



# Social Impact Report 2023





## Introduction

The Charities Aid Foundation (CAF) raised £20 million through a Retail Charity Bond in April 2016 and a further £30 million in November 2021 to allow us to improve and enhance the many services we offer to thousands of charities in the UK and internationally. These funds continue to ensure we help our donors – both individual and corporate – to achieve the impact they seek with their generosity.

The 2016 Bond helped CAF respond with speed and agility to the Covid-19 crisis which had a prolonged effect on society, charities and those they help. Over the last year CAF has continued to respond to changing events including the aftermath of the Covid-19 pandemic, the war in Ukraine, and the developing cost-of-living crisis. We have been able to facilitate unprecedented levels of giving as we work with partners across the industry and government, individual philanthropists and other foundations to ensure vital funding continues to reach charities during uncertain times.

It was another remarkable year for our organisation as we distributed £876 million to charities in more than 135 countries in the financial year from 2021 to 2022. These funds support a diverse range of causes including the arts, health, education, medical research, poverty relief and animal welfare. Donations received by CAF have again grown as donors reacted with generosity and entrusted more than £1 billion to our stewardship.





## Making a difference

Throughout this year, CAF has worked alongside an inspirational group of individuals, businesses and sector partners to continue our response to the ongoing effects of the Covid-19 pandemic.

In the UK, that work has included the second phase of the CAF Resilience Fund, an innovative £40 million partnership between the Department for Digital, Culture, Media and Sport, the UK's insurance and long-term savings industry through the Covid-19 Support Fund, and CAF, in supporting people and communities most affected by Covid-19. A total of 102 organisations were awarded funding, focusing on three cause areas: supporting people living with disability; working with Black, Asian and minority ethnic communities; and encouraging adult reskilling for those aged 16 to 35.

As we emerged from the Covid 19 pandemic, a new set of pressures emerged exacerbated by Russia's full invasion of Ukraine in February. The unfolding humanitarian crisis which affected the country and neighbouring areas prompted a donor response unlike any that our team has seen before. As charities rallied to organise the delivery of vast amounts of emergency aid, donors responded with a determined desire to help.

Rising energy costs driving up inflation also brought new challenges. Charities are seeing a growing demand for their services while their own running costs are also increasing. At the same time, our UK Giving research has highlighted a long-term decline in public donations as people cut back to save money. To help smaller charities who are feeling squeezed, in late 2022 we launched a new £3 million fund for small charities working to improve social equity in their communities. The Keystone Fund provides a programme of unrestricted grants, networking and access to webinars and toolkits for around 120 charities who have received grants between £5,000 and £50,000. This funding will enable these charitable organisations to adapt their ways of working, strengthen capacity, and build resilience.





## Banking with purpose

CAF Bank continued to be a leading light for UK charities, delivering values-based banking, dedicated customer service and competitive, personalised lending. Our offer to customers is developing as we transform our banking services and position CAF Bank to assist more organisations in future.

In the last financial year, CAF Bank served 14,000 customers and managed deposits worth £1.5 billion. Lending balances to charitable organisations continued to grow with £185 million total committed loans and advances to customers.

CAF's subsidiary, CFSL, partnered with abdrn to launch a new range of funds for charitable investors with a focus on Environmental, Social and Governance factors. The range intends to offer value for money whilst ensuring that investments contribute towards the long-term benefit of the causes that charities support.

## Social Investment

In 2022, we celebrated 20 years of our pioneering social investments arm. At CAF, one pot of money can benefit many causes as social investment recycles capital provided by our generous donors.

Since its launch in 2002 as one of the first social investment funds in the UK, Venturesome has made 700 social investments totalling over £61 million and supported 515 organisations.



