based model, looking closely at our major outflows and cash inflows to make sure everything was balanced for the year. The Board was very supportive of this approach.

We made use of the schemes the government put in place, including the Coronavirus Job Retention Scheme. That support that central government gave meant that we did not have to make any redundancies.

After the year end, we also applied to the Coronavirus Business Interruption Loan scheme to give us a buffer for our cash as we move beyond that response phase into the next phases of recovery and renewal. We made a deficit in the year, but it was much lower than we'd originally projected earlier in 2020.

I believe we can confidently say that CFG is coming out of that crisis response phase now and in 2021 we are moving into the recovery and renewal phases. We opened our office in late summer/early autumn 2021. The team has been hard at work to ensure a Covid-safe environment and to make the office available to those who wish to use it.

Alongside the support we've given to staff, many of whom have been working in less-than-ideal situations from home, we've looked to see how we can support our members too, particularly when it comes to providing grants for our programmes.

### **Looking ahead**

As we look towards the renewal phase, we're considering the technology around hybrid events. However, we're still very mindful that our members really value the face-to-face interaction they experienced at past events, and we're looking at how to bring those back safely.

We're also conscious of the fact that by running events online, we've been able to welcome and support more charities from around the country to our events and this is something we want to continue.

We cannot underestimate just how tough this financial year has been, losing that amount of income overnight. However, that's what our reserves are there for – to help us weather those storms. From a finance perspective, we're now looking ahead and with a loan in place, if we need it, making sure that we're able to service it and thinking about the steps we need to take to rebuild our reserves.

As a team, we have to be more agile in some of the innovative work we're now exploring and learning to work in this blended way. We're refreshing our values and looking at how they filter through into our processes, behaviours and personal development plans.

It has been eye-opening to see the amount of work that people put in this past year and the team's commitment to supporting our members and the sector. But we do need to be careful: A lot of people now are feeling very stretched and we need to continue taking care of our colleagues.

### **Member support**

We're not out of the woods yet, as it's still a tough financial environment, but I'm just blown away by the way our members have renewed with us and new members have come on board, to see the benefits that CFG provides for them. Throughout the Response phase, members continued to sign up to online courses, and events, and they kept up their membership.

I want to say a really big thank you to CFG's members, charity and corporate, for continuing to support us and seeing the value that we bring to you and to the sector more widely. This support has really helped us enormously over the last year.

## SUMMER 2020 (Q2)

### **CFG renews commitment to EDI**

CFG renews its commitment to diversity, equality and inclusion in the wake of George Floyd's murder and mindful of the Black Lives Matters movement. CFG states: 'It is not enough to not be racist; we must be actively anti-racist. This focus on race equality also provides a prompt to think about diversity, equality and inclusion for all groups facing disadvantage and prejudice. We commit to do so and to turn these awful, shocking and outrageous events into a positive catalyst for change.'

### **CFG joins call for boost to Gift Aid amid pandemic fundraising shortfall**

As part of a coalition of leading voices in UK charities, CFG calls on the government to temporarily increase the level of Gift Aid that can be claimed on donations. CFG also writes to Danny Kruger MP with recommendations for his review into communities post Covid-19 to help civil society 'build back better'.

### **Government focuses on jobs in Economic Update**

CFG's policy team sets out a briefing on July's Economic Update, aided by commentary from CFG's corporate partners. Mostly it was all about the jobs, and no charity-specific measures were announced.

### **CEO's plea to sector – 'let's buzz as loudly as we can'!**

CEO Caron Bradshaw reaches out in a personal plea to the sector, urging them to 'buzz' as loudly as they can about the vital work they do. She writes: 'Like bees, we are an army of unnoticed workers. The

glue that keeps communities together and a bridge between the sectors. We are there when there is no profit to be made, in the spaces unoccupied by others, frequently holding up public services. Most people just don't know what is captured by that word 'charity'. Like the air we breathe or the bees who pollinate our plants, charities are all around us – trusted in our moments of individual and collective crisis. There for each and every one of us.'

### **CFG fundraises for first time to help close financial gap**

Caron Bradshaw pens an open letter on behalf of CFG to all CFG members, corporate partners, supporters and friends, stating: 'As you would expect we have acted quickly to cut costs, without impacting service or putting our staff team at risk and have found ways to protect and increase our income. We've held back on recruiting some vacancies, reduced overheads and I've taken a 12% pay cut... Despite early steps, we currently have a large funding gap which could be as much as half a million pounds by year-end.'

### **Research points to potential collapse in services**

The results of CFG's ongoing research with Pro Bono Economic and CloF, shows that more than half of charities are cutting back their services and warns of job losses. 85% of charities expect a negative financial impact and 70% think it will take more than a year for pre-Covid income levels to be restored. The research also shows how charities are responding in times of crisis, with 77% making more use of digital technology and 44% applying for government's emergency support.

## REACHING OUT DURING COVID-19

*By Sarah Lomax, Director of Commercial Services, CFG*

**The past year has been an interesting one, to say the least! I joined the organisation in August 2020, in the midst of the pandemic and to date I still haven't met my colleagues face-to-face and I still haven't been to the CFG office.**

I joined as part of the organisation's restructure of the senior management team, which also included a new head of membership and marketing. This post didn't previously exist at CFG, so in addition to joining a new organisation remotely, it has also been interesting to form a team in this manner.

It has presented its challenges, but we've been successful so far in working together smoothly and getting to know each other. One of the biggest challenges we had to meet head-on was turning our flagship annual conference into a multi-day digital event and I'd like to take this opportunity to thank all our sponsors, exhibitors, speakers and delegates who really rallied round us to make it one of our most successful conferences to date. We couldn't have done it without all of you!

