

# Report of the Trustees and **Financial Statements**

For the year ended **31 March 2023**



## Principal and registered address

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(Chair and Trustee until 31 March 2023)

Rt Rev Stephen Wright  
(Chair from 1 April 2023)

Dominic Jermy OBE CVO  
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Graham O'Sullivan (From 1 April 2023)

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Christopher Perry (Honorary Treasurer)

Fr George Sigamoney

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London EC4M 7JW

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Fergus Conmee\*\*\* International  
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3/10/2022)

Jo Kitterick Fundraising and  
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Karen Livingstone\*\* Director of People, Culture  
and Change

Geoff O'Donoghue\*\*\* International Programmes  
Director (Until 27/10/2022)

Neil Thorns Director of Advocacy,  
Communications,  
Campaigns and Education

Jan Wilkinson\*\*\*\* Director of Finance,  
Information and  
Infrastructure

\* Responsible for the Board of Trustees

\*\* RemCo

\*\*\* Strategy and Performance Committee

\*\*\*\* Finance Legal Audit and Risk committees

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St Bride's, Pope Paul Catholic Primary School, Thom Flint, Tom Chheat/KBO  
Illustrator: Nasheen Jahan Nasir

## Cover photo:

Three friends, Mabinty, Yarie (centre) and Mariama, carry their harvest of tomatoes and peppers through a farm in Sierra Leone, which is part of a CAFOD-supported project helping young people to flourish – empowering them with the skills they need to set up their own sustainable food –growing businesses. Yarie told us: "The project has help[ed] me to regain my self-esteem. I can say my life is now dignified. I think am living my dream."

# Contents

A message from the outgoing chair	3
Letter from Chair and Executive Director	4
<b>1. Strategic Report</b>	<b>5</b>
Accountability, Memberships and Standards	6
CAFOD Values in action	7
Income and Expenditure summary	9
Making progress towards our commitments	10
<b>COMMITMENT 1:</b> Achieving positive impacts for people, communities and the environment	10
<b>COMMITMENT 2:</b> Amplifying local voice, agency and leadership	19
<b>COMMITMENT 3:</b> Creating a culture of encounter for transformative change	25
<b>COMMITMENT 4:</b> Transforming ourselves to better deliver our mission	33
Our plans for the future	34
Trustee Risk management statement	36
Financial Review	39
Financial Performance	40
Financial Position & Reserves	41
Investment Policy	42
<b>2. Structure, Governance and Management</b>	<b>43</b>
Legal Structure and Governing Document	43
Board of Trustees	43
Charity Governance Code	44
Engagement with employees and volunteers	45
Remuneration Policies and Gender Pay-gap report	46
Statement in relation to Section 172 of the Companies Act 2006	46
Statement of Safeguarding	47
Statement on Fundraising	49
Statement on Streamlined Energy and Carbon Reporting (SECR)	50
<b>3. Statement of Trustee's Responsibilities</b>	<b>52</b>
<b>4. Independent Auditor's Report to the Members of Catholic Agency of Overseas Development</b>	<b>53</b>
<b>5. Statement of Financial Activities</b>	<b>57</b>

# Small acts of love help make big things happen

**CAFOD's partners around the world are reaching and working with poor and vulnerable communities, as we fight against poverty and injustice together.**

- 594 grants and programme payments worth £41.8 million in 42 countries
- These funds reached 1 million vulnerable and excluded people directly, helping them to survive and thrive now and into the future.

## **The support of the Catholic Community in England and Wales was tremendous:**

- In the fiscal year 22-23, 1,856 parishes in England and Wales, over 78,000 individuals, 1,043 schools and over 1,000 organisations gave to CAFOD, raising a total of more than £37 million. This included just over £11 million from legacies and £5.5 million raised in response to crises in East Africa, Ukraine, Pakistan, Turkey and Syria. An additional £16 million was received from the Disasters and Emergencies Committee (DEC) which brings together 15 leading UK aid charities to raise funds quickly and efficiently at times of crisis overseas.
- Over 20,000 CAFOD supporters took a total of 29,452 campaign actions—signed petitions, emailed MPs and decision-makers or joined marches to call for change.



*Hadoya is being trained in Ethiopia to ensure fodder for her cattle through periods of drought. She has raised her income enough to buy two life-transforming mobile phones*



*Thom, one of the many supporters who took part in events to raise funds for CAFOD*



*Around 8,000 young people attended FLAME 2023 at Wembley Arena, London*

***“In God, no act of love, no matter how small, and no generous effort will ever be lost.”***

Pope Francis

## **CAFOD Vision, Mission and Values**

Our common home is transformed to reflect God’s Kingdom, where all people, communities and the earth may flourish, and no one is beyond reach of the love and support they need to fulfil their potential.

Inspired by Gospel values and as part of the Catholic community of England and Wales, we come together in partnership with others, locally and globally:

- to reach those in greatest need, save lives and relieve suffering,
- to support and enable people, communities, and our local partners to be artisans of their own destiny,
- to challenge and transform the structures and behaviour that drive poverty, vulnerability, inequality, injustice and exclusion and harm the natural world,
- to educate, enable and inspire the Catholic community of England and Wales to act in solidarity for the common good.

### **Our Values**

Hope

Compassion

Dignity

Solidarity

*“Thank you for all your support, prayers and especially the financial support you give to us and so many other communities and dioceses to achieve our goals, to support people who are caught up in these processes, who are rooted in the rainforest, along the rivers, anxious to work and anxious to do more for nature and the Amazon. May God reward you.”*

**Padre Jose, Colombia**



*Shukla and her son in their now green and productive garden in Bangladesh*

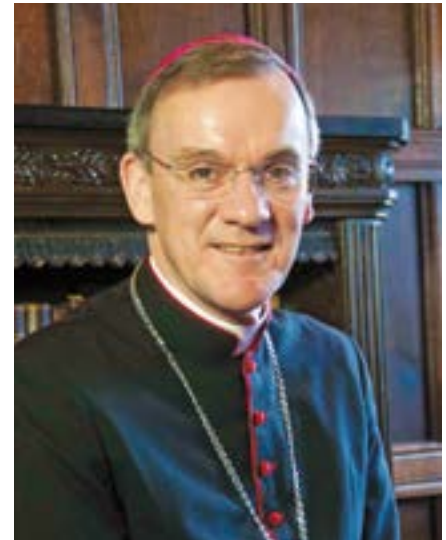
**CAFOD**

Catholic Agency for Overseas Development

[cafod.org.uk](http://cafod.org.uk)

# A message from the outgoing chair

CAFOD is an essential and vital part of the Church's mission to care for the poor and vulnerable. During my time as Chair of CAFOD, I was privileged to see CAFOD and the work of its partners in action, mobilising communities across the world to address the root causes of poverty, such as climate change, gender inequality, and conflict. Working with people who have compassion and care for our global neighbours, and our common home, is evident in the work of CAFOD. I will never forget the people I have met all over the world, from Niger to Cambodia, Bolivia to Palestine, and seeing how the extraordinary work of CAFOD and its partners is making a real difference to lives, supported in solidarity through actions and prayers of the Catholic Community in England and Wales.



Although I have stepped down as a CAFOD Trustee after 13 years, I am delighted that Bishop Stephen will lead CAFOD over the coming years with Christine and the Leadership Team, on behalf of the Catholic Community in England and Wales. There are big global challenges, but I have much hope. Hope, as a grace and gift from God, allows us to trust in His promises and to persevere in the face of difficulty. It gives us the courage to work for change, even when the challenges seem overwhelming. We remember that God is always with us, even in the midst of suffering.

By coming together in hope as individuals, families, communities, organisations and nations, we can achieve transformative change for the common good. Together, we can expose the fault lines that drive poverty - vulnerability, inequality, injustice, exclusion and harm of the environment, opening them to change. Together, we can confront the problems of our world and seek solutions that are genuinely effective and sustaining.

I will continue to advocate for CAFOD and the care of Our Common Home in the Diocese of Salford and beyond, always grateful for the prayerful and practical support of so many.

Your CAFOD friend, in Christ

A handwritten signature in black ink that reads "John Arnold". The signature is written in a cursive, flowing style.

**The Right Reverend John Arnold**

Bishop of Salford and CAFOD Chair of Trustees



The Catholic Agency for Overseas Development (CAFOD) is the official aid agency of the Catholic Church in England and Wales and part of Caritas Internationalis. Charity no 1160384 and a company limited by guarantee no 09387398.

# Letter from Chair and Executive Director

Dear friend,

For so many across the world, 2022 has been one of the most difficult years in recent memory. While the pandemic remains a distinct threat for the hundreds of millions still without access to vaccinations, we've also seen a devastating war break out in Ukraine, the ripples of which have pushed many into poverty and starvation. But despite these and other giant challenges, Catholics across England and Wales have continued to act for and call for a better, fairer world.

At the feeding of the five thousand, Jesus multiplied the simple gifts the people brought him to feed five thousand people and more. At CAFOD, supporters, staff, volunteers, partners, people and communities bring their loaf or fish to the table. Through solidarity in partnership, even humble gifts can become an abundance. Moved by compassion, in solidarity, and with respect to each person's dignity and what each brings to the table, we are called to be the hands of Jesus in the world, and together bring hope.

In giving account of CAFOD's work over the last financial year, the combined impact of humble gifts can be seen in abundance. Communities across the world are supported in their fight to improve their lives, tackling the effects of climate change, conflict and poverty, hoping for a future where they can thrive. In England and Wales, Catholic parishes and schools alongside individuals and other communities took action to enable this work, raised awareness, demanded justice and raised much needed funds. The generosity of the Catholic community enabled CAFOD to allocate nearly £42 million in grants, working with partners in 42 countries. Throughout this report you can read some examples of commitment, dedication and faith as people come together to build and advocate for a better future.

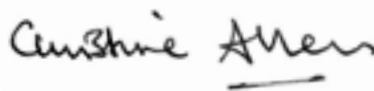
It is a source of great hope and inspiration that so many continue to generously support CAFOD in this way. Yet there are millions of people facing a truly terrible food crisis especially across East Africa - Kenya, Ethiopia, Somalia, Sudan and South Sudan. It's a crisis that's been created by other disasters. Climate change, coronavirus, and the conflict in Ukraine which has caused food prices to skyrocket. The rising cost of living in the UK affects many supporters too, yet they have remained generous. Pope Francis urged us at the beginning of 2023 not to ignore that "the main moral, social, political and economic crises we are experiencing are all interconnected". Failing to tackle one problem will only make another worse. We see that communities are being hit by crisis after crisis and therefore we need to address the immediate needs as well as addressing the root causes of the issues. This is something CAFOD and its local partners are experts in. Taking the time to know the communities we work with, listening and fully understanding their needs and concerns means we can offer the right support, while also campaigning to governments to fix the systems that make situations worse. Time and again, evaluations comment on the strength of our partnership model, and partners appreciated our approach.

Reflecting on the last year we are especially inspired by the number of young people participating and engaging and caring for Our Common Home in England and Wales, and in projects internationally, illustrated by the young people featured on the front of this report. They herald a new future, one filled with hope, because together, as one global family, no action, however small, is worthless.

***Thank you for putting your faith into action with CAFOD. We simply could not do it without you.***



**Bishop Stephen**



**Christine Allen**



# 1. Strategic Report

**CAFOD is the official aid agency of the Catholic Church in England and Wales and part of Caritas Internationalis.** We are an international development charity that reaches out to people living in poverty, whatever their religion or culture, with practical help. Through our global Church network – one of the largest aid networks in the world – we have the potential to reach everyone. And we campaign for global justice, so that every woman, man and child can live a full and dignified life.

**CAFOD works in partnership with local experts.** We respect and rely on the expertise and knowledge of local organisations. They are best placed to listen and work within their communities and respond to the needs of the most marginalised. Catholic Social Teaching and working in partnership is central to how CAFOD works. Through our partnership model and grant-making criteria we ensure that vital funds reach those who need them the most and help to strengthen local organisations for the future.