700

**Social investments  
totalling**

£61m+



515

**social organisations  
supported**

This year we launched a new initiative in collaboration with Hatch Enterprise and with support from JP Morgan Chase. The Social Business Impact Programme is designed to help social businesses in London led by women from minority-ethnic backgrounds to grow and accelerate their impact, by accessing up to £70,000 offered in blended finance with wrap-around support. We hope to roll this pilot out across the UK to enable a more diverse range of social businesses to accelerate their environmental and social impact.

## International

CAF works to ensure donors anywhere in the world can effectively give funds to verified charities working in every corner of the planet. We know that collaboration is critical if philanthropy is to be a bridge builder, helping to overcome some of the inequalities facing society.

Through our work with companies, private philanthropists, fellow foundations, governments, charities, and not-for-profit enterprises we have been uniquely placed to help donors support charities tackling emergencies, disasters, and humanitarian crises around the world such as the significant floods in Pakistan, those affected by war in Ukraine, and earthquakes in Turkey and Syria. Our independence, expertise, and international reach ensure charitable donations are safely disbursed where needed.

In the past year, we have also continued to strengthen our relationships with like-minded organisations that share our determination to help donors and charities come together to achieve even more. We have worked closely with European philanthropy partners, Transnational Giving Europe, as well as the Philea group and Wings network, to secure effective routes to giving across borders and to navigate changes in the flow of funds following the UK's departure from the EU.

Outside of Europe, along with a network of like-minded international partners, we continue to share knowledge and best-practice. From peer-to-peer learning to sharing the latest updates on relevant regulatory and legal changes, we are identifying barriers to giving across borders and devising workable solutions to meet the needs of our donors and our charity partners.





## Sustainability

Our commitment to the charities and donors we serve is rooted in the reason we exist: to accelerate progress in society towards a fair and sustainable future for all. That sustainable future is one in which we, as an organisation, play our role to the greatest extent possible. Our commitment to the charities and donors we serve is rooted in the reason we exist: to accelerate progress in society towards a fair and sustainable future for all.

Across the globe we help charities grow and achieve maximum impact for donors, but we also look inward to improve how we operate as an organisation. We endeavour to ensure that the people who choose to be part of our team have a safe and supportive place to work, and to make sure we stay true to our guiding values: to act with integrity, move forward together, and shape the change in the world we want to see.

## Future Strategy

CAF's objective is to deliver on its Together Building Opportunity plan for the future whilst ensuring we fulfil our obligation and potential to grow our impact sustainably, managing costs and providing a positive customer experience.

This strategy involves significant change and investment for the organisation as we move to modernise our operating platform and ways of working. Our purpose is to ensure that CAF is equipped to respond flexibly and efficiently, both now and in the future, to the rapidly evolving demands of the donors and charities we exist to serve.





## IMPACT STORY: Energise Barnsley

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Energise Barnsley is an environmental community benefit society that delivers community-owned renewable energy and energy efficiency and supply projects for low-income households and community buildings across the area.

Having previously turned to CAF in 2016 for support in launching the £790,000 Barnsley Solar Bond – into which CAF invested £150,000 – Energise Barnsley returned in 2021 to refinance its previous bond and build on its existing work.

CAF Venturesome rolled over the original £150,000 into a new series, recognising that the already meaningful environmental and social value of this innovative project is ever more important given the current energy crisis.

Energise Barnsley's work not only contributes to reduced CO<sub>2</sub> levels, but also helps to protect low-income homes from energy price volatility through energy-saving and low-carbon technologies.

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“We are delighted to have the continued support of CAF Venturesome, investing alongside our community bond holders, into our community solar bonds.”

David Malsom,  
Director, Energise Barnsley





## IMPACT STORY:

### The Poland Trust

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As a member of the Almshouse Association, The Poland Trust aims to help people in need, hardship, or distress who have a connection to the villages of Brockham, Betchworth, Buckland, and Leigh in Surrey. It was set up with the financial support of Sidney Michael Poland who lived in the area and died in 1936 leaving significant funds and property for the benefit of local villagers. When the charity was created, it helped older residents find appropriate homes for retirement, but more recently it has helped young people stay in the area by providing affordable housing.