At CFG, we're always looking to develop new relationships and convene partnerships and networks where we can to help our charity members manage their finances more effectively. So, for example, we've welcomed many more small charities into membership with the aid of Garfield Weston, who funded a bursary that we offered to charities with an income under £1m – ensuring that smaller charities are included and represented within our charity membership.

### Partnerships and networks

We have an excellent relationship with the Association of Independent Museums (AIM), which is moving from strength-to-strength. We've created a specialist interest group for the arts and we want to develop the relationships we currently have and develop new ones, to ensure that we're helping charities on the frontline to hone their financial skills.

Looking ahead, our plans for the future include adapting to new ways of working, training and attending events, and we are looking forward to returning to our Annual Conference and Annual Dinner physically in 2022.

Simultaneously, we want to keep the benefits that our rapid embrace of digital has brought us. We want to re-examine our membership benefits and services to ensure they remain relevant to our members, and ensure that our events and training offerings continue to help our members develop the skills they need to face their financial challenges throughout the pandemic and beyond. Our commercial team, in tandem with our excellent Corporate Partners, make certain that they provide relevant resources and expertise to help our charity members.

If I were to reflect on the past year, I would say that we are stronger together than alone and that's been illustrated both internally at CFG in the way the teams have really come together to face this, and externally through the partnerships that have been forged and strengthened in the face of the Covid crisis.

For me, this year has been that resilience is the Holy Grail and that personally and professionally you must take things one day at a time. After all, tomorrow is another day!

## AUTUMN 2020 (Q3)

### **'Tax after coronavirus' – joint charity sector response**

Joint response to the Treasury Committee's inquiry into 'Tax after coronavirus'. CFG responds in a joint submission which sets out a number of core principles that underpin any future tax reform. As a minimum, existing charity tax reliefs should be protected and tax compliance and administration simplified.

### **CFG reacts to 'Levelling up our communities' report**

CFG broadly welcomes a report from Danny Kruger MP which sets out a Conservative vision for civil society. 'Levelling up our communities' 'is a clear indication to government that civil society and social enterprises are a vital component in our country's recovery from the Covid-19 pandemic. CFG says that it hopes the report will mark the beginnings of a vital dialogue between government, charities, social enterprises and wider civil society.

### **CFG submits to Comprehensive Spending Review**

CFG, along with the #NeverMoreNeeded coalition of civil society organisations, responds to the government's Comprehensive Spending Review.

### **#TickTheBox day another success**

CFG's annual Gift Aid Awareness Day is in its third year and in 2020 the campaign is #NeverMoreNeeded. This year's event sees hundreds of charities raising awareness to encourage donors to #TickTheBox.

### **More news of sector redundancies**

CFG research shows more than ¼ of charities have made redundancies and 1/5 expect to make cuts once the job retention scheme is withdrawn. "We invite government to work more closely with us, to explore the solutions we've already set out and help counter the enormous operational difficulties we now all face", says CFG's Roberta Fusco.

### **Caron Bradshaw: Woman of the Year!**

CFG's CEO Caron Bradshaw is named Woman of the Year (non-CCAB) at the Women in Finance and Accountancy Awards, fighting off strong competition from seven other finalists. The judges note that 'by focusing on a strategy of promoting financial leadership, Caron has cemented CFG as not only a go-to body for the sector, but as a promoter of financial excellence throughout all levels of the discipline.'

### **Charities fear Christmas cash crisis**

The latest data from the social sector lays bare the stark need for more government support for charitable organisations. The results from the joint Covid Charity Tracker Report show that charities are to face a very difficult winter.

### **Coronavirus Job Retention Scheme extended**

The Coronavirus Job Retention Scheme will be extended until the end of March 2020. CFG's Policy Manager, Richard Sagar, takes a look at what that means for the sector.

## POLICY AND PIXELS: HOW WE CONNECTED THE DOTS

*By Roberta Fusco, Director of Policy & Communications*

**Pick up any Trustees' Annual Report this year and words such as 'unprecedented', 'challenging' and 'difficult' will leap out time and again. For CFG, the past year has been all those things, but to those words I would also add 'reflective' and 'galvanising'.**

When the pandemic struck, CFG was in the midst of a restructure which saw the creation of new teams to better meet our members' needs. Being immediately plunged into 'response' mode meant that we had little time to settle, but it also meant that we worked even harder to quickly build new relationships.

### **Strengthening the sector's voice**

From the very beginning of the pandemic, CFG and other infrastructure organisations came together to share information, pool resources, coordinate and collaborate for and on behalf of the sector. In all these efforts, CFG took a leading role.

Our history of working in partnership put us in a good position. Through our previous collaborative efforts on the Treasury's spending reviews and budgets, we were able to carve a clear path to a set of coordinated recommendations and 'asks' to government. This work proved to be significant in securing the government's vital £750m rescue package.

The past year has been characterised by an almost exclusive focus on working together with others. The CFG policy team has had weekly online meetings with infrastructure bodies and other charities from across the UK. This close contact allowed us to coordinate ongoing policy and public affairs activities, agree joint messaging and lobbying efforts, share intelligence and gather real-time data.

Not only have we strengthened our ties with those organisations, but we have also forged new ones. One of the most notable of these is with Pro Bono Economics. Together with the Chartered Institute of Fundraising (CIOF), we ran a monthly 'tracker' survey to check the ongoing financial 'health' of the charity sector. The data we gathered helped us to make the case for more government support. The pandemic also meant more frequent meetings and information sharing with government and we also helped The National Lottery Community Fund set the criteria for their new crisis fund.