**The majority of CAFOD’s charitable work is carried out by supporting local partner organisations through staff accompaniment and by making 594 grants to partner organisations, totalling £41.8 million last year, including programme payments.** Usually grants are made within mutually agreed strategies with project proposals subject to formal assessment and approval. All projects are systematically monitored for the duration of their existence, and bigger projects are subject to a final formal evaluation review. This means that we can account for the funds given to us in trust by the Catholic community of England and Wales and meet specific criteria where funds are given by institutional donors or Caritas sister agencies.

**CAFOD works with a wide range of partners of different sizes and capabilities and we respect their voice and leadership.** Last year we financially supported hundreds of partners, of which around two thirds are Catholic, some are from other faith-based denominations and others are secular. We support the agency of our partners to lead and shape the response to the challenges they face. Last year we supported some partners to attend the COP27 event to raise their voices at an important international political meeting with CAFOD staff in a support role. We also held dozens of workshops with partners around the world to shape our joint work for the coming years, learning from each other, listening, reflecting and together shaping our shared agendas to transform the lives of the poorest and care for our common home.

**We are committed to supporting the partners we work with to grow their own technical capacity and to share their learning with others, so that - together - we can make a bigger, long-lasting impact.** We have supported partners to apply directly for funding from institutional donors, which both strengthens the local organisations and supports local experts to bring about positive change in their communities. Through this work, two very different funding applications were successful. These funds will go directly to the local organisations, so this is money that will not show in CAFOD’s financial statements, but we are really proud that our support has unlocked these opportunities.

- Our partner in Bangladesh was awarded c. £40,000 to help 166 returnee migrant workers – particularly women and girls. These were survivors of abuse, exploitation and trafficking in the migration cycle - and the project is to help them recover, reintegrate and thrive in their communities. This funding opportunity had been identified by CAFOD staff. By request, CAFOD then supported the proposal development led by the local partner and also agreed to contribute some funds.



- Our partner in South Sudan, was awarded a grant of £1.4 million for two years as part of a multi-agency consortium, following the secondment of a CAFOD staff member to the partner to support with the proposal development process. The project is called 'Laying the foundation for peaceful, stable, and resilient communities.' Our partner is co-leading on the reconciliation element of the programme.

In total we supported 12 funding proposals with a potential worth more than £6 million, of which the above two were successful.

## Accountability, Memberships and Standards

CAFOD is accountable to the Catholic community in England and Wales and we value their support, given in trust. We are also accountable to our partners for the impact our ways of working have on them and the impact our funds have on enabling communities overseas to fight poverty and injustice. As a charity registered in England and Wales, CAFOD is accountable to the Catholic Bishops' Conference of England and Wales, and is regulated under UK Company Law and by the Charity Commission.

We uphold our values and high standards of organisational, professional and personal conduct, outlined in our Code of Conduct which all CAFOD representatives must sign. We comply with Canon law, local and international laws. Our international programmes meet the highest quality standards, minimising the risk of harm and fraud. Across all programmes, colleagues undertook 757 screenings against sanctions lists, were involved in dozens of audits and supported partner financial health check verifications. In the UK we are bound by the Fundraising Code of Practice which aims to ensure that fundraising is respectful, open, honest and accountable to the public. We welcome feedback and complaints. Should our values and commitments ever not be upheld to the standard expected, we want to be informed. There is clear information available on the CAFOD website that explains how to raise concerns, including flagging concerns anonymously.

We choose to participate in a number of other organisations that help us to collaborate, learn and deliver our work more effectively. CAFOD is a member of Caritas Internationalis, a global Catholic Church confederation with a presence in 165 countries – one of the biggest aid networks in the world. In the most difficult contexts, the local Church is often a trusted and steady presence. We are also a member of the British Overseas Network of Development Agencies BOND, the START Network of 80 non-governmental organisations, the Disasters Emergency Committee DEC and DEC Cymru, the international family of Catholic social justice organisations CIDSE, the Climate Coalition and Stop Climate Chaos Wales.

As an organisation, we have chosen to sign up or support some external standards and measures of accountability. These include the Caritas Internationalis management standards which are based on accepted global principles within the humanitarian and international development community. We are a signatory of the Core Humanitarian Standards, placing communities and people affected by crisis at the centre of humanitarian action and are regularly audited against nine commitments. CAFOD is also signed up to the Grand Bargain, an agreement among humanitarian donors and organizations to get more means into the hands of people in need and to improve the effectiveness and efficiency of humanitarian work. As part of the Charter for Change initiative, we continued to lobby and commit ourselves to implement changes in the way the humanitarian system operates by empowering more locally-led responses. We are signatories to the Climate and Environment Charter, which promotes strong commitment and collaboration to reduce the environmental impact of both our operations and our programming. CAFOD is audited regularly against these standards, and we publish significant project evaluations on our website.

# CAFOD Values in action

**Hope** transforms despair and gives us the courage to work for change, even when the challenges seem overwhelming. Local organisations continue to help families cope with the drought in East Africa, with CAFOD's support, by building water tanks in remote locations, and helping schools to provide nutritious food so students can stay in school. Talaso and her husband live as nomadic farmers, relying on their livestock in Marsabit, Kenya. Their family featured in CAFOD's Harvest Appeal. They had enough goats and a few camels to live comfortably. But the prolonged drought has killed almost all of their animals, and Talaso's husband has had to travel far from home to find pasture for their last two camels. Talaso and her community were involved in a cash-for-work scheme, through our Caritas network, to renovate a small reservoir that had become filled with silt. "It was very difficult," Talaso explained. "But it was good because you'd go out there, you'd work, and you'd get something to bring to your children. You get money, and if you get that money you don't need to rely on borrowing from other people." The mother of two worries that it will be difficult to afford the school fees for her youngest son if the drought continues. "At times, when there are no clouds and the sky is clear, we think our situation will be like this for the rest of our life," she said. "But then another morning when we wake up and we see clouds, we say 'God is reminding us it might rain'. That's how we normally look at things. We have hope. We always have hope."



*"We always have hope". Talaso with her two-month-old son in Kenya*

**Dignity** is intrinsic to every person. Yarie, pictured on the front cover, is part of a CAFOD supported project in Sierra Leone, which aims to strengthen the technical and financial capacity of young people in agriculture, vegetable production, marketing and sustainable business management. The 402 young members taking part now have the skills and knowledge to set up and manage their own greenhouses, and to share their skills and experience with each other, helping them to grow more food and earn more money over the coming years. "Before the project, having a stable source of income was my greatest challenge. I live with my grandmother with six other grandchildren, and I am the oldest of them all and the breadwinner. With no source of income, I had to sell firewood just to sustain the family. It was not easy." "I'm that wood seller no more. I now own a small business, am respected in the community, and people applaud me when I talk in meetings. The project has help me to regain my self-esteem. I can say my life is now dignified. I think am living my dream."



*Young people like Yarie are able to flourish thanks to this sustainable farming project in Sierra Leone*

**Compassion** draws us near to those in need, compels us to act and to stand together - It is rooted in love and deep respect for people and the earth.

The Catholic community in England and Wales responded out of compassion to a number of emergency appeals last year, from the food crisis in East Africa, the earthquake in Turkey and Syria, the floods in Pakistan and the Ukraine crisis. Donations, including collections and fundraising efforts by schools and communities raised £5.5 million, supporting emergency responses by CAFOD partners around the world. Tetiana, Director of Caritas Ukraine, sent a message of appreciation:

"I want to also remember the youth and children that have been so active and really showing their hearts and their generosity in the way that they express their support for other children and other youth in Ukraine. It's really not an easy time. But knowing that there is somebody else on the other side who is thinking of them, who is wishing them well, who is praying for them and who is offering their hand in support is a huge part of what it means to be human, of what it means to be a part of the whole human family. Thank you for expressing that so generously and so kindly to the children of Ukraine."



*Students in Sheffield praying for peace in Ukraine*

**Solidarity** is rooted in our belief in community and the preferential option for the poor and oppressed.

We are very grateful that so many CAFOD supporters trust us to make sound decisions about where CAFOD funds can make a lasting difference. This allows us to support a breadth of amazing projects around the world, working in solidarity alongside committed partners and communities such as Padre Jose from the Amazon in Colombia. "We were all busy coming and going, fetching and carrying, seeing where needs were, supporting communities, and giving people some respite," he said. "We were a source of consolation for lots of people who were hungry and had specific needs, children, teenagers, really poor families. My faith in the living Christ is greatly strengthened and underpinned in all these Amazon surroundings and in its communities, who are also in need of faith in the living Christ. It's the need for prayer, for seeking the Lord and the need to reinforce people's values and commitments, to themselves, to their communities, and to their environment. God has given us creation for our benefit, but this benefit should involve protecting it, respecting it and valuing nature. "Thank you for all your support, prayers and especially the financial support you give to us and so many other communities and dioceses to achieve our goals, to work with communities, to reach so many distant places, to support ordinary people who are caught up in these processes, who are rooted in the rainforest, along the rivers, anxious to work and anxious to do more for nature and the Amazon. May God reward you."

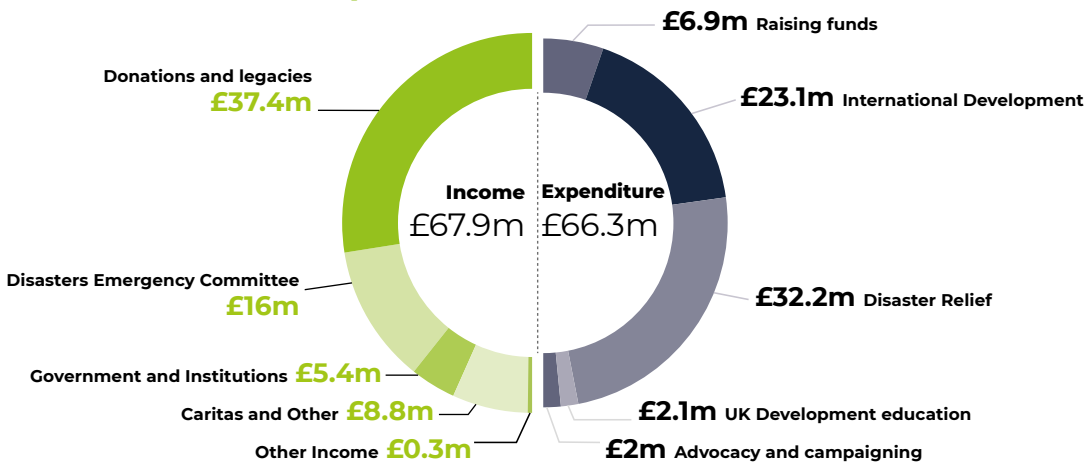


# Income and Expenditure summary

This year despite the tough economic times in the UK and globally, we were fortunate enough to reach a record level of total income at £67.9 million, of which a wonderful £37.4 million (55 per cent) came from the unwavering support of the Catholic community in England and Wales. Total income was made up of general and emergency appeal donations, including £16.0 million from the Disasters Emergency Committee, in support of our Ukraine response, the Pakistan Floods crisis and the earthquake in Turkey/Syria. Once again, we were also blessed to receive very generous legacies, receiving £11.2 million of income in this way.

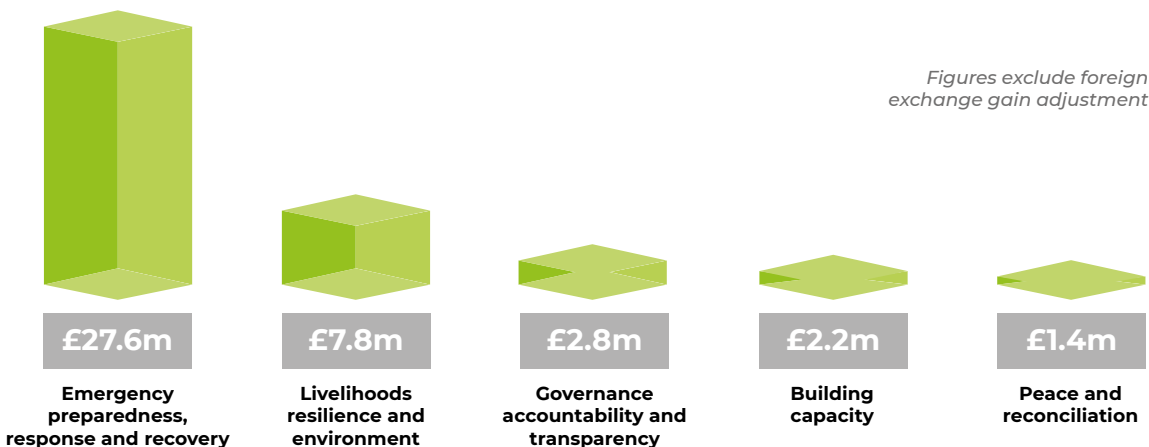
We are so appreciative and respectful of this level of continued support, during another difficult year for all with huge pressures on household budgets. Our supporters and volunteers have adapted and continued to expand ways to engage with us and our partners, as traditional fundraising activities have slowly returned following the pandemic. Throughout all the recent practical and economic barriers, CAFOD's work has been supported by the untiring generosity of our wonderful volunteers.

## Chart 1: Income /Expenditure



We spent £66.3 million in total; with £6.9 million (10 per cent) on raising income and £59.4 million (90 per cent) on delivery of our mission through charitable activities. Both these figures include allocated support, administration and governance costs of £6.1 million (9 per cent of our total spending).

These resources entrusted to us allowed us to respond to several concurrent crises, as well as cover a wide and diverse range of issues, reflecting the contexts in which we operate, the needs identified by our partners, and our analysis of how we can achieve the greatest impact in our programmes. We made 594 grants to partners, including £3.4 million of programme payments made by CAFOD in direct support of partners for programme activities, including emergency responses and, with foreign exchange adjustments, this totalled £41.8 million, covering these main themes:



# Making progress towards our commitments

All CAFOD work is guided by our strategy 'Our Common Home' (2020), which promises to deliver against four commitments and key areas of change.

All parts of the CAFOD family – supporters, staff, volunteers and partners – are coming together to achieve our best contribution and sustainable impact for those communities we serve. We are proud of the impact these acts of love and service made last year in the lives of people around the world.

Through adaptation, innovating and collaborating with a greater diversity of people and organisations we are continuing to build on the best of what we do as the subsequent sections in this report show.

## **COMMITMENT 1:** Achieving positive impacts for people, communities and the environment

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Through our global network, CAFOD can support communities around the globe in their fight against poverty and injustice. We support local experts to work alongside some of the most hard-to-reach people in Africa, Asia, Latin America, the Middle East and now again in Europe. Local needs and contexts determine the shape of our international programmes. Our distinctive approach is found in how we do what we do. We invest in local agency, partnership and capacity, in women's empowerment, intergenerational dialogue, regeneration of the environment and systemic structural change.

This included protracted crises like the food crisis in East Africa and being able to respond to new emergencies like the war in Ukraine, the devastating floods in Pakistan and the earthquake in Turkey / Syria. We have taken further steps to embed greater environmental stewardship and gender justice in CAFOD's ways of working. We focus on 'doing with' rather than 'doing to'.

***Focus on reaching the most vulnerable and excluded, to support their survival and long-term flourishing, and doing so in ways that help protect and regenerate the planet.***

Throughout this report there are many examples of local impact in Africa, Latin America and Asia, facilitated by CAFOD funds and support. Last year CAFOD supported partners to deliver project work worth £7.8 million focusing on livelihoods, resilience and the environment and £1.4 million on peace and reconciliation work. These funds facilitated local experts who know their communities best to keep working within those communities, many of which have been impacted by increased violence as well as economic and social instability.

Local aid workers can use the support provided by CAFOD to continue reaching those that are most excluded over long periods of time through help that goes beyond 'standard' two- or three-year projects. For example, in Brazil, almost 10,000 people in São Paulo benefitted from advocacy leading to public policy implementation in land tenure formalisation, basic sanitation and reduction in forced removals for infrastructure projects. CAFOD has supported local partners over decades. In June 2023 this CAFOD support was recognised,

when CAFOD's long-serving staff member, Head of Latin America and Caribbean, Clare Dixon, received the award of 'Citizen of São Paulo' in recognition of her lifetime of service to the rights of the homeless.

CAFOD partners work closely within their communities. For example, in Malakal, South Sudan the waterway to a community was blocked by water weeds, making access to the main town very difficult. People depended on the river to transport their fish, milk, and agricultural products to Malakal town, and to access medical services. Efforts to clear the waterway by the government, local community and other actors was unsuccessful. The community resorted to using a longer route that takes approximately 8 hours on local canoes to reach Malakal main town. This continued to put people's lives at risk, especially expectant mothers and other vulnerable groups. We funded our partner Caritas Diocese of Malakal to provide three speedboats. Now the journey takes less than 45 minutes. During a monitoring visit last year, this was identified as one of the most celebrated examples of support this community has ever received as stated by the community leaders, women groups, and farmers groups.



*Community working together to clear a river in Malakal, South Sudan*

Often it takes many people and groups working together on different interventions to make a lasting impact. Last year, Ugandan Caritas partners with funding from the START Network supported communities to respond to an Ebola outbreak. Through the CAFOD supported project, partners created awareness through the dissemination of information materials, community meetings and participating in 30 local radio talk shows in 11 districts. They trained over 1,500 Village Health Teams, 200 local leaders, 100 religious leaders and 8 traditional healers and provided 803 hand washing facilities with liquid soap to the most visited public places. With the above interventions the project was able to reach over 1.2m people both directly and indirectly.

National political contexts affect where CAFOD can fund partners. In 2022, after trying hard to re-register our office in Managua, Nicaragua with the authorities, under new foreign agents' legislation, we were unable to do so and had to stop all work in the country. Many of our local and long-standing partners have also closed down. In other countries it affected how CAFOD can provide support. For example, last year many of our partners in Afghanistan had to radically rethink their approach and ways of working as the Taliban restricted the role of women further. In careful dialogue with partners, we found ways to continue to support local organisations and communities including women and girls. Unfortunately, the humanitarian situation in Afghanistan continues to deteriorate and millions of people face hunger and extreme poverty. For some, their situation was significantly worsened by an earthquake in June 2022. Thanks to the generosity of CAFOD supporters making general donations, CAFOD can be flexible with funding responding to local needs. This allows partners to change activities in response to a changing context without significant bureaucracy or risk of losing funds.

Inspired by Laudato Si, CAFOD's Our Common Home strategy calls us to promote an alternative model of progress, Integral Ecology, which recognises the deep interconnectedness between people and the environment, between the present and the future, and across all the systems on which we depend. Whilst CAFOD is not an environmental agency, there are already many great examples of environmentally protective and regenerative work, from agroecology to energy, policy to enterprise development. Indeed, some of our partners are already far ahead of CAFOD in their strategies to care for our common home. For example, last year CAFOD partner BELA were able to persuade the Bangladesh high court to review the damaging sand dredging taking place on the Mohadeo river in Mymensingh. A river that is very important to the livelihoods of indigenous people living in that area. In the

Amazon, Jenny and many others are working to protect the environment, supported by CAFOD funds. Jenny is fired by her Catholic faith. At 13, she was diagnosed with cancer and turned to God in prayer. She told us, "God gave me this second opportunity, to do his work. To contribute to a fairer world." Jenny, who works for a CAFOD partner uses her passion for painting in workshops where young people learn about their rights and their responsibilities to care for our common home.

## A legacy for a better future

Over a third of CAFOD's international development work is made possible thanks to gifts in wills. Many CAFOD supporters make the decision to give a legacy gift. This pledge is a powerful example of hope for the future. Their generosity touches lives across the world for generations to come. Last year CAFOD received £11.2 million through gifts in wills. This hope is reflected in the words of Shukla from Bangladesh who has worked with a project to learn about sustainable farming, with support from CAFOD. She told us, "I have only one future hope - that my little family will stay happy. I want to raise my son well, and I want to continue organic farming so that my family can have chemical-free food. And I hope that my neighbours will see what I am doing, and they too will be inspired to get involved in permaculture"



*Shukla and her son in their now green and productive garden in Bangladesh*

## Emergencies

The number, scale and complexities of communities in crisis as a result of humanitarian emergencies was staggering last year. Millions of individuals were affected by the global food crisis, particularly in East Africa. The large-scale Russian invasion of Ukraine displaced millions, the unprecedented floods in Pakistan, the continued crisis in Afghanistan and the earthquake in Turkey and Syria all made global media headlines and resulted in appeals by the Disasters Emergency Committee DEC. The generosity of CAFOD supporters and the UK meant that last year £5.5 million were raised for CAFOD's emergency appeals and we received a further £16 million as part of the DEC appeals. In total, CAFOD allocated £32.2 million for Emergency Preparedness, Response and Recovery. **Thank you for supporting our partners and the affected communities who now face the difficult challenge of rebuilding their homes and livelihoods!**

CAFOD and its partners also continued to respond to smaller scale emergencies that do not register in the UK media, but still have a devastating impact. Having witnessed some of the impact of the food crisis in Northern Kenya in spring 2023, CAFOD Trustee Professor Karen Kilby (Chair of our Strategy and Performance Committee) wrote in *The Tablet*: “I’ve come to think that alongside ‘impulse buying’ there is such a thing as ‘impulse giving’. I see the report of a tragedy, it moves me, I make a donation. That’s great and the giving makes a real difference. It’s harder to match our impulse giving, if we are people who can afford to give, with something more considered – to give to a humanitarian crisis that is not in the news, or give to the core funds of an agency you trust, which will be working on what is out of the news cycle as well as what is in it. But in the end that’s the giving that makes the greatest difference.”

CAFOD supporters have responded very generously to our emergency appeals. One of the ways in which supporters have responded to hidden emergencies is through our Major Gifts and Philanthropy initiative, Every Second Counts (ESC), bringing together a community of committed philanthropists aiming to raise £5 million over 4 years. We are pleased to share that in the third year of ESC we have raised £4 million and in the last year alone have provided aid to communities in 31 countries, including Yemen, Brazil, Afghanistan and Sudan. Funds raised through ESC have also supported crises at their earliest stages, before they escalated to full scale DEC appeals. For both the Ukraine crisis and the earthquake in Turkey and Syria, funds were sent as soon as our partners reached out for support, whether that be on day one of an earthquake or months before a full-scale military escalation. We were there to answer the call and support where we can thanks to the incredible generosity of our supporters.

In August 2022 record monsoon rains and flash flooding across Pakistan killed thousands of people, with millions more displaced from their homes. At its worst, around one third of the country was underwater. CAFOD supporters raised an incredible £1.2 million, and we also received funding from the DEC to help with the response. So far, our partners have provided emergency medical assistance to 72,000 individuals, including deploying five mobile health units, and cash assistance to 2,600 families in the first stages of the emergency. The remaining funding from our appeal will be used to support recovery efforts, as we assess the long-term needs of the communities affected.

In February 2023, an earthquake struck near Turkey’s border with northern Syria with a second earthquake hitting shortly after, killing more than 53,000 people and destroying thousands of homes and buildings. On day one of the crisis, £100,000 of funds previously raised from Every Second Counts were released to enable the initial stages of the relief effort, providing hygiene kits, emergency shelter and cash assistance to affected communities. In the following days the huge scale of this crisis became clear as the DEC launched an appeal, raising over £121 million of which CAFOD raised £2.4 million. Thanks to long-standing relationships with partners, we were able to spend most of the funds within Syria, where the need is greatest. After 12 years of conflict within Syria, this earthquake has only proven to further exacerbate the issues communities have been facing, putting pressure on an already decimated healthcare system and weakened infrastructures.



*Consultation in a mobile health unit funded by CAFOD*

***CAFOD is committed to helping people to survive, rebuild and live with dignity. This support could not have happened without the incredibly generous community of England and Wales. Thank you!***



## Feature Food Crisis East Africa

**Communities in East Africa have been in an unprecedented state of emergency, doing all they can to survive a fifth consecutive season of drought, the most severe drought in 70 years in many areas of Kenya, Ethiopia and Somalia and unprecedented flooding in South Sudan**

Millions of people in East Africa are facing acute food shortages and significant disruption to their livelihoods. The way of life of communities has been shattered as they have lost their herds or harvests and exhausted their coping capacities. In search of food, water and pasture or fleeing conflicts exacerbated by resource shortages, millions of people have been displaced. This is a crisis generated by other crises – climate change, a broken food system, and rising food prices as a result of the war in Ukraine.

**Working with networks of local experts, CAFOD has been able to respond swiftly and at scale across affected areas of Horn of Africa, thanks to the generosity of our supporters, resulting in a response of £4 million in aid across the four countries over the last two years:**



*The fallow ground of the poor would yield much food, but it is swept away through injustice.*

Proverbs 13:23, ESV



KENYA	ETHIOPIA	SOUTH SUDAN	SOMALIA
<ul style="list-style-type: none"> <li>Helped around 12,000 people by providing direct food support</li> <li>Supplied over 2 million litres of drinking water to communities with no other access to water</li> <li>Made sure 15 boreholes kept running and repaired two key boreholes, supplying thousands of families and their livestock with water</li> <li>Supported 100 families to relocate away from drought-prone areas</li> <li>Provided food to 5 schools reaching 2,500 schoolchildren</li> </ul>	<ul style="list-style-type: none"> <li>Reached 24,000 people with cash transfers, usually women-headed households with limited livelihood options and other vulnerable people</li> <li>Installed 10,000 litre water storage tanks at two primary schools and two health posts to hold water deliveries and to harvest future rainwater</li> <li>Supplied 354 families who only have access to open water sources with water treatment chemicals</li> </ul>	<ul style="list-style-type: none"> <li>Provided 17,430 people with food</li> <li>Reached more than 40,000 people with emergency food supplies, access to safe water, protecting young girls and supporting victims of gender-based violence including through counselling support</li> </ul>	<ul style="list-style-type: none"> <li>Supported a programme delivered by our sister agency Trocaire, which is reaching 153,692 people including children with food, health and water supplies</li> <li>Worked to reduce malnutrition through the screening and treatment of children under five</li> <li>Supported 24 healthcare facilities, including 4 hospitals, and treated around 19,000 people every month</li> </ul>



**Numbers can be overwhelming – but in many places the situation was described as the ‘worst ever’, ‘unprecedented’, ‘not in living memory’. People are caught up in a situation that they did not cause.**

Verity, who is Head of our Africa Team, shared what she had witnessed in Ethiopia: “I met a group of women who had been displaced and asked them what they had done before – they had been teachers, civil servants, restaurant owners, businesswomen – now they were living in a school, 20 to a room, with nothing except what they could carry.”

**Global aid to the World Food Crisis has been inadequate as the world faced multiple crises, including a historic drop in assistance from traditional donors such as the UK.**

The relative silence by the UK media in response to this crisis is an outrage. Funds given by CAFOD supporters in trust, are vital to help communities who are already doing all they can. But faced with such monumental challenges, we need to raise our voices to raise awareness and call for change. Advocacy work is an important part of CAFOD’s response. Last year we advocated for more and for a better response to the British government particularly on how aid is delivered. We also advocated for the vitally important role of local partners who know and understand community needs and also on the causes of the crisis – this is a climate crisis – exacerbated by politics and conflict.



## CAFOD supporters, volunteers and staff have been working tirelessly last year to raise public awareness.

- Parishes and schools have taken action, prayed and donated throughout the year, with a big push at Harvest Fast Day. We recorded over 575 short talks in parishes and two thirds of parish volunteers reported that there was an awareness piece in their parish newsletter. Talaso in northern Kenya agreed to share her story and the impossible choices she faced, and many in England and Wales responded in solidarity.
- In May, the CAFOD Director visited partners in Kenya to raise awareness in the UK media.
- Bishop Paul Swarbrick, lead Bishop for Africa of the Catholics Bishops Conference of England and Wales, met with religious leaders and local communities in South Sudan and Kenya, supported by CAFOD.
- CAFOD, together with the Coalition for Global Prosperity organised a cross-party trip for three members of parliament to Kenya, highlighting the severe hunger situation. Two of these MPs then addressed the CAFOD parliamentary group in 2023.
- 11,000 CAFOD supporters sent a message to our Foreign Secretary, calling on them to use their power to begin to right the wrongs of our food system.
- Over 200 parishes in 22 dioceses took action to raise awareness of the current broken food system.
- In October, CAFOD staff and volunteers made sure the message to fix the food system was heard loud and clear outside the Foreign and Commonwealth Office in Westminster.

In early 2023, CAFOD Trustee Professor Karen Kilby also raised awareness through Media and in local parishes after meeting with communities in Marsabit, Kenya. She wrote: "People concluded their stories with a succinct account of where the situation left them – in anxiety, in shock, but with a hope that someone would see and take account of their situation. With great dignity and stoicism, they are waiting to be seen."

**This crisis is not over. Together we will continue to work and raise our voices, speaking out boldly so that communities can survive and thrive, supported in solidarity by the actions, donations and prayers of the Catholic community in England and Wales.**

**CAFOD**  
Catholic Agency for Overseas Development

**Family Fast Day**  
FRIDAY 7 OCTOBER 2022

**WORLD food crisis**

Help families around the world survive **TODAY** and have food for all their **TOMORROWS**.

**£36** can provide three farming families with drought resistant seeds.

**£80** can give a family emergency food for one month.

Use this QR code or go to:  
**cafod.org.uk/give**  
Please do consider giving a monthly gift.



### **As one Caritas family, we stand united in solidarity with the people of Ukraine.**

In February 2022 Russia launched a large-scale invasion of Ukraine and triggered a massive humanitarian crisis. At least 5 million people fled their homes to escape conflict in Ukraine and another 7 million are internally displaced. Life for the people of Ukraine has completely changed. Homes, schools and hospitals have been destroyed. Facing impossible decisions, many people were left cold, hungry and homeless. Civilians remain most at risk in areas under Russian occupation and along the frontlines, but Russian missile strikes have also destroyed large parts of Ukraine's critical infrastructure, including power and water supplies, leaving millions in need of basic services.

**CAFOD supporters responded very generously to our appeal – Thank you!** We collaborated closely with Caritas sister agencies and liaised with Caritas Internationalis, a global network of the Catholic Church, one of the largest aid networks in the world. CAFOD funds are pooled with the support of other Caritas sister agencies, allowing agencies like Caritas Ukraine and Caritas Spes Ukraine to plan better and to reduce the administrative burden of grant management. Our sister Caritas agencies in Ukraine have supported over 1.8 million people; more than 22,000 on a daily basis. CAFOD appeal funds also supported Caritas Sister agencies' emergency responses in Romania, Moldova, Poland, and Slovakia. These local experts are a part of these communities, and how to best respond to this humanitarian crisis. For instance, Caritas Ukraine is extremely experienced, and has been responding to the conflict in eastern Ukraine since 2014. Donations to CAFOD's appeal are helping to continue and expand life-saving activities during this time of crisis.

**CAFOD supported partners to deliver safe, accessible, dignified and inclusive humanitarian aid, at a time when their staff and volunteers were also personally affected by the consequences of war.** Last year CAFOD provided technical training and mentoring to many of our partners, particularly in Safeguarding and protection, temporarily deploying CAFOD staff to partners as we did with Caritas Poland with HR capacity, DePaul Ukraine and Caritas Ukraine with security expertise, but also through the provision of equipment, such as satellite phones for Caritas Ukraine.

In a video message for CAFOD supporters, Tetiana, Director of Caritas Ukraine said "There is something about the way the Caritas family works. It's a community – a community of people who are supporting one another and there is a strength in that of solidarity. And you feel it both at the level in Ukraine and you also feel it with you, with our supporters from outside of Ukraine, that together we are creating this one community, this solidarity that is acting in opposite to war, in opposite to destruction and chaos."

**The Disasters Emergency Committee (DEC Ukraine Appeal) raised over £400 million of which CAFOD receives a share.** The DEC brings together 15 leading UK aid charities to raise funds quickly and efficiently at times of crisis overseas. CAFOD DEC funds were mainly used to support the war-affected population in east and south Ukraine by funding local partners to provide life-saving services to the displaced and the most vulnerable.

**At the start of the crisis, our partner DePaul Ukraine immediately started delivering aid to people affected by the conflict, primarily in areas close to the front line or which were / are under siege.**

With CAFOD DEC funds, over 80,000 people have been reached with emergency food provision, almost 10,000 people have been reached through shelters and supported accommodation and almost 60,000 people were supported with hygiene and medical assistance. 126 local staff & volunteers have been trained. Viktoria is part of a team of volunteer cyclists whose support is a lifeline for housebound people in Kharkiv. "One day, I saw an Instagram post with a call for bicycle volunteers and was very happy, because it opened up an opportunity to finally feel useful and needed. This is my city and my country. I just want to be here, that is all."



**With CAFOD funds, Caritas Poland, Caritas Romania and Caritas Moldova are all supporting people who have fled Ukraine and are in need of food, water, shelter**

and where desired, means to continue their journeys to safety. Within the first few days of the war, more than 100,000 people were entering Poland each day and Caritas Lublin was there to help. The response included providing people with prepaid cards that can be used in any store with a card terminal, enabling people to make choices that are right for their personal circumstances. For people who have been forced to flee their homes – losing everything – the cash cards provide autonomy and dignity.



**The situation for many of the displaced Ukrainian people remains challenging.**

In Romania, although the number of people arriving is slowing down, large numbers of refugees have chosen to stay in Romania for the time being. Recently the Romanian government reduced the amount of state assistance available, increasing the vulnerability and precarity facing the Ukrainian refugee community. CAFOD partner Jesuit Refugee Services is providing holistic care. They have supported over 1,000 people to move into stable accommodation, support over 1,500 people to meet their basic monthly needs and have supported around 1,000 individuals with legal assistance and / or specialised medical care and psycho-social support.

**Together we can achieve more.** Bishop Kenneth of the Ukrainian Catholic Eparchy and the Ukrainian diaspora set up the Ukraine Welcome Centre, to provide a single point of contact for those fleeing the war in Ukraine. It was a privilege to share experiences of recruiting and supporting volunteers as part of the Welcome Centre set up. CAFOD supporters wrote to the UK Home and Foreign Secretaries urging them to push for peace in Ukraine and asking the UK government to provide safe passage and refuge. And CAFOD supporters prayed for peace.



**The Catholic Community responded with compassion: Schools and parishes raised funds in response to our Ukraine appeal, supporting church organisations.**

Special assemblies, sponsored walks, film nights, cake sales and prayers were just some of the ways in which schools and parishes responded. And of course, many welcomed Ukrainian refugees into their community. Collectively the 15 schools within the Painsley Catholic Academy in Staffordshire raised an incredible £16,500 for CAFOD's Ukraine appeal. In Hertfordshire, Children, staff, governors and parishioners of Pope Paul Catholic Primary School and Our Lady and St Vincent Church walked to show solidarity with the people of Ukraine. "Through pupil voice and school parliament, our children decided that they wanted to support the people of Ukraine by actively fundraising and living our school's mission of respecting and caring for others." "The children have been reflecting on the how they can build a better world; our walk was one way of playing our part in this, and we have raised over £1,200!"

## COMMITMENT 2: Amplifying local voice, agency and leadership

*The agency and leadership of the poor, vulnerable and excluded, women, young people and local organisations must be supported and empowered, with their voices amplified and not ignored in favour of those with wealth or status.*

**COP27 in Egypt in November 2022 highlighted CAFOD's commitment to amplifying local voice, agency, and leadership at international level.** The COP is an annual UNFCCC meeting of countries, business and civil society organisations from across the world to make progress on tackling the climate crisis. This includes the need to keep temperature increases to below 1.5 degrees Celsius, provide adequate and long-term climate financing and on a sustainable food system, all of which are vital to the poorest communities who are hardest hit and have contributed the least to this crisis.

Ahead of the event, CAFOD supported African Church partners to host the African Climate Dialogues and to launch a communiqué to influence states. CAFOD also helped partners to attend the event, with an emphasis on women leaders from Africa. These women leaders spoke brilliantly at events, lobbied their own governments, and engaged with CAFOD supporters at a live webinar. CAFOD supporters also took solidarity actions from afar. Over 2,000 supporters sent a message to UK ministers, and many supporters took to the streets as part of the Global Day of Action marches or prayed for leaders as they gathered in Egypt. At COP27, on behalf of Pope Francis the Holy See delegate, Vatican Secretary of State Cardinal Pietro Parolin, reminded world leaders that 'concrete decisions' to tackle the climate crisis "can no longer be postponed" and spoke of the need to strengthen "the covenant between human beings and the environment."



*CAFOD supporters at the Global March for Action in London*

Leaders at COP27 agreed to set up a 'loss and damage' fund which was a very important and long-standing call for climate justice. This means a specific fund will be created to support those countries who are seeing communities devastated by the climate crisis – losing their homelands, their livelihoods and their cultural and spiritual heritages. Thousands of CAFOD supporters called for governments at COP27 to set up a loss and damage fund, while the Holy See intervened during negotiations to back calls for the fund, from countries most vulnerable to the climate crisis. How the fund is governed should be confirmed at COP28. Unfortunately, not enough progress was made in other areas, and CAFOD's work, standing in solidarity with people hardest hit by the climate crisis, continues.

**Where it can make a difference, CAFOD raises awareness of issues our partners face and the solutions that they need, putting pressure on governments and businesses in the UK to take action. Last year CAFOD brought additional visibility to the concerns of indigenous people in the Amazon. Indigenous people play a vital role in keeping the rainforest standing and their way of life and their struggle for rights, benefit all of us living on this planet.** In June 2022, indigenous leader Mauricio Ye'kwana spoke at the Science and Industry Museum in Manchester, sharing his first-hand experiences of fighting to protect the Brazilian Amazon rainforest from illegal invaders and the link between indigenous rights and tackling climate change. The event marked the official UK launch of the report



*Mauricio calling for action in Manchester*

'Yanomami Under Attack,' published by CAFOD's partners, Hutukara Yanomami Association and the Socio-Environmental Institute. The report documents the devastating impact of illegal gold mining on the Yanomami people and the Amazon rainforest. In January 2023, the newly elected Brazilian government launched a police operation to remove the approximately 20,000 illegal miners operating in Yanomami Indigenous Territory. However, this operation has not been as effective as planned, and a critical health crisis has also ensued, which CAFOD has been supporting partners to tackle, via increasing local health teams' capacity to diagnose and treat a malaria epidemic. Mauricio issued a call-to-action to the UK government and civil society to fulfil commitments made at COP26 to protect forests, biodiversity and indigenous rights in the global fight against climate change before it is too late. In March 2023, CAFOD launched its own policy report on Gold Mining, which includes specific recommendations for the UK government, businesses and investors to take action for their role in this illegal trade. This report has already been used in advocacy actions with UK MPs to advocate for a Business, Human Rights and Environment Act and to include mining as part of the forest-risk commodities that need to be regulated by the UK government, to take action for their role in this illegal trade.

If we are to have any chance of tackling the climate emergency and eradicating global poverty, it's vital we hold large corporations to account, not least those in the UK. Strong legislation is the most effective way for the UK to tackle deforestation and other harms in UK supply chains. While these companies are held to tougher standards at home, they are often free to abuse and pollute communities in the world's poorest nations. During 2022, over 2,000 CAFOD supporters contacted more than 90 per cent of all MPs in Parliament to call for a new Business, Human Rights and Environment Act that would make companies based in the UK responsible for human rights and environmental abuses abroad. CAFOD also made a formal submission to the UK Parliament's Environmental Audit Committee highlighting the information from the report, amplifying the voice of CAFOD partner communities.

***The determination to enable others to flourish and to challenge the behaviours that drive poverty and inequality remain at the heart of CAFOD's vision today. We know that change can happen because CAFOD supporters, across England and Wales, have made that change happen, time and time again over the last 60 years.***

Sixty years ago, a small group of women from Catholic Women's organisations got together to do support a mother and child clinic in Dominica. The women thought they might raise about £500 but their idea was so enthusiastically received by Catholic parishes it raised £6,000; much more than they ever hoped for. So, as well as funding the new clinic, the project also improved water supplies and enabled local people to develop their vegetable gardens. Two years later the Catholic Bishops' Conference of England and Wales formally recognised their initiative. And CAFOD was born. In 2021, to celebrate and give thanks for those founding mothers and the continued importance of women's organisations, the Union of Catholic Mothers, Catholic Women's League and the National Board of Catholic Women launched a year of collaboration. Like the very first project supported by the first Family Fast Day, women came together to raise funds for a specific project. Margaret Clark, then president of the NBCW, said: "I am proud of the £13k that was raised in the year along with successful collaboration of spiritual prayerful input. I appreciated the ongoing CAFOD support." The funds enabled CAFOD partner, Middle East Council of Churches (MECC) help Lebanese and Syrian refugee women to access language and vocational courses as well as information and awareness sessions. In June 2022 we celebrated a Mass of Thanksgiving at Southwark Cathedral, honouring both the women who founded CAFOD sixty years ago, and the diverse and vibrant CAFOD community of today.



*Leaders of Catholic Women's organisations at the Mass of Thanksgiving, celebrating 60 years of CAFOD*



**CAFOD and many of our international partners invite young people to be the change they want to see in the world – to learn more, to raise awareness, to take action. In England and Wales children and young people also fundraise and pray with CAFOD to make a real difference. Young people are a powerful force for change and a symbol of hope. Here are just some examples of the fantastic engagement with young people that took place last year:**

- In March 2023, over 8,000 young Catholics from across England and Wales gathered in London for Flame – the National Youth Congress - a day of music, talks, activities and worship. During lunchtime, young people took part in activities, including social media opportunities, a quiz and games run by CAFOD young leaders. Many of the young people signed the back of CAFOD's giant letters spelling 'Change', signalling their desire and determination to change the world for the better.
- 685 schools – 32% of Catholic schools – had a CAFOD volunteer visit in the last academic year; engaging thousands of children in our Mission. Many of these visits were for whole days, where every class in the school had a workshop.
- Almost a quarter of all Catholic primary schools in England and Wales, have a CAFOD club. Children have the opportunity to learn about injustices around the world, and how they can take action themselves to build a better world. There are termly plans and activities available online which are popular.
- The Live Simply award commits communities to action, demonstrating they are living simply, sustainably and in solidarity with the poorest communities. Based on Catholic Social Teaching, the award supports pupils in primary and secondary schools to learn about the connection between their faith and taking action for justice, so that they can bring about positive change both within school and also within the local and global community. At this point, 64 schools have achieved the award, with a further 293 working towards their Live Simply award.
- In Peru, a CAFOD partner supported children and teenagers to participate in spaces for intergenerational dialogue between state services, local government, and young leaders. The network's "My Voice Matters" survey captured the concerns of over 5,000 12 to 18-year-olds, and the results have been incorporated into a local plan, as well as education and tutoring services ensuring that their needs are met.



- In June 2022, CAFOD sponsored an event in Goma, DR Congo which showcased young people's talents in promoting peace building and environmental protection. Over 3,000 people participated in the all-in-one music, dance, slam, theatre, and poetry event. There was also "Kivu street art 2022" showcasing artwork by young girls and boys as well as young people living with disabilities, in busy public sites in Goma. Through the art, dance, slam, theatre, poetry, sport, and street paintings that will adorn the city of Goma for several years, the young people have sent a clear message that they are now part of the solution, that they must be counted on for lasting peace and that nothing can be done without them.



*Mural in DR Congo 'Let's live in unity'*

- School gardens are familiar to many UK schools. In Bolivia, two schools implemented their Social Production Plan by growing vegetables, contributing to the nutrition of children, generating some surplus that they shared with their families. One garden is growing radishes, carrots, lettuces, turnips, beetroot, chard, peas, red cabbage! The students took responsibility for managing and caring for the vegetable garden, which has been developing over approximately three years. Highland schools participated in climate prediction workshops based on older generations sharing their skills and knowledge.



*Turnip harvest at a school garden in Bolivia*

## Serving local needs - A forty-year journey in Cambodia

**CAFOD has been working in Cambodia (Kampuchea) since 1979, and for many years did so under the umbrella of CIDSE, an international network of Catholic social justice organisations.** In the early 1980's, as cold war politics led to political and economic isolation, the focus was to help the Cambodian people rebuild their lives after the terrors of the Khmer Rouge regime. CAFOD stood alongside Cambodians in solidarity and provided financial and technical support as people did all they could to survive in face of isolation and the refusal of authorities to offer assistance. CIDSE played a special role in making available resources for the people of Cambodia, Laos and Vietnam to become agents of their own development. From 1995, as the situation in Cambodia improved, the CIDSE consortium shifted its approach, with Cambodian staff taking the lead in all aspects of the work.

**CAFOD staff member Mary Lucas, who retired this year after working with CAFOD for over 30 years, was seconded to the CIDSE programme Phnom Penh from 1987 to 1989.** Reviewing her diaries and letters from the time, she reflects how the work supported by CAFOD and CAFOD's own role evolved:

*"CAFOD and CIDSE were determined to respond to the poor, irrespective of ideology and with the end of the war in Vietnam and fall of Pol Pot, and ability to gain access for relief work it was possible to make a difference and I wanted to be part of that. At that time, there was still physical evidence of the destruction of Pol Pot times, but the invisible damage, the trauma and suffering only became obvious to me as I spent more time in the country and started to travel outside the capital city. I learnt very quickly that 70% of Kampuchea's population were women and that of the men left, up to half could be away in the army at any one time. Tasks traditionally reserved for men, women took on, because there were no men around. They did all this in addition to household tasks and childcare. In CAFOD and CIDSE we saw our role as standing alongside these people, giving them encouragement and support to continue living and carry on with their lives and responsibilities after the trauma of the Pol Pot years.*

*When I arrived, the country had been experiencing severe drought and had lost most of the main rice crop. The CIDSE relief and reconstruction programme filled a gap in the absence of bi-lateral government aid. Our 'partners' were all different ministries and departments of government. Even at that time, CIDSE members were already pushing for a more long-term development approach, employing international water engineers and agronomists to provide practical training, as many educated Cambodians had been killed by Pol Pot's regime. Ideas taken for granted today, like permaculture and sustainability were new to Kampuchea at that time. CIDSE also did advocacy work, persuading the authorities to allow support for the revival of Khmer religious communities and Khmer culture. I realised that our role was to lay the foundations for the Kampucheans to be the agents of their own development. My role on behalf of CAFOD and CIDSE became one of accompaniment – 'assisting from the drawing up of a project request, through making suggestions concerning management, helping with planning and reporting, so that eventually the Kampucheans could do all this themselves'."*



*Hands On partner Karuna Battumburg supports remote communities with a new method of sustainable rice farming, self-help groups for economic protection during difficult times, and tools and training so people can survive the climate crisis. A project participant (pictured on the right) said "You are unlikely to be alone if you join a self-help group. Individuals can't make it happen but when we are together nothing is impossible."*

Mary continued to support the work in Cambodia from CAFOD's London office for many years. In 1991, the Paris Peace Agreements officially ended the war. Civil society was allowed to build its own institutions. The focus of the CAFOD supported programme evolved. There were integrated community development programmes, implemented by villagers through self-help groups and a partnership programme which supported the emergence of Cambodian NGOs through training on governance and project management. Other international NGOs arrived and CAFOD was able to support work with people with disabilities together with Jesuit Relief Services and people living with HIV/AIDS with the Maryknoll sisters. In 2006, the consortium formally ended through the creation of a locally led organisation, 'Development and Partnership in Action (DPA)'. CAFOD continued to partner DPA and their programmes focused on ethnic minority people until DPA began to access funding in its own right. An early example of what we would now call capacity strengthening and Partner Direct Funding.

***For forty years, CAFOD supporters have stood in solidarity alongside the people of Cambodia in action and prayer***

<b>1980s</b>	Supporting relief through donations in the early 1980s, educating communities and supporters so as to end the isolation of Cambodia, Laos and Vietnam.
<b>1990s</b>	Campaigning against landmines (a terrible legacy of the Cambodia-Vietnamese war), with more than 65,000 supporters signing cards lobbying UK politicians to ban landmines, which in 1998 passed the necessary legislation. Cambodian partners visited schools and parishes in England and Wales.
<b>early 2000s</b>	Shining a spotlight on the continued plight of the people of Cambodia including at Fast Day 2009, raising awareness of the support provided to young people, orphaned by AIDS, to finish their education and enabling school children in Cambodia and England to learn what life is like for each other through the photography scheme "Picture my World".
<b>2010s</b>	Parishes across England and Wales supporting communities in Cambodia, including through the Connect2 scheme. Then CAFOD Chair Bishop John Arnold visited the country in 2014, bearing witness to a country which was recovering from difficult days, meeting government and church officials as well as people supported by CAFOD's partners. CAFOD young adult volunteers spend time in country, encountering local communities and sharing their reflections with young people and parishes afterwards.
<b>2020s</b>	Parishes support CAFOD partner Karuna Battumburg through CAFOD's monthly giving scheme 'Hands On', which supports communities in the 'rice bowl' of Cambodia who find it harder to access food and work due to the climate crisis. On request, CAFOD has provided the partner with cameras so that people like Uch can share their own stories with CAFOD supporters. Through the project, Uch has worked to learn new skills to help support her family. "The money I received will be spent in the short term, but the knowledge is completely different – I will use it for a long, long time."

Today, information is exchanged instantly by emails and WhatsApp – a long way from the weekly flight and post that Mary experienced in 1987. What has not changed is CAFOD's commitment to supporting partnership, voice and agency. Mary reflects "CAFOD and the CIDSE Programme have a great deal to be proud of. Our vision of development, and principles of solidarity and option for the poor laid the foundations, and our support equipped Cambodian NGOs to respond to the challenges, hopes and fears they faced with confidence and dynamism. We should give thanks to all who were involved (quite a lot of women!) for what has been achieved and look forward to the future."

## COMMITMENT 3: Creating a culture of encounter for transformative change

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*A culture of encounter is the opposite of a culture of indifference. Transformation comes through awareness of ourselves in relationship with our neighbours, with our faith and with the earth. Whether in the UK or across our international work, CAFOD is committed to deepening those relationships through a Culture of Encounter for transformative change in which we engage in meaningful dialogue, listen, reflect and learn from different perspectives, and co-create solutions.*

### A message of hope and peace – Papal visit to DR Congo and South Sudan

In early 2023, Pope Francis, alongside the Church of England's Archbishop of Canterbury, Justin Welby and Rt Rev Dr Iain Greenshields from the Church of Scotland, exemplified a culture of encounter during their historic visits, first to DR Congo and then to South Sudan.

**The Democratic Republic of the Congo is still recovering from years of devastating civil war, which killed more than 6 million people and caused the displacement of over 10 million people.** CAFOD staff and partners are supporting a number of programmes, including working with displaced people, but also projects which focus on the provision of clean water to communities, programmes focusing on peacebuilding, education, livelihoods and agriculture so that people can produce more food for themselves and for their families. Last year, £3.75 million was spent on 41 grants, reaching tens of thousands of people directly. During the papal visit CAFOD's DR Congo team participated in some of the Pope's meetings with authorities, officials and representatives of civil society, as well as a Mass attended by more than a million people at Ndolo airport. CARITAS Goma, a CAFOD partner, led the delegation of victims of armed violence in the East who met with the Pope to present their testimonies of the atrocities they have experienced. They expressed a strong signal of reconciliation by placing at the foot of the Cross the objects of their torturers. Pope Francis declared, "We can only weep in silence, for we are left without words. Bunia, Beni-Butembo, Goma, Masisi, Rutshuru, Bukavu, Uvira: these are places that the international media hardly ever mention."

#### **Through the church, CAFOD funds are able to reach remote communities.**

Bernard Balibuno, CAFOD's country director in DR Congo said: "The network of the Catholic Church and other faith organisations in the country is huge. The country is over 90% Christian. Through the dioceses we are able to support people in areas where nobody else can go. The positive change that CAFOD has brought in the country is to give hope to the people and the communities we work with."

**In South Sudan, the Catholic Church has long played a part in working for peace across ethnic and regional divides.** South Sudan has the most severe food insecurity in the world, with at least 7.7 million facing acute malnutrition or starvation, driven by continued conflict and climate crises such as flooding and drought. Last year CAFOD funded 54 grants there, worth over £3 million. These funds helped to support families with crop production, provided safe water for communities, and provided food

“  
I pray that all may  
be one.

John 17:21



and essential household goods to people who have been displaced. Like in DR Congo, CAFOD works through the Church network to build peace at a local community level, working with partners to bring communities together for non-violent resolution to conflict. CAFOD's Country Representative for South Sudan said: "We see a lot of hope in that people are coming together, planning the destiny of their country. They are putting in a lot of effort, putting up the structures to ensure that children get education. They are working on ensuring that the country develops together with the support of the international community."



*Supporting families with farming tools, seeds for planting and with emergency food distributions in South Sudan*

**As the papal visit sent a strong message of hope to the people of DR Congo and South Sudan, CAFOD supporters joined global prayers for peace.** CAFOD colleagues raised awareness of the challenges in the UK media and spent time with CAFOD supporters in a webinar. "For our supporters, I would like to thank them for the support they are giving us. Without their support, we can't do our work and we can't help save lives. Their love, their prayers and their financial support is reaching the most remote areas. And we who take and deliver that support, we are very privileged to take that support to those who are in need of it." (Bernard Balibuno)

**In memory of our colleague Nyika**, CAFOD's representative in South Sudan, who sadly passed away in his home country of Zimbabwe. From serving with CAFOD in Darfur, Kenya and Sudan for many years, he was well known, most recently answering questions by primary school children talking about the world food crisis, and in South Sudan having been closely involved with Pope Francis' visit to the country. We remember Nyika and celebrate his life as a brave and dedicated humanitarian worker who worked in some of the toughest places in the world to help those affected by war or hunger, without losing his humble way of demonstrating leadership. Nyika impacted so many lives in all his time with CAFOD and Caritas sister agencies, in all the work he did and the relations he built and nurtured, and he is missed enormously by all those he has touched in his life.

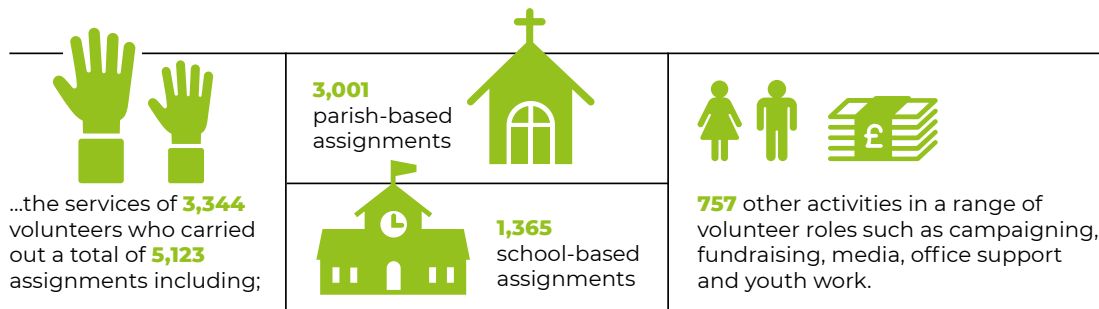


# Volunteers

*Volunteers are at the heart of CAFOD’s work, bringing people together locally in encounter, to pray and take action.*

Volunteers united	Smiles all round	Helping hands
<p>Volunteers are inspired by Gospel values and are a vital part of our mission to fight poverty and injustice</p>	<p>Volunteers help share the experiences of our sisters and brothers around the world with parishes and schools in England and Wales</p>	<p>Volunteers are making a massive difference globally, helping their communities in our shared fight against poverty and injustice</p>
		

*Last year, we were grateful for the thousands of volunteers who gave their time to make a real difference.*



We are pleased that so many volunteers enjoy being a part of CAFOD’s mission. All our volunteers are making a massive difference by helping share the experience of our sisters and brothers around the world with parishes and schools in England and Wales.

We ran a survey of our volunteers in 2022 and were grateful to receive more than 600 responses. We are pleased to report that CAFOD volunteers feel they make a difference, are strongly appreciated and are well supported. Overall, 95% reported being satisfied with their volunteer experience. We received valuable feedback via the survey and we will continue to build on this, so that all CAFOD volunteers in England and Wales feel appreciated for the time they give. If you would like to volunteer, contact your local CAFOD Coordinator, or [volunteering@cafod.org.uk](mailto:volunteering@cafod.org.uk)

Volunteering is also critical to the work that CAFOD partners support – wherever we work, local people do what they can to help their communities, often in challenging circumstances. Last year Vladislav and his wife fled their home in Ukraine to elsewhere in the country, and became internally displaced people, IDP. Vadislav volunteered with Caritas, distributing clothes to help others who fled their homes with nothing. “I understand how they feel because I am also an IDP.” **From food distribution in places affected by the drought in East Africa to environmental work in the Amazon, communities are sharing their own skills and energy to transform community life. Funds given by CAFOD, often raised by volunteers, support other volunteers in their efforts.**

## Parish and school volunteers bring CAFOD's work to life in their community

Roxinne volunteers in the Diocese of Northampton. "By doing simple acts like handing out envelopes, delivering a short talk and displaying a poster, I know I am a piece in the jigsaw of alleviating poverty. By encouraging my fellow parishioners, family, friends and students to support CAFOD's campaigns, we are targeting the root causes of injustice." "Having an enthusiastic CAFOD group in my parish makes supporting CAFOD's work all the better as we can share and discuss ideas and share tasks too."



## Events bring people together to have fun and support communities overseas

For 38 years, volunteers in Liverpool have been organising an annual Christmas Fun Run. In 2022 the Fun Run resumed after the pandemic with events indoors and out. Activities such as face-painting, food and music, kept spirits up in the cold temperatures. Event volunteer Moira said "I love the atmosphere. Volunteering for CAFOD makes the Christmas message real." Volunteer Shane shared that "Volunteering with the local CAFOD fun run helps local people to stay active and supports their health and well-being, whilst raising money to support the poorest and most vulnerable people in places like Ukraine, Yemen, Ethiopia and Afghanistan. We know times are tough at the moment, but they are a lot tougher in times of conflict, famine and following natural disasters."



## Communication and Social Media volunteers help spread the word

Jessica volunteered in the Southwark diocese: "I have been helping CAFOD on social media platforms, especially posting tweets for the Southwark diocese in London. I am able to reconnect with my faith, as well as using my skills and creativity to spread CAFOD's work and goals. CAFOD has helped me to regain that empathy that seemed lost because of how the world works nowadays. It was important for me to remember my Catholic values and to never give up on humanity."



## Volunteering transforms lives

Irma volunteers in her community in Colombia, in a project supported by CAFOD: "I'm involved in promoting the community nursery in the Amazon peace project promoting the community greenhouse, and I also support the children from Peacemakers programme." "Through the [tree] nursery I have learned to sow life, with the vegetable gardens I've learned to grow my own food and to understand that the land we walk on gives us everything we need, but it is up to us that every part of it remains for future generations to also enjoy." "My life has changed personally, and that of my family and community. Today I feel like a new person because I am more sensitive to what is happening around us, especially the care of our Amazon, and motivating others to continue loving our creation."



***Thank you to all the volunteers who give their time and energy to make a difference!***

## Using more creative channels of engagement to inspire a younger and more diverse Catholic community in England and Wales to participate in leading, resourcing and making real our shared vision

Part of CAFOD's Mission is to 'educate, enable and inspire the Catholic Community of England and Wales to act in solidarity for the common good.' Telling the stories of our partners, the communities they serve and making a compelling case for how CAFOD supporters can help is key. The communities that we and our partners work with must be represented accurately, with compassion and dignity. People have dreams for the future and want to build a world where they cannot just survive but thrive. The role of CAFOD and CAFOD supporters is to work with them to make those dreams for the future a reality.

Through regular communications, such as our supporter magazine Side by Side, e-newsletters, updates on social media and through talks we share the stories of CAFOD's work and the impact on local communities to tens of thousands of supporters, directly and through communities. Last year CAFOD staff reflected further on the language and images that we use in our communications, ensuring that we focus on people and communities working to improve their lives.

We have also updated some of our technology to make it easier to support CAFOD, for example updating our website so that it is easier to share up to date information and to make a donation. We have increasingly used QR codes that can quickly link to our website. The use of contactless card readers in parishes and some CAFOD volunteers using lanyards with a QR code has made it easier for parishioners to engage with CAFOD directly, particularly at Fast Days and we saw an uplift in direct donations.

In order to reach younger and more diverse audiences, we have put emphasis on our social media work, including Facebook, Twitter, Instagram and TikTok. Around the COP27, we posted YouTube short videos to engage younger people in action. In October, Songs of Praise celebrated CAFOD's 60th anniversary in their milestone moments episode. Then CAFOD Chair Bishop John Arnold and Head of Supporter Engagement Jo Kitterick were featured talking about CAFOD's history and hopes for the future, speak about the impact of the climate crisis and why supporting communities around the world to deal with its consequences has become a central part of CAFOD's work.

In person encounters are important. Our records tell us that there were 770 speaking at Mass events at Lent 2023 compared with 510 at Lent Fast Day 2022 – each one an opportunity to share and connect CAFOD's work locally through CAFOD volunteers. In October, our Faith in Action event brought together almost 200 people to explore the role of hope in our faith and hear the stories of people we work with overseas who are bearing witness to that hope. CAFOD's annual carol services were well attended, and the December fun runs continue to engage all ages and families.

Our online webinars continue to prove popular, enabling supporters to encounter local experts and CAFOD staff online. We also came together online to celebrate Mass, including on All Souls Day to pray for our supporters and loved ones who have died, and an online Mass for the World Food Crisis celebrated by Fr Simon Asira Lipuku, Regional Superior of the Salesians of St John Bosco for East Africa from the Shrine of Mary Help of Christians in Nairobi.

We continue to invest time in encounter so that we can build relationships and learn from our Catholic community in England and Wales. Last year we created a staff role to engage with the West African Diaspora in England and Wales and listened to supporters, volunteers and a number of parish priests to learn more about where we can improve relationships.



Contactless payments were accepted at Holyrood & St Teilo's and St Bride's in Pembrokeshire



Students at Sunderland University participate in a 'food stations' community action as part of CAFOD's 2022 Fix the Food System campaign



Prayer is powerful. It brings us closer to God and our sisters and brothers living in poverty. In September and October 2022, the relics of St Bernadette journeyed on pilgrimage to England, Scotland, and Wales for the very first time. This provided an opportunity to experience the special gifts and charisms of Lourdes in a local church or cathedral. CAFOD produced a simple prayer card. Around 20,000 copies were requested by supporters, and we provided a regular online space to pray the luminous mysteries of the rosary. In December, we saw an increase of 1,500 individuals subscribing to our Advent reflections. Our established weekly email reflections continue to be popular, inviting readers to reflect on the gospels and consider how they can put their faith into action.

## Big CAFOD Walk

**Our annual Big Lent Walk has become a key event in our calendar. School children, parents, grandparents, friends, teachers, Religious, nurses, priests, community groups and dog walkers took up the challenge and collectively took millions of steps and raised over £275,000.**



Community organisers went above and beyond to bring parishes and school communities together such as the Reading Parishes March walk from Caversham to Sonning (pictured), or Purbeck Parishes who came together to walk over 18km at Lodmoor Country Park in Weymouth. Dorset Parish coordinated sponsored walks on disused trainlines in support of CAFOD's work. "As CAFOD volunteers our aim is not just to walk but bring people together. We are individuals but together we are a community."

**Schools led the way in the Big CAFOD Walk.** From pancake races to a Big Lent Ride, here are just a few examples of the wonderful and creative ways that schools fundraised this Lent:

- Over 6,000 pupils across 12 schools in Newcastle pledged to raise money by walking, cycling or other forms of exercise.
- The poverty busters – a group of children at All Saints' Catholic Primary school in Anfield – committed to walking 200km by the end of Lent. Pupils in year 5 and 6 even took their walk overseas and headed to Seville to take on the Big Lent Walk Europe!
- Our Lady of the Magnificat, a Multi-Academy Trust made up of 17 schools in the Archdiocese of Birmingham, took on a kilometre of kindness that saw the schools collectively walk the equivalent of a lap around the world!
- Saint Edmund Arrowsmith Catholic Academy in Whiston took part in a Big Lent Ride to fundraise for CAFOD.
- St Paul's academy in Greenwich, put their green fingers to good use and planted pansies to sell to raise money.





The CAFOD team in Goma, DR Congo also joined in the Big Walk alongside young people from the Ecological Club of La Sapientia University, clearing rubbish as they went along. “We shall pray that God helps them to sow more beauty than pollution. We shall pray that God helps them in their commitment to care for Our Common Home and all its inhabitants and stand up for those who endure unjust situations in the DRC.”

***We thank all those involved to bring hope and compassion to poor communities, standing side by side with them to end poverty and injustice.***

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## **Ensure our ways of working are safe, dignified, diverse and inclusive.**

**The personal dignity and rights of all people are central to our faith and to CAFOD. CAFOD is committed to upholding professional conduct in all areas of our work and creating an organisational culture that ensures a safe and trusted environment for all who come into contact with us.**

### **Minimising the risk of abuse or exploitation within CAFOD programmes**

We have a particular concern to ensure children, young people and vulnerable adults are safeguarded and recognise we have a special duty of care and respect towards them. The vulnerability of many participants in our international activities and our work with young people in England and Wales heightens the need to ensure our programmes are safe and that participants, partners and staff know how to reduce risk and respond if problems arise. CAFOD has a clear commitment to a safe recruitment policy which includes DBS or equivalent checks on staff and volunteers in key roles and we are a member of the Interagency Misconduct Disclosure Scheme.

Over the past year CAFOD has again provided a wide range of support to our international partners on safeguarding and safe and dignified programming in the form of training, policy development and review, sharing tools, and funding specific initiatives to strengthen local capacity. This has minimised the risk of abuse or exploitation within our programmes and has emphasised that all engagement with communities is undertaken in a safe and dignified manner. Our code of behaviour, safeguarding and complaints policies are available on CAFOD's website, and anyone can raise concerns or give feedback via our online system EthicsPoint, including anonymously. You can read more about our safeguarding practices in the key risks section and the safeguarding statement.

### **Steps towards becoming an anti-racist organisation**

Our vision is for CAFOD to become an anti-racist organisation where our workplace culture, programmatic work, and engagement with the Catholic community of England & Wales rejects systems of oppression and discrimination, with ongoing monitoring and learning embedded in our practice. We promote right relationships, guided by our values of hope, dignity, compassion, and solidarity.

A Culture of Encounter for Transformative Change requires an examination of our own assumptions and behaviours. With regards to anti-racism, it requires acknowledging and examining our own privilege and complicity. This can be uncomfortable and require sensitive facilitation. We did not have adequate support for this in place. CAFOD's Executive Team and Trustees agreed it is not enough to implicitly challenge racism. Inequalities and

injustices on race are deep rooted. Transforming them involves overcoming biases that have become embedded at individual, institutional and societal levels over generations. It is a slow, challenging process and action needs to be intentional, supported, and sustained.

Over the last year we took further steps in addressing issues that have been identified. Last year,

- CAFOD community teams participated in training delivered in collaboration with the Catholic Association for Racial Justice.
- CAFOD conducted an independent audit to help us understand the experience of CAFOD staff with regards to equity, diversity and inclusion and how we can develop a more inclusive working culture. We acted on the results of the survey, including rolling out training to all staff to better understand intersectionality and microaggressions, their impact and how to call out issues should staff observe anything of concern.
- We captured the demographics of staff to an extent that allows more accurate analysis of inequities and helps us monitor progress.
- Our people team improved the transparency of CAFOD's recruitment process and lowered potential for unconscious bias, through blind shortlisting and diverse interview panels.
- Following discussions and workshops with supporter facing teams, CAFOD's communication team updated communications guidance for staff.
- Trustees formalised the terms of reference of the Lead Trustee for Racial Justice, Equity, Diversity and Inclusion, to accompany and challenge CAFOD and the CAFOD Board of Trustees as we take steps towards creating a more engaged, inclusive and effective organisation.

The anti-racist action plan is not only about what happens within CAFOD but also about how we work with our partners, the communities we serve, and our supporters. In International Development there continues to be an unacceptable power imbalance between northern-based international organisations and those in the global South who deliver the work. This can perpetuate and reinforce systemic racism and harmful structures. CAFOD has long recognised that local organisations and communities are best placed to understand their context and to lead the initiatives that affect them but are hampered by inequalities in power, resource, and capacity which mirrors the unequal economic and political model we seek to transform. We have been at the forefront of efforts to shift power through our partnership approach and global advocacy. Transforming power inequalities within our partnerships and broader systems and structures is central to the mission and vision of Our Common Home. The primary way in which our International Programmes will contribute towards our mission is through embedding an Integral Ecology approach in all areas of our programming.

Our focus on anti-racism is not at the exclusion of equity, diversity and inclusion or other forms of discrimination, rather it is a key foundation that should be identified and addressed to allow us to meaningfully advance our mission to create a culture of encounter for transformative change.

## **COMMITMENT 4:** Transforming ourselves to better deliver our mission

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We believe that through our own organisational transformation we can live out the commitments set out in 'Our Common Home' in ways that might influence and inspire others to action.

### **One of the measures is that CAFOD will 'exemplify environmental stewardship and be net carbon neutral by 2030.'**

The approach we have taken is first to reduce and measure our carbon footprint across all of CAFOD's operations, and then to consider the challenge of becoming a net zero organisation. Last year we focused our actions on international travel as this is approximately three quarters of our carbon footprint. In 2022/23 we reduced flights by 20% (685 flights compared with the baseline of 850 from pre-Covid levels (2019/20). We introduced an annual flight planning system alongside annual corporate planning and budgeting and will further embed this in the forthcoming year. More can be read about our efforts in the SECR statement in section 2 of this report.

### **Colleagues continued to develop their thinking of how CAFOD's International Programmes can best contribute to achieving the vision, mission, and commitments of Our Common Home.**

The resulting changes to ways of working will simplify and align processes and change our ways of delivering programmes, keeping people, relationships and local partners at the heart of CAFOD's work – our Integral Ecology Programme model (IEPM). Last year we began to pilot this approach and began to roll it out globally in spring 2023, resulting in revised strategies for more than 20 programmes. Strategies are being developed with partners to focus on the causes and symptoms of poverty, inequality, and environmental degradation with colleagues collaborating so that these programmes also contribute to "educate, enable and inspire the Catholic community of England and Wales to act in solidarity for the common good." In time, the IEPM will impact all aspects of our organisation. It will change the way we design, monitor, evidence, evaluate and resource our programmes, and integrate finance and funding systems. Last year we commissioned research with 22 partners, seeking to understand the impact of funding on partners' operations and programmes. The overall response from partners was positive, encouraging and supportive of CAFOD's policies and the support provided to partners in programme management. The resulting partner suggestions and ideas will feed into further improving CAFOD's funding and finance processes in years to come. At its core, the IEPM is more about evolution than revolution. It's about building on the best of our past, humbly acknowledging our own limitations, and making the best use of available resources to address the interrelated causes of poverty, inequality, and environmental degradation.

### **As part of our organisational approach to institutional integrity and in line with our existing commitments under the UN Global Compact we are committed to enhancing our approach to tackling modern slavery.**

In 2022/23 we have further developed our supply chains, due diligence processes and procurement policies and procedures as part of a thorough ongoing review cycle of our procurement strategy and practice. Our updated procurement policy better reflects the risks of modern slavery and human trafficking, as well as wider human rights abuse and environmental impacts, when making procurement decisions.

### **Last year all staff were invited to reflect on our progress towards the Our Common Home commitments,**

attending theological, team and cross-organisational reflections. Across CAFOD, there was greater confidence and ambition in our work and a sense that we are continuing to build on the best of what we do through adaptation, innovating and trying new things and collectively collaborating with a greater diversity of people and organisations. Our ambition to tackle the global systems that enable injustice will take longer and will require us to work together as an organisation and with others. For example, the World Food Crisis campaign that was launched in 2022 has a three-year life span, longer than most campaigns. Genuine encounter and sustained transformation can take time. Teams were clear that all parts of CAFOD need to work together to achieve our best contribution and sustainable impact for those communities we serve.

# Our plans for the future

Our plans are designed to make progress towards our vision of a world in which all people, communities, and the earth may flourish, and no one is beyond the reach of the love and support they need to fulfil their potential.

For many of our partners the climate crisis and the global food crisis, both exacerbated by conflicts are a pressing concern. There is a problem with how the world grows, shares and distributes food: It harms our planet and keeps people in poverty. Women and girls around the world feel the worst impacts of poverty and are hardest hit by a lack of food. The small-scale farmers, fisherfolk, pastoralists and indigenous communities across the world who grow and produce our food know how to live and work in harmony with God's planet, and they have told us what they need to adapt to the climate crisis. This year we will invite the Catholic Community to raise money and stand alongside communities overseas who are working hard to adapt to the climate crisis. Together we can call for changes to the broken way the world produces food and make a difference by praying for our sisters and brothers who are fighting for their communities to survive and thrive.



**Every year we prioritise those activities that we believe will have the biggest impact on progressing the changes outlined in Our Common Home so that we as CAFOD make our best contribution to helping communities in need to flourish:**

## Commitment to people, communities & the environment

**Focusing on reaching the most vulnerable and excluded, to support their survival and long-term flourishing, and doing so in ways that help protect and regenerate the environment, we will...**

- engage with CAFOD partners to mitigate some of the worst effects of cyclical food insecurity and to enhance food sovereignty,
- through effective programme delivery, support the most vulnerable and excluded individuals and communities in their fight for survival and support their long-term flourishing through the delivery of peacebuilding, governance and human rights initiatives,
- continue to support the capacity and leadership of local experts through investment in their leadership, technical capacity and resource allocation and management.

*The fallow ground of the poor would yield much food, but it is swept away through injustice*

Proverbs 13:23, ESV

## Commitment to local voice, agency & leadership

**Focusing on the interconnected causes of the social and environmental crisis, amplifying the voices of those most affected and speaking out boldly when it is right to do so, to more appropriately influence the required system changes from local through to global levels, we will...**

- help influence decision makers positively by engaging them in campaigns on food system reform; fossil fuel funding; loss and damage funds; human rights and environmental abuses. Support CAFOD's church partners in their lobbying on free and fair election cycles and combatting shrinking humanitarian and civic space. Develop advocacy programmes with our partners, specifically focusing on Africa Church Advocacy and a Humanitarian Global Advocacy Programme on Local Leadership of Crisis Response,
- ensure that partner voices and leadership are central to our work, that they can advocate directly with decision makers on behalf of their communities, especially in international meetings and that their key role is promoted in CAFOD's communications,
- strengthen the financial resilience of partners including through support for partner-direct funding opportunities.

## Commitment to a culture of encounter for transformative change

**Using more creative channels of engagement to inspire a younger and more diverse Catholic community in England and Wales to participate in leading, resourcing and making real our shared vision, we will...**

- continue our efforts to utilise digital opportunities for relationship building and participation,
- address issues of racial justice in our communications with the Catholic community.

**So that our ways of working are safe, dignified, diverse and inclusive, we will...**

- take steps to further embed anti-racist practices in CAFOD's ways of working and strategies,
- continue to ensure that all who interact with CAFOD find our ways of working safe and inclusive, strengthening our data and insight so that we can learn from our efforts,
- work with others to certify that each part of our supply chain is reviewed with consideration to the risks of modern slavery.

## Transforming ourselves to ensure CAFOD's continued organisational health, we will...

- reshape our international programme delivery through our Integral Ecology Programme model so that the right people are reached in the right way,
- use opportunities from technology in support of learning and collaboration and to reinforce our environmental commitment to reduce our carbon emissions significantly,
- support staff to flourish in their work environment, focusing on delivering our CAFOD vision for people and culture,
- set careful budgets for expenditure on CAFOD salaries and costs, maximising grant spending through partners, depending on the income available. We will be more agile and flexible in the allocation of our financial resources, to support the implementation of our Integral Ecology Programme approach, which will help us fulfil our mission based and organisational effectiveness objectives, under Our Common Home.

# Trustee Risk management statement

Risks are all the factors that could prevent us from delivering our plans or achieving our objectives; they can be financial, political, regulatory, governance or operational. CAFOD's work to eradicate poverty is inherently risky, particularly in fragile or conflict-prone countries, or when speaking out on difficult or controversial issues. While we strive to limit the impact of risks, we cannot prevent all events from occurring. This is why we ensure that we have sound risk mitigating actions and controls in place to reduce negative impacts. Identifying and mitigating the most significant risks appropriately reduces the likelihood of financial loss or damage to CAFOD's reputation. It also helps to focus the efficient and effective use of resources in pursuit of our Mission by avoiding or reducing the costs of dealing with problems should they arise.

Our risk management approach is proactive, seeking to identify and assess key risks before they occur, rather than reacting to them after the event. Risk management is integrated into all aspects of our work and is embedded in our planning, organisational decision-making and management procedures. CAFOD staff work with colleagues, partners, communities and Trustees to identify and assess risks, and to develop proportionate mitigation strategies at all levels.

During a crisis there is little time for critical thinking and decision making, so emergency procedures and existing relationships are key to accessing help. CAFOD supports communities with risk assessments as each community is unique and therefore needs a unique and holistic approach to preparing for emergencies. Rosita, participating in a risk reduction workshop in Peru with CAFOD partner CIDAP said: "We need to be prepared to care for our families and for the whole population. [These workshops are also important] to be able to know what to do in the moment when there is an earthquake or a fire or any kind of emergency. This training is important, and I appreciate it a lot, thank you for inviting me to participate."



At organisational level, Trustees review CAFOD's corporate risk register at least annually, ensuring that significant risks are managed appropriately. The risk register is aligned to CAFOD's Our Common Home strategy and outlines key mitigations and controls. The Finance, Legal, Audit and Risk committee (FLAR) meets quarterly and reviews relevant reports and operational risk registers, satisfying themselves that controls to mitigate key risks have been established. We have agreed crisis management protocols in place and any serious incidents are reported to external authorities where required. Serious incidents are reviewed quarterly by Trustees ensuring oversight and learning. Publishing CAFOD's process and approach to risk management and key risks is an important element of transparent and accountable governance. The updated approach is set out in CAFOD's risk management triennial paper reviewed by the FLAR and reported to the Board.

**CAFOD's Trustees have given consideration to the major risks to which CAFOD is exposed and satisfied themselves that systems or procedures are established in order to manage those risks.**

## CAFOD's principal risks and uncertainties are:

### Failure to deliver on our Integral Ecology programme model and evidence our impact

**Risk:** CAFOD may fail to reach those most vulnerable and excluded and provide quality programmes that support their survival and long-term flourishing in ways that also help protect and regenerate the environment. Equally, CAFOD's work could fail to focus on the interconnected causes of the social and environmental crisis, and to influence required system changes from local to global levels. Given the complexity of issues and interventions, it may be difficult to fully evidence CAFOD's contribution to impacts at community level.

**Mitigations:** The implementation of our Integral Ecology Programme Model (IEPM) will help to ensure that our work is focused on addressing the root causes of the problems faced by the communities and individuals we support, within the particular contexts in which they live. All aspects of programme planning, evaluation and evidencing will be aligned with the fulfilment of the commitments made in Our Common Home strategy and our data systems are being updated to capture the evidence more systematically. Programme teams have an annual reflection process for each of our core programmes, ensuring learning and adaptation. This sits alongside quarterly key performance indicator reporting which is reviewed at management, leadership and Trustee level, demonstrating our effectiveness, reach and impact. Key programmes are evaluated externally, and significant evaluations are published on CAFOD's website. The programmatic management, Partner engagement and community participation helps monitor that we reach those who are most vulnerable and excluded and support their survival and long-term flourishing in ways that help protect and regenerate the environment. Trustees have agreed a regular programme of informed assurance through the Strategy and Performance Committee's work and it is a standing item at the quarterly Board meetings.

### Reputational damage as a result of not 'walking the talk'

**Risk:** In Our Common Home we make strong commitments, from supporting local voice, agency and leadership, committing to responding to the cry of the poor and the cry of the earth and speaking out boldly in true witness to the situation that partners and communities experience. Insufficient action taken in these areas would be a failure in delivering Our Common Home and could lead to reputational damage and loss of credibility.

**Mitigations:** We have sound decision making processes in place. There are regular meetings between international programme, supporter programme and advocacy leads, making careful judgements on where to best speak out boldly and how we can most effectively amplify the voices of the communities affected. In the contexts of closing civil society space, we have to balance the risks of speaking out with protecting the lives of partners and being able to continue with programmes that deliver vital support. We support partners to influence nationally and monitor their own security. Trustees are engaged in potentially controversial issues affecting CAFOD as well as monitoring supporter feedback trends quarterly. There are agreed crisis management protocols in place. Our commitment to the environment is integral to our ways of working. CAFOD's Integral Ecology Programme Model ensures that environmental and localisation considerations are embedded in our programmatic work overseas. This includes use of our Environmental Stewardship Tool to support partners and staff in identifying environmentally beneficial approaches. We work to ensure that our partners are better resourced to access and use technology for new ways of working, and manage the international travel involved in developing and managing programmes, balancing our commitment to reduce carbon emissions with our commitment to the culture of encounter. Significant areas of organisational change, including an environmental stewardship group and a localisation workstream (as part of a wider initiative to become an anti-racist organisation) report to the Executive team through our Organisational Change Portfolio. KPI reporting at various management and governance levels demonstrates progress towards our commitments stated in Our Common Home.

### Keeping people safe

**Risk:** The vulnerability of many participants in our international activities heightens the need to ensure our programmes, including work with supporters and volunteers in the UK, are safe and that participants, partners and staff know how to reduce risk and respond if problems arise. We also have a duty of care for our staff, particularly when they travel. Safeguarding or security incidents can have a deeply negative impact on people's lives as well as negatively affecting CAFOD's credibility and the trust of our networks and supporters.



**Mitigations:** CAFOD invests in Safeguarding and Security expertise. All CAFOD staff and representatives are aware of our commitments and expectations through our Code of Behaviour, Safeguarding Policy, Security Policy and Complaints Policy, which are reviewed regularly. All staff undergo mandatory training, and some roles require additional vetting under the UK DBS scheme or equivalent checks internationally. CAFOD works to ensure that all our programmes are Safe, Accessible, Dignified and Inclusive, that our partners understand expectations, welcome feedback from the communities they support and are able to respond adequately to any cases that may arise. The Board of Trustees receives quarterly reports on safeguarding, with additional review meetings held with the Trustee Safeguarding lead, prompting learning at governance and leadership level. The Security cluster reviews security incidents and relevant data covering cyber security and physical security, ensuring that lessons are learnt. Allegations of misconduct are taken seriously, are investigated and reported to Trustees and the Charity Commission, as well as other relevant authorities where required by law or when it is safe to do so.

### Adjusting to societal shifts in England and Wales

**Risk:** CAFOD may fail to respond to the needs and expectations of younger and more diverse Catholic audiences, which may result in reduced participation and income in the longer term. The rapid progress in a multichannel digital environment that our supporters experience in their daily lives creates a risk of CAFOD missing income, awareness raising and campaigning potential, if we don't respond quickly enough.

**Mitigations:** We are more agile and sufficiently resourced to respond to the needs and expectations of younger and more diverse Catholic audiences, to increase awareness, relevance and participation for the longer term. We have key measures in place to assess progress with respect to awareness, engagement, and participation of younger supporters. We have identified resource to focus on connecting with diaspora from West Africa. Examples of engagement are webinars, online Masses, Children's Liturgy, school assemblies and social media promotion to reach these audiences. We are placing greater focus on digital income and digital delivery and coordinate internally to ensure resource allocation matches with areas of greatest impact. Supporter income, feedback, participation and trust are monitored closely by management and CAFOD's Board of Trustees.

### UK inflation concerns affecting income and global economic challenges and uncertainty affecting mission delivery due to the impacts of recent conflicts and natural disasters

**Risk:** There is a risk that income is impacted by the cost of living concerns in the UK affecting our supporters and that our programmes and responