



TOGETHER,

WE GIVE MORE

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, supporting a diverse range of causes including education, youth-engagement, climate-related initiatives and issues like financial inclusion. These funds continue to help us to link those who can afford to give – both individuals and businesses – to those who know how to maximise the impact of that giving.

Charities are the glue that holds our society together. The 2016 Bond helped CAF respond with speed and agility to the Covid-19 crisis and, over the last year, we have – through our research and advocacy work – continued to highlight the very severe challenges charities still face as we emerge from the cost-of-living crisis.

We are particularly concerned that trends in giving we observed in the pandemic and the cost-of-living crisis may be becoming ‘the new normal’ so we have worked with sector partners to make the case for a more joined-up approach to government policy in relation to philanthropy and charitable giving – both to encourage and to incentivise greater and more impactful giving. This had led to constructive conversations with policymakers from all main political parties with a view to securing a more enabling environment for philanthropy and charitable giving in the UK – a renewed British culture of giving – and the increased resilience of charities that would flow from that.

As it marks its centenary year, the Charities Aid Foundation (CAF) has again distributed a record sum to charities and non-profits around the world. In the 2023/2024 financial year, we paid out £1.132 billion in donations to charities on behalf of individuals and businesses, increasing by £108 million compared to 2022/2023.

TOGETHER, WE GIVE MORE

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

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

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

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

We're using the feedback we receive from participants on the value of unrestricted and flexible grants to inform donors on how to give more impactfully, as well as drawing on the challenges and successes they share to shape our influencing work. Initial grant reporting indicates positive progress towards greater resilience.

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

CHARITY FINANCIAL SERVICES

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

In the last financial year, CAF Bank supported over 14,000 customers, managing deposits totalling £1.42bn. Although the economic environment remains challenging, committed loans and advances to customers continued to grow in 2023/24, rising from £230 million as at 30 April 2023 to £255 million at 30 April 2024.

In October 2023, we issued our first Green Loan to Stockwood Community Benefit Society, with more in our lending pipeline. Together with the ESG funds of our sister entity, CFSL, these form a comprehensive suite of green finance products for our charity customers.

CAF Bank was commended in the 'Best Charity Banking Provider' category at the Business MoneyFacts Awards 2024 and ranked joint first place for overall customer satisfaction ratings in the 2024 Charity Banking Survey.

"My advice to any new charity is to go to CAF Bank."

Francis Osei-Appiah, CEO and founder, Reform Restore Respect

SOCIAL INVESTMENT

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

Belinda Hadfield, Service Manager, Alternatives Activity Centre

CAF has been providing social investment to social enterprises, charities and community groups since 2002.

In March 2024, we launched our updated social investment offering, the Venturesome Impact Fund, to support social purpose organisations across the UK that are delivering impactful outcomes for their community and/or for the environment.

Based on our research and consultation with the charitable sector about their needs, we have sought to remove any unnecessary barriers to the fund. It is cause universal, and always open to applications to ensure organisations have access to this affordable, flexible finance throughout the year.

We have already committed investments into three diverse organisations, across the education, sports and arts sectors. Building on this, the team is working through a further £10 million of financing requests from impactful organisations. Thanks to the generosity of donors, as well as other charitable foundations, the fund size is already £10 million and our aim is to grow this to £15 million in the coming year.

INTERNATIONAL

CAF is committed to facilitating and expanding giving across borders. We bring together donors and charities committed to securing a fairer, more sustainable future with global communities. Over the year, CAF and its donors have supported humanitarian response to disasters and crises around the world, from wildfires in Chile and earthquakes in Morocco to the ongoing efforts to help people displaced or affected by war. We have also helped sustain support for long-term recovery in the case of disasters like the earthquakes impacting Turkey and Syria.

The CAF Network is a partnership of independent organisations spread across five continents. Together, we are committed to breaking down barriers to giving and driving global progress. Our CAF Network partners are experts in their region and we work to encourage effective and compliant giving to anywhere in the world. We share knowledge on pressing causes and issues like tax regulation that impact cross-border giving. We also promote philanthropy and enable agile, targeted interventions where there is the greatest need.

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

Alongside our work to promote philanthropy and collaborative efforts to secure the increased finance needed to achieve the UN's Sustainable Development Goals, we lead collaboration with colleagues around the world on the submission relating to civil society organisations to the UN Special Rapporteur on the Rights to Freedom of Peaceful Assembly and Association.

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

SUSTAINABILITY

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

We have made a commitment to achieve net-zero by 2050 across all our UK operations. The first step in realising this commitment is for us to understand our own organisational emissions so we can take meaningful action to reduce them. Building on a previous emissions review, we are in the process of measuring our Scope 1 and 2 emissions. This will act as a baseline for our future work in this area.

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

Examples of our progress so far include working with our employee pension provider to ensure that our Default Fund (the default fund that employees' pension contributions go into) is 98% ESG-aligned. Our London office runs on 100% renewable energy, and we have recently renegotiated the energy contract for our Kings Hill office. As a result, by autumn 2025, it too will run on 100% renewable power – rising from 60% currently. In addition, we've amended our supplier and procurement procedures to ensure ESG considerations are included in both the selection of new suppliers and our management of existing partners.

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

FUTURE STRATEGY

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

- **Future-focused:** To innovate, think ahead and proactively tackle the challenges faced by the charitable sector and society.
- **Future-fit:** To be ready for the demands of the next generation of giving and impact, enabling the communities we serve to succeed.

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

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

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

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

IMPACT STORY

MSI REPRODUCTIVE CHOICES: TRUST BASED PHILANTHROPY

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

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

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

The funding enabled MSI to deliver more than 2.6 million reproductive healthcare services across 10 countries in Africa and Asia. MSI estimates that these services led to over £177.6 million in direct healthcare savings, in countries with limited resources. It also allowed MSI to advocate for the removal of laws and policies that

restrict women's access to healthcare – contributing to 13 high-impact changes in policy, law, regulation, or financing in 2023.

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

The CAF Private Client

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

Sam Tiwari, Head of Philanthropy for UK & Europe, MSI Reproductive Choices.

IMPACT STORY

STOCKWOOD COMMUNITY BENEFIT SOCIETY: PROVIDING GREEN FINANCE FOR BIODYNAMIC FARMING

CAF Bank customer, Stockwood Community Benefit Society, is based around Rush Farm in Worcestershire, the inspiration for long-running Radio 4 soap The Archers. It focuses on fostering community, climate-conscious working and producing nature-friendly food.

Established in 2012, the Community Benefit Society transferred ownership from private hands to the local community to address a succession issue, and now has more than 400 members. It owns and manages 150 acres of biodynamic farmland and an on-site business park, as well as renewable energy generation.

In October 2023, CAF Bank was proud to provide Stockwood with our first Green Loan, a form of finance specifically designed to fund projects that contribute towards a sustainability goal.

The loan has enabled Stockwood to continue farming using environmentally beneficial methods. It has also refinanced the installation of a ground source heat pump and 170 solar panels, which last year generated 37,000kWh of electricity – enough to power almost 14 homes. These provide clean renewable energy for heating and cooling Stockwood's business park.

The collaboration with CAF Bank aligns with Stockwood's mission to enhance the environment and engage communities sustainably. Continuing its pioneering efforts, the society now plans to introduce an innovative waste-to-energy system.

“Our connection with CAF Bank started because our values aligned.”

Chris Burdett, CEO of Stockwood, Community Benefit Society

IMPACT STORY

LANDSEC: CREATING OPPORTUNITIES, BUILDING FOR THE FUTURE

FTSE 100 real-estate company, Landsec called on CAF's experience and knowledge to help them rethink their approach to community giving. Together, we helped shape an effective strategy, and supported Landsec through setting up their independent charitable foundation.

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

Our impact advisory team worked with Landsec to find employment and education partners around the UK. We also undertook a bespoke charity search and select exercise to help Landsec teams identify local causes and projects aligned to their programme priorities. With our support, Landsec is now able to demonstrate the difference its local giving is making nationwide, as a standard bearer of best practice in corporate giving governance.

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

Jennie Colville, Head of ESG and Sustainability, Landsec

IMPACT STORY

PRIVATE GIVING: LONG-TERM PROTECTION FOR A VALUABLE HABITAT

Committed environmentalists, Mark and Julie Mills helped Ned, a 15-year-old naturalist save a 69-acre plot of land – important for its old growth habitat – in New South Wales, Australia. When Ned discovered the area was at risk of development, he alerted Local Land Services.

With long-standing connections to the area, Mark and Julie – who are Australian but based in London for work – heard about the issue and wanted to help.

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

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

CAF also completed the relevant administrative and verification processes. Through their collaboration with CAF, Mark and Julie were able to use Gift Aid to add 25% to the value of their gift.

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

FINANCIAL REVIEW

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

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

Growth has been particularly notable in CAF America, the group's North American subsidiary, for income from third-party giving platforms. This has allowed us to achieve greater impact working with our donors and partners, and to invest in the future of our organisation. CAF's accounts are consolidated and, therefore, include the income, costs and balance sheets of its subsidiaries in the US, Canada and the UK. The principal subsidiaries are CAF Bank, CAF America and the CAF American Donor Fund.

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

GROUP STATEMENT OF FINANCIAL ACTIVITIES

UNRESTRICTED FUNDS

	2024	2023
	£000	£000
Income	106,137	76,353
Expenditure	(91,363)	(69,285)
Net income/(expenditure) before gains and losses	14,774	7,068
Net gains / (net losses)	653	426
Net income / (expenditure)	15,427	7,494

GROUP BALANCE SHEET

	2024	2023
	£m	£m
Assets		
Unrestricted assets	147,766	130,253
Restricted assets	1,874,066	1,779,237
CAF Bank balances & donor balances	1,441,907	1,522,483
Total assets	3,463,739	3,431,973
Liabilities		
Unrestricted funds	49,270	46,202
Restricted funds	25,599	25,955
CAF Bank balances & donor balances	1,441,907	1,522,483
Total liabilities	1,516,776	1,594,640
Funds		
Unrestricted funds	98,496	84,051
Restricted funds	1,848,467	1,753,282
Total funds	1,946,963	1,837,333
Total liabilities & charitable funds	3,463,739	3,431,973



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