The Covid-19 crisis decimated income for many. Given the financial impact, CFG led on a number of submissions and briefings to government, both in front of and behind the scenes. Our joint 'Five Point Economic Plan' and other work was submitted to government and a large part of our work involved briefings to the House of Lords and the Commons, to departmental committees, to HM Treasury and the Chancellor. We engaged in public affairs activity too. With the Charity Retail Association, we hosted a roundtable discussion with backbench MPs and Peers to discuss the role of the charity sector in 'building back better'.

We were successful in influencing the Charity Commission to amend their approach to the reporting of Serious Incident Reports by removing the qualification for 20% reduction in income, which during the pandemic period would have resulted in onerous reporting for charities without identifying those charities at real risk of insolvency.

We also presented a joint paper to DCMS, which represented the most comprehensive view of the 'state of the sector' finances and outlook. This involved wide collaboration across all sub-sectors of charity infrastructure and represented CFG as the body with the ability and authority to not only collate this information, but to synthesise and interpret it for the audience.



Although well received by the sector, the National Lottery, DCMS and Number 10 officials (who did not dispute its contents or conclusions) we were unable to secure additional funding on top of the initial £750m. However, our efforts led to greater collaboration and transparency, as well as a renewed commitment to exploring politically viable options.

Our work in other areas continued and Brexit was our focus for the latter part of the year. We created space to discuss the implications of the UK's exit from the European Union and provided members with detailed information on what the final agreement meant for the sector.

### **Communicating change and changing communications**

While much of our policy work went on behind the scenes, CFG's efforts to represent members and the sector more widely was #NeverMoreNeeded – a phrase and campaign slogan that summed up both the rapidly growing need for charity services during the pandemic, and the need of the sector to receive emergency support from government.

The #NeverMoreNeeded campaign was one among three that we were involved in during the year. CFG led on a campaign – #MobiliseNotMothball – that asked government to look again at the Coronavirus Job Retention Scheme (CJRS). We pointed out that the charity sector faced a Hobson's choice between furloughing staff, and therefore effectively mothballing, or stretching finances to breaking point by stepping up to meet increasing demand for services.

We also backed the #RightNow campaign towards the end of the FY that kept up the pressure on government to urgently support the sector. Although not successful in achieving our main aims, there was much to be proud of in the way we communicated our sector's needs and represented members' interests.

Whilst CFG worked to support and deliver these Covid-19 related campaigns and the annual Gift Aid Awareness Day campaign in October (which saw the launch of our new *Guide to Gift Aid*), we also turned our attentions to the digital delivery of some of our member benefits and products.

We continued to deliver content that supported members' professional and personal development through *Finance Focus* and our website. And we began a programme of work to improve the website, to improve compliance, member/user experience and deliver more content more seamlessly. The project is expected to be delivered in 2021/22.

We also continued to expand our reach to external audiences with an increased presence in the sector and national media. Between September 2020 and February 2021, there were at least 55 separate articles published across digital and broadcast news media (print media not tracked) that mentioned, or were led by, CFG. There was good coverage in the charity/fundraising/third sector press – nearly half of all articles were from the sector press. Others were a mix of local and national press, including *Financial Times*, *Mirror*, *Telegraph*, *Guardian*, *Express*, *Forbes*. Broadcast coverage included ITN/ITV, the BBC and Channel 4. Without our partnership working many of these stories would not have been possible and we thank those we partnered and worked to ensure the sector's stories were amplified.

This past year has helped us to reflect on what can be achieved at a time of crisis and it exposed a level of team commitment, adaptability, and creativity that we hadn't previously seen. It's difficult to settle on just one big lesson, as I believe the past year and the pandemic has bought about a fundamental shift in so many ways of thinking and being. For me, it has reinforced the importance of core values in the workplace, and my belief that if we are to make true progress as a human race then we must place the collective good above personal gain.

## WINTER 2020/21 (Q4)

### **CFG asks Chancellor to make job scheme fit-for-purpose**

Civil society leaders write to Rishi Sunak to urge him to develop a Coronavirus Job Retention Scheme (CJRS) fit for purpose for social change organisations. The group points out the CJRS is 'a scheme designed predominantly with private enterprise in mind' that has 'had the perverse effect of incentivising mothballing of provision and not mobilisation.' CFG launches the #MobiliseNotMothball campaign with this urgent message to government.

### **Economists sound warning over 'charity crunch'**

The results of the latest Covid Charity Tracker Survey reveal a troubling gap between increasing demand and declining income. Seventy-five per cent of charities expect higher demand in 2021, while 83% forecast income decline.

### **CFG responds to the government's spending review**

CFG comments on the Chancellor's spending review. Caron Bradshaw says that the government "can no longer afford to ignore vital non-profit organisations who work on the ground, here in the UK and overseas."

### **New CFG bursary scheme gives small charities a boost**

CFG launches a Small Charities Membership Bursary to help small charities that have been impacted by Covid-19. The new grant scheme was made possible thanks to the generosity of the Garfield Weston Foundation. By securing £30k, CFG will provide full membership bursaries for around 200 smaller charities.

### **CFG's Annual Conference opens with Tessy Ojo CBE**

Tessy Ojo CBE shares the three principles and lessons she believes will help the charity sector create a better future: Our people must matter; build sustainable and innovative funding models; remain agile.

### **We will keep "raising the alarm"**

CFG states that the Chancellor's reply to civil society's call for a fit-for-purpose job scheme falls short. Caron Bradshaw comments: "We call again on the government to meet with us to discuss all points of concern and quickly find a path through. Now is the time to do that before the CJRS policy is reviewed in January. Until that time, we will keep raising the alarm."

### **Charity Finance Group's CEO is awarded an OBE**

Caron Bradshaw, CEO of CFG, is named in the New Year's Honours List and will receive an OBE. "I am deeply grateful for what I see as recognition of CFG's work", says Caron.

### **Charity sector innovation boom set to last**

A new report from CFG, Pro Bono Economics and CloF shows that charities expect to continue their rapid shift towards digital working and collaboration in 2021, building on the innovation they have displayed in response to the Covid-19 crisis.

### **Coalition reiterates calls for urgent support**

Charity sector leaders set out urgent #NeverMoreNeeded support measures ahead of the March 2021 Budget and CFG reiterates its call for a fit-for-purpose CJRS. A new report from CFG, Pro Bono Economics and CloF suggests a fundraising chill, with severe income drops.

### **#RightNow campaign gets off to a flying start**

Thousands of social change organisations across the UK, their supporters and volunteers share what they're doing #RightNow to support their communities. The campaign aims to raise awareness of the sector's vital work and calls on government to create an emergency support fund.

### **Tax after Coronavirus**

CFG takes a look at the Treasury Committee's latest report on tax which warns that 'tax reform is needed to address unsustainable public finances'. CFG notes that although the report does not explicitly respond to CFG's recommendations, the report covers a number of issues of interest to the sector.

### **Budget 2021 reactions**

CFG joins with dozens of other civil society organisations to express disappointment that the government has 'made the deliberate choice not to listen to the collective voices of over 1000 civil society organisations...' There are some bright spots, though, including the extension of the furlough scheme, additional funds for domestic abuse survivors and mental health services for veterans, and a cash boost for arts and culture.

### **Share your stories at the CFG Annual Conference 2021**

Every year the CFG Annual Conference brings together the talented charity finance community. Members are invited to submit their stories, best practice and expertise as speakers at the 2021 Annual Conference entitled Leading the Way.

## CASE STUDY: INSPIRING FINANCIAL LEADERSHIP

*By Lindsey West, Head of Finance and Operations, Heart of Glass*

When Lindsey West first signed up to CFG's Inspiring Financial Leadership course in 2020, she wasn't entirely sure what to expect and how it would help her or her charity – Heart of Glass, based in St Helens.

Lindsey and her 13 colleagues work with local communities across Merseyside to make art that is meaningful to them and their communities. Like many other charities, Heart of Glass was significantly impacted by the pandemic; as a collaborative arts organisation, the charity's work is mainly through face-to-face delivery.

Lindsey explains: "My hope prior to joining the course was to gain confidence in myself and my role. I wanted to be able to bring my finance experience to the table during wider conversations at work, influencing strategy and the development of the organisation.

"I'm not sure I really knew what I was getting into when I joined the course. I loved that it was over multiple months and so there was the sense of being able to implement learning over time. And being based in north-west England I would not have been able to join the course if it wasn't for the pandemic converting it to online delivery!"

As Head of Finance and Operations, Lindsey directly line manages the Finance and Operations Officer, supports the wider team as a Wellbeing Champion and works with the other line managers through her HR responsibilities. With a broad range of responsibilities, Lindsey was looking for a course that touched on all aspects of her role.

"The course was so much broader than I expected it to be. I learned the most I ever have about leadership and the impact a great leader can have on an organisation, the people who work there, and the beneficiaries.

"The areas of focus that stand out to me included developing my coaching skills, thinking about how culture is developed within organisations, and the importance of empowering people, helping them build resilience and maintain positive wellbeing.

"Developing these leadership skills feels like a life-long endeavor, I'm not always getting them right – I have to remind myself to ask open questions, to slow down and model good work/life balance!

"However, I do feel the course has given me the tools to draw upon to continue improving as a leader, and it has given me a great network of people who I can seek advice from when I need it."

So how has the course directly impacted the work Lindsey does and Heart of Glass itself?

"There are many examples of how the course has had a direct impact on Heart of Glass and the people that I work with," states Lindsey. "The course has impacted the reports that I produce, how I approach line management with my team, how I contribute to conversations around the culture of the organisation and our business plan objectives, and how we have developed our approach to supporting wellbeing and resilience throughout the pandemic – to name a few!"

## REVIEW OF FINANCIAL POSITION

### CFG'S 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 the sector-wide and profound challenges. CFG's business model was therefore perfectly positioned to lean into a new appetite 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 the support of the Rank Foundation who provided emergency Covid-19 crisis funding of £25k. This recognition of the importance of not only 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 services provision 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. This did undermine the income generated, but we were able to maintain this element of our business model thus preserving the underlying role for future years post-pandemic.

The corporate support subsidises the cost of services to our charity members. Without corporate member 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 keenly applying lessons from last year and looking for ways to build on our digital offering.

### RESULTS FOR THE YEAR

For the financial year 2020/21 the Trustees had planned a deficit for CFG, which totalled at year end a deficit of £159,396; £185,844 if just looking at unrestricted funds (2020: deficits of £203,853 and £198,353 respectively). Income was significantly lower in 2020/21, £1,239,686 compared to £1,676,463 in 2019/20. Expenditure, £1,399,082, was also lower than the £1,880,317 spent in 2019/20, a decrease of nearly 26%, 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 2020/21 stand at £224,187, compared to £259,903 for 2019/20. 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.

Our strategy had involved planned deficits in both 2019/20 and 2020/21. 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 (although 2021/22 is still expected to return a substantial deficit), we envisage reinstating designated funds to help us deliver our strategy to support members.

## RESERVES POLICY

As part of the 2020/21 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 £224,187 (2019/20: £259,903) within the current agreed range. The Board will at times designate funds from free reserves for specific costs that fall outside the normal business as usual expenditure, or back into free reserves to withstand other pressures. Any funds received that can only be lawfully used for a specific charitable purpose will be held as restricted funds.

## INVESTMENT POLICY

CFG receives income on an annual basis through membership subscriptions, sponsorship, grants and other sources. It plans activities on a rolling three-year basis and budgets to expend all anticipated income, except for retaining a prudent amount in reserves. It has no permanent endowment and provides 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. Its policy is therefore to retain funds as cash and place them on bank deposit at the best rate obtainable.

As a result, it 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 its name from the Charity Finance Directors' Group on 20 March 2015, it 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, CFGD 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 CFG members, 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 bi-weekly 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 ad hoc 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 and Audit Committee 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 (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 2021 was 21.9, representing 21.1 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 members (charity and corporate) feel the full 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 to deliver 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 Covid-19 and Brexit related policy issues in engaging with 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 and going forward. In addition, as a bold and forthright commentator, CFG may from time to time be viewed as being at odds with government policy, the 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, remain balanced, evidence-based and brave.

### **Risk: People & Development**

The effect of the pandemic on our employees, 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 2021-22 and beyond.

## **FINANCIAL AND RESOURCE MANAGEMENT**

This report is produced for the performance of the charity up to the 31 March 2021. 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 2020/21 is due to renewals that took place predominantly in February and March, this 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.

Both the Annual Conference and the Annual 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 been mitigated in 2020/21 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, even with staff on furlough for large parts of 2020, 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 2021/22 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.

However, pre-pandemic plans included a potential deficit in 2020/21 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 have transitional decision points in 2021/22 to help manage costs in line with expected income.
- 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 as 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 2020/21 CFG did not award cost of living uplift in salary, reviewing in the light of the potential economic impact of Covid-19 (2020: 2.0%). One member of staff, the CEO, earned more than £60,000 per annum being remunerated £97,449 (2021: £96,641). The CEO voluntarily agreed to a reduction in her salary equivalent to the combined CoL for all staff to ensure that this agreement could be honoured and the impact mitigated for the duration of the crisis. This is anticipated to remain in place for the majority, if not all, of 2021/22.

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)

CFG has an ongoing commitment to ensuring that staff, Trustees and members are not subjected to practices that lead to inequality, lack of diversity or exclusion. In addition to previous steps to re-examine our recruitment practices to ensure that language and requirements for specific qualifications and experience did not inadvertently create barriers to inclusion, 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

And commenced development of an EDI board champion.

CFG participated in the sector collaborative working on addressing racism, chaired by James Watson-O'Neil of Signhealth, and signed up to the ACEVO/Voice4change principles arising from the Home Truths report.

We do not routinely require education to degree level for all roles. Furthermore, salaries for roles are included in adverts and briefing packs have been amended to ensure inclusive language is used. We have committed to ongoing improvements in all areas of CFG activity. We have committed to ensuring that future reports include our performance against targets and relevant benchmarks where possible.

## 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 sound financial management experience and has led on several change management programmes, including CRM systems implementation and digital projects designed to support teams in being increasingly dynamic and effective. 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 Centrepont. 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 an 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 currently works as Finance Director at [Ambition Institute](#). He joined the CFG Board in October 2019. Before joining the sector, Avtar trained and qualified as an accountant in industry before moving into the not-for-profit sector in 2015. Avtar has a key interest in technology and innovation within finance and enabling the not-for-profit sector to take advantage of these developments.

## 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.

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By order of the Board,



[Gary Forster \(Jan 27, 2022 17:06 GMT\)](#)

27 January 2022

Jan 27, 2022

# FINANCIAL STATEMENTS 2020/21

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

### Consolidated statement of financial activities

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

Notes	2021		Total Funds £	2020 Total Funds £
	Unrestricted Funds £	Restricted Funds £		
<b>INCOME FROM:</b>				
<b>Donations and legacies</b>	82,469	26,448	108,917	28,830
<b>Charitable activities</b>				
Develop skills, learning, knowledge & practice	610,165	-	610,165	999,547
Inspire financial leadership	356,670	-	356,670	435,059
Encourage a supportive environment	58,569	-	58,569	90,437
<b>Other trading activities</b>				
Fundraising events	37,150	-	37,150	118,212
<b>Investments</b>	379	-	379	4,230
<b>Other</b>	67,836	-	67,836	149
<b>TOTAL INCOME</b>	<b>1,213,238</b>	<b>26,448</b>	<b>1,239,686</b>	<b>1,676,464</b>
<b>EXPENDITURE ON:</b>				
<b>Raising funds</b>	47,032	-	47,032	82,286
<b>Charitable activities</b>				
Develop skills, learning, knowledge & practice	716,404	-	716,404	1,084,060
Inspire financial leadership	322,638	-	322,638	363,290
Encourage a supportive environment	313,008	-	313,008	350,681
<b>TOTAL EXPENDITURE</b>	<b>1,399,082</b>	<b>-</b>	<b>1,399,082</b>	<b>1,880,317</b>
	3			
<b>NET (EXPENDITURE) / INCOME</b>	<b>(185,844)</b>	<b>26,448</b>	<b>(159,396)</b>	<b>(203,853)</b>
<b>TOTAL FUNDS BROUGHT FORWARD AT 1 APRIL</b>	<b>513,333</b>	<b>7,046</b>	<b>520,379</b>	<b>724,232</b>
<b>TOTAL FUNDS CARRIED FORWARD AT 31 MARCH</b>	<b>327,489</b>	<b>33,494</b>	<b>360,983</b>	<b>520,379</b>

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 £1,238,508 (2020: £1,502,082) and total expenditure is £1,397,904 (2020: £1,705,935), which is total income and expenditure as shown above, both net of gifts in kind of £1,179 (2020: £174,382). All the above amounts relate to continuing activities.

For the charity, total income is £1,152,278 (2020: £1,707,397) and total expenditure is £1,365,356 (2020: £1,887,933).



# FINANCIAL STATEMENTS 2020/21

## BALANCE SHEETS

### Balance sheets

As at 31 March 2021  
Company no: 3182826

	Notes	2021		2020	
		Group £	Charity £	Group £	Charity £
<b>Fixed assets</b>					
Intangible assets	6	61,165	61,165	115,729	115,729
Tangible assets	6	-	-	4,876	4,876
Investments	7	-	10,000	-	10,000
		<b>61,165</b>	<b>71,165</b>	<b>120,605</b>	<b>130,605</b>
<b>Current assets</b>					
Debtors	8	298,398	253,855	377,765	245,229
Short term deposits		340,511	340,511	640,132	640,132
Cash at bank and in hand		475,124	319,805	425,949	294,637
		<b>1,114,033</b>	<b>914,171</b>	<b>1,443,846</b>	<b>1,179,998</b>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	9	(814,215)	(681,474)	(1,044,072)	(793,663)
		<b>299,818</b>	<b>232,697</b>	<b>399,774</b>	<b>386,335</b>
<b>Net Current assets</b>					
		<b>360,983</b>	<b>303,862</b>	<b>520,379</b>	<b>516,940</b>
<b>Total assets less current liabilities</b>					
		<b>360,983</b>	<b>303,862</b>	<b>520,379</b>	<b>516,940</b>
<b>Funds</b>	10				
Unrestricted funds:					
Free reserves		224,187	167,066	259,903	256,464
Designated funds					
Fixed asset reserve		61,165	61,165	120,605	120,605
Inspiring financial leadership		27,137	27,137	27,890	27,890
Business improvements		-	-	12,019	12,019
Market research		-	-	16,241	16,241
Qualification training contracts		15,000	15,000	23,715	23,715
Innovation and development		-	-	52,960	52,960
Restricted funds					
Garfield Weston		26,448	26,448	-	-
Small charities programme		7,046	7,046	7,046	7,046
		<b>360,983</b>	<b>303,862</b>	<b>520,379</b>	<b>516,940</b>

The charity generated a deficit of £213,078 for the year ended 31 March 2021 (2020: a deficit of £203,853). 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 43 to 53 form part of these accounts. The accounts were approved and authorised for issue by the Board of Trustees on 27 January 2022 and signed on their behalf by:

  
Gary Forster (Jan 27, 2022 17:06 GMT)

**Gary Forster**  
Chair  
Jan 27, 2022



**Avtar Boparai**  
Chair of Finance & Audit Committee  
Jan 27, 2022

# FINANCIAL STATEMENTS 2020/21

## CONSOLIDATED STATEMENT OF CASH FLOWS

As at 31 March 2021  
Company no: 3182826

	2021		2020	
	£	£	£	£
<b>Cash Flows from Operating Activities</b>				
Net Expenditure	(159,396)		(203,853)	
Adjustments for:				
Depreciation	59,440		(61,263)	
Interest Expense	379		4,230	
Trade and Other Receivables	79,367		438,683	
Trade and Other Payables	(229,857)		(88,660)	
<b>Cash Flows (used by) / generated from Operations</b>	<b>(250,067)</b>		<b>89,137</b>	
Interest paid	(379)		(4,230)	
<b>Net Cash Flow from Operating Activities</b>	<b>(250,446)</b>		<b>84,907</b>	
 <b>Cash Flows from Investing Activities</b>				
Purchase of IT Systems/Equipment	-		(7,584)	
		-		(7,584)
 <b>Net (Decrease) / Increase in Cash</b>	<b>(250,446)</b>		<b>77,323</b>	

	At 1 April 2020	Cash Flows	At 31 March 2021
Cash at bank	425,949	49,175	475,124
Cash on deposit	640,132	(299,621)	340,511
	<u>1,066,081</u>	<u>(250,446)</u>	<u>815,635</u>

# FINANCIAL STATEMENTS 2020/21

## 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 £224,187. After consideration of the current strategic plan to 2020/21 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 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

	2021	2020
	£	£
<b>CFDG Trading Limited</b>		
Turnover	330,847	425,464
Cost of sales	(120,000)	(150,035)
<b>Gross profit</b>	<b>210,847</b>	<b>275,429</b>
Administrative expenses	(33,726)	(1,990)
<b>Operating profit</b>	<b>177,121</b>	<b>273,439</b>
Interest receivable	-	-
<b>Profit before tax and Gift Aid distribution</b>	<b>177,121</b>	<b>273,439</b>
Fund balance brought forward	13,439	36,755
Distribution to parent charity	(123,439)	(296,755)
Retained in subsidiary	67,121	13,439
<b>Balance sheet</b>		
Current assets	265,385	322,355
Current liabilities	(198,264)	(308,916)
<b>Net assets</b>	<b>67,121</b>	<b>13,439</b>
Share capital	10,000	10,000
Reserves	57,121	3,439
<b>Total funding</b>	<b>67,121</b>	<b>13,439</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 3. Expenditure analysis

#### a) Analysis for total expenditure

	Staff costs	Support costs	Other direct costs	Total 2021	Total 2020
	£	£	£	£	£
<b>Raising funds</b>	33,013	13,747	272	47,032	82,286
<b>Charitable activities</b>					
Develop skills, learning, knowledge & practice	534,557	223,501	(41,654)	716,404	1,084,060
Inspire financial leadership	141,986	59,342	121,310	322,638	363,290
Encourage a supportive environment	212,261	88,483	12,264	313,008	350,681
<b>Total expenditure</b>	<b>921,817</b>	<b>385,073</b>	<b>92,192</b>	<b>1,399,082</b>	<b>1,880,317</b>
<i>Total expenditure 2019-20</i>	<i>1,015,372</i>	<i>294,658</i>	<i>570,287</i>	<i>1,880,317</i>	

Within total expenditure, the "Other direct costs" column includes costs of £1,179 (2020: £174,382) 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.

#### b) Analysis of support costs

	Raising funds	Develop skills, learning, knowledge & practice	Inspire financial leadership	Encourage a supportive environment	Total 2021	Total 2020
	£	£	£	£	£	£
Premises & Office Services	3,351	54,275	14,412	21,545	93,583	108,161
IT & Communications	4,866	79,696	21,095	31,340	136,997	73,617
Human Resources, Recruitment & Training	438	7,048	1,932	2,855	12,273	45,015
Financial Costs	2,571	41,639	11,057	16,529	71,796	(4,347)
Depreciation	2,128	34,473	9,154	13,685	59,440	61,263
Governance (incl External Audit)	393	6,370	1,692	2,529	10,984	10,949
	<b>13,747</b>	<b>223,501</b>	<b>59,342</b>	<b>88,483</b>	<b>385,073</b>	<b>294,658</b>

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.

## NOTES TO THE FINANCIAL STATEMENTS

### 4. Net outgoing resources

#### a) These are stated after charging:

	2021 £	2020 £
Auditor's remuneration		
Audit	12,215	7,875
Non-audit services	1,515	2,050
Depreciation	59,440	61,263
Operating lease premises	76,002	75,991

#### Operating lease commitments

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

Group and Charity property	2021 £	2020 £
Leases which expire:		
Within one year	80,000	80,000
Within one to two years	80,000	80,000
Within two to five years	29,370	189,370
	189,370	349,370

#### 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.

	2021 £	2020 £
Charitable activities		
Develop skills, learning, knowledge & practice	620	157,656
Inspire financial leadership	15	8,183
Encourage a supportive environment	544	8,543
Total	1,179	174,382

## NOTES TO THE FINANCIAL STATEMENTS

### 5. Trustees and employee information

#### a) *Trustee information*

No remuneration was paid to or waived by any Trustee during the year (2020: Nil). No expenses for travel and subsistence were reimbursed to trustees during the year (2020: £1,441, four trustees).

#### b) *Employee information*

<i>i) Employee numbers</i>	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Full time equivalent number of staff employed during the year was:	21.1	21.4
Average headcount during the year was:	21.9	22.5

<i>ii) Employee costs</i>	<b>£</b>	<b>£</b>
Salaries	791,685	848,062
Social security	80,234	87,280
Pension	51,093	51,879
<b>Sub-total salaried staff</b>	<b>923,012</b>	<b>987,221</b>
Contractors	-	3,262
Holiday pay accruals	(1,195)	3,517
Other	-	19,718
<b>Total employee costs</b>	<b>921,817</b>	<b>1,013,718</b>

Within the above figures, there were no redundancy payments made to employees (2020: £22,079, 2 employees).

#### iii) *The number of employees whose total pay amounted to £60,000 or above for the year is as follows:*

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
£90,001 - £100,000	0	1
£80,001 - £90,000	1	1

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

#### iv) *Benefits*

Only one member of staff included in the above bandings for 2021 has 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 £8,859 (2020: £9,954).

There were twenty active members of staff in total accruing benefits under the group's personal pension schemes as at 31 March 2021 (2020: nineteen).

#### c) *Remuneration of Key Management Personnel*

The total of employee benefits including pension contributions received by Key Management Personnel in 2021 is £276,258 (2020: £330,406). 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 Events and Business Development, 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 2021 was £7,243 (2020: £12,792).



## NOTES TO THE FINANCIAL STATEMENTS

### 6. Tangible and Intangible fixed assets - Group and Charity

	Office Furniture (Tangible fixed assets) £	Computers (Tangible fixed assets) £	Software (Intangible fixed assets) £	Total 2021 £
<b>Cost</b>				
As at 1 April 2020 and 31 March 2021	27,522	42,972	218,281	288,775
<b>Depreciation/Amortisation</b>				
As at 1 April 2020	(26,563)	(39,055)	(102,552)	(168,170)
Charge for the year	(959)	(3,917)	(54,564)	(59,440)
<b>As at 31 March 2021</b>	<b>(27,522)</b>	<b>(42,972)</b>	<b>(157,116)</b>	<b>(227,610)</b>
<b>Net book value</b>				
<b>As at 31 March 2021</b>	-	-	<b>61,165</b>	<b>61,165</b>
<i>As at 31 March 2020</i>	<i>959</i>	<i>3,917</i>	<i>115,729</i>	<i>120,605</i>

The above fixed assets are used to support all of CFG's activities. As at 31st March 2021, CFDG Trading Ltd had no fixed assets.

### 7. Investments

	Shares in subsidiary undertaking No.	Charity £
At historic cost:		
At 1 April 2020 and at 31 March 2021	10,000	10,000
<b>Principal Subsidiary Undertakings</b>	<b>Registered in</b>	<b>Percentage of No. of £1 ordinary capital held shares held</b>
CFDG Trading Limited	England & Wales	100% 10,000

Company No: 06810640

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

## NOTES TO THE FINANCIAL STATEMENTS

### 8. Debtors

	2021 Group £	Charity £	2020 Group £	Charity £
Trade debtors	229,552	143,564	301,586	144,514
Other debtors	11,190	11,190	13,672	13,672
Prepayments and accrued income	57,656	52,406	62,507	61,052
Amounts owed by subsidiary	-	46,695	-	25,991
	<b>298,398</b>	<b>253,855</b>	<b>377,765</b>	<b>245,229</b>

All amounts fall due within one year.

### 9. Creditors

	2021 Group £	Charity £	2020 Group £	Charity £
Trade creditors	40,664	42,982	97,512	94,368
Deferred income	558,454	408,567	817,250	540,018
Pension contributions outstanding	7,243	7,243	12,792	12,792
Taxation and social security creditors	49,454	49,454	34,636	34,636
Other creditors and accruals	158,400	154,400	81,882	79,333
Amounts owed to subsidiary	-	18,828	-	32,516
	<b>814,215</b>	<b>681,474</b>	<b>1,044,072</b>	<b>793,663</b>

All deferred income brought forward at the beginning of the year was released to income during the year (2020: same). All deferred income relates to membership fees and event bookings in advance.

## NOTES TO THE FINANCIAL STATEMENTS

### 10. Outline Summary of Fund Movements

Fund	Balance b/f 1st April 2020	Income	Expenditure	Transfers between funds	Balance as at 31st March 2021
<b>Unrestricted Funds</b>					
Free Reserves	259,903	1,186,725	(1,326,376)	103,935	224,187
<b>Designated Funds</b>					
Fixed Assets Reserves	120,605	-	(59,440)	-	61,165
IFL Training	27,890	26,513	(13,266)	(14,000)	27,137
Business Improvements	12,019	-	-	(12,019)	-
Market Research	16,241	-	-	(16,241)	-
Qualification Training Contracts	23,715	-	-	(8,715)	15,000
Innovation and Development	52,960	-	-	(52,960)	-
<b>Restricted Funds</b>					
Small Charities Programme	7,046	-	-	-	7,046
Membership Bursary Fund	-	26,448	-	-	26,448
<b>Total expenditure</b>	<b>520,379</b>	<b>1,239,686</b>	<b>(1,399,082)</b>	<b>-</b>	<b>360,983</b>

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

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

The **ICT development** designated fund has been fully utilised in the year on the completion of the project on the CRM, finance system and website.

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

Part of the **Business Improvement** fund has been used in year to improve the office environment.

Part of the **Qualification Training Contracts** fund was used to support a staff member undertaking a professional qualification.

The **Innovation and Development** fund was set up to reflect CFG's commitment to its strategy, whereby there was an expectation that reserves would be utilised to invest in new products and services.

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.

### 11. Related party transactions

During the year ending 31 March 2021, the charity charged its subsidiary £120,000 for management fees relating to CFDG Trading Ltd's activities (2020: £159,642). CFDG Trading Ltd donated £123,439 to CFG from its profits (2020: 296,755). There were no other related party transactions. As at 31 March, the balance due to CFG from CFDG Trading Ltd was £27,867 (2020: £6,525 balance due from CFDG Trading Ltd to CFG).

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

Liz Fosbury - £460 of delegate fees from Royal National Theatre (parent company of related party).

Kevin O'Brien - £373 membership renewal and £143.50 delegate fee paid by Lullaby Trust (total £516.50).

Saf Rahbour - Membership renewal with UNICEF of £1,515 and new membership fee of £1,442.

## NOTES TO THE FINANCIAL STATEMENTS

### 12. Summary of Assets and Liabilities by Fund

Current Year	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
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)
<b>Totals</b>	<b>224,187</b>	<b>103,302</b>	<b>33,494</b>	<b>360,983</b>

Prior Year	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Intangible Fixed Assets	-	115,729	-	115,729
Tangible Fixed Assets	-	4,876	-	4,876
Current Assets	1,303,975	132,825	7,046	1,443,846
Current Liabilities	(1,044,072)	-	-	(1,044,072)
<b>Totals</b>	<b>259,903</b>	<b>253,430</b>	<b>7,046</b>	<b>520,379</b>

### 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.

Since the end of the year, in June 2021, CFG received a loan under the Coronavirus Business Interruption Loan Scheme of £250,000, to help with future cash flow pressures.

## NOTES TO THE FINANCIAL STATEMENTS

### 14. Comparative statement of financial activities

For the year ended 31 March 2020

(incorporating the income and expenditure account)

	Notes	Unrestricted Funds £	2020 Restricted Funds £	Total Funds £
<b>INCOME FROM:</b>				
<b>Donations and legacies</b>		28,830	-	28,830
<b>Charitable activities</b>				
Develop skills, learning, knowledge & practice		999,547	-	999,547
Inspire financial leadership		435,059	-	435,059
Encourage a supportive environment		90,437	-	90,437
<b>Other trading activities</b>				
Fundraising events		118,212	-	118,212
<b>Investments</b>		4,230	-	4,230
<b>Other</b>		149	-	149
<b>TOTAL INCOME</b>		<b>1,676,464</b>	<b>-</b>	<b>1,676,464</b>
<b>EXPENDITURE ON:</b>				
<b>Raising funds</b>		82,286	-	82,286
<b>Charitable activities</b>				
Develop skills, learning, knowledge & practice		1,079,660	4,400	1,084,060
Inspire financial leadership		363,290	-	363,290
Encourage a supportive environment		349,581	1,100	350,681
<b>TOTAL EXPENDITURE</b>		<b>1,874,817</b>	<b>5,500</b>	<b>1,880,317</b>
<b>NET EXPENDITURE</b>		<b>(198,353)</b>	<b>(5,500)</b>	<b>(203,853)</b>
<b>TOTAL FUNDS BROUGHT FORWARD AT 1 APRIL</b>		<b>711,686</b>	<b>12,546</b>	<b>724,232</b>
<b>TOTAL FUNDS CARRIED FORWARD AT 31 MARCH</b>		<b>513,333</b>	<b>7,046</b>	<b>520,379</b>

# 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

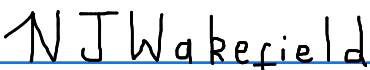


### Use of the audit report

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)

  
Nicola Wakefield (Jan 28, 2022 11:24 GMT)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

Date: Jan 28, 2022











# CFG Accounts 2020-21 Final

Final Audit Report

2022-01-28

Created:	2022-01-27
By:	Rui Domingues (rui.domingues@cfg.org.uk)
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