After nearly ten years of searching for a suitable site, The Poland Trust has built Poland Meadow. Twelve homes are being constructed on land gifted by a local family. These flats and houses will be rented to local people at 60% of market rate with priority given to those with a strong connection to the villages of Brockham and Betchworth. The development also includes five self-build plots sold to local residents at 75% of market value with a covenant that they can only be sold on at 80% of market value and have to be offered to people in the local community. CAF Bank was selected to provide long-term finance for the proposals and a loan facility to support the building project was drawn down in summer 2022.

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“I never thought I would be able to live independently in the village and community where I grew up because of housing costs in the area so this lovely new flat is a life-changing opportunity for me.”

New resident





## IMPACT STORY: Technology Services Group

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Technology Services Group Limited (TSG), a nationwide IT services and consultancy firm, has supported charities on an ad-hoc basis for several years. Following feedback from staff, they were looking to put in place a more strategic approach to corporate giving in parallel with their journey to net zero carbon emissions.

Seeking a clear direction, TSG turned to CAF's Impact Advisory to help guide them through the process of identifying an impact statement, designing an impact framework, and providing products to deliver it. Our team was able to provide a structure to their ambitions and constructive challenge where needed.

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“We’ve positioned our corporate giving and our drive to net zero as being good for business. Our customers and prospects are increasingly asking us what we’re giving back to society. Thanks to our journey with CAF, we can now make that messaging succinct. We’re committing 2% of our profits to help improve the digital capabilities of those in need in the UK. To have that substantiated, particularly the way we’ve done it with CAF, has got real business benefits.”

**David Stonehouse,**  
Executive Chairman, Technology Services Group



# Financial review

The half-year to October 2022 has continued to see the development of challenging economic and financial conditions in the UK and around the world. This is due to the impact on energy prices of the war in Ukraine and the knock-on effect of this on inflation more widely. All organisations have faced pressure on their costs as a result.

As well as retaining good control of our costs in this period, the stability of CAF’s position has been helped by additional income from interest earned as rates have increased. We have been able to achieve this while continuing to distribute record levels of funding to charities and social enterprises in the UK and around the world.

Growth has been particularly notable in CAF America, the Group’s North American subsidiary, where income from both regular giving and third-party giving platforms has increased over the period. We expect to see these trends continue into the full year, allowing us to achieve greater impact working with our donors and partners, and to invest in the future of our organisation.

The principal sources of unrestricted income shown in the group statement of financial activities are fees earned for services and products provided together with interest income earned. Restricted income consists principally of donations to donor accounts. The group balance sheet consists primarily of the unrestricted and restricted charitable funds, together with donor client balances and CAF depositor balances.

## GROUP STATEMENT OF FINANCIAL ACTIVITIES

	Six months to October 2022 (unaudited)	Full year to April 2022 (audited)
	£m	£m
Income	27.3	44.9
Expenditure	(26.9)	(50.2)
Net income/(expenditure)	0.4	(5.3)
Other / exceptional	(1.3)	13.6
Surplus/(Deficit)	(0.9)	8.2

Note: figures may not sum due to rounding.

## GROUP BALANCE SHEET

	Six months to October 2022 (unaudited)	Full year to April 2022 (audited)
	£m	£m
Assets		
Unrestricted assets	123.3	125.0
Restricted assets	1,679.3	1,705.7
CAF Bank balances & donor balances	1,492.2	1,515.0
Total assets	3,294.8	3,345.7
Liabilities		
Unrestricted funds	47.8	48.4
Restricted funds	25.0	25.9
CAF Bank balances & donor balances	1,492.2	1,515.0
Total liabilities	1,565.0	1,589.3
Funds		
Unrestricted funds	75.5	76.7
Restricted funds	1,654.3	1,679.7
Total funds	1,729.8	1,756.4
Total liabilities & funds	3,294.8	3,345.7





Registered charity number 268369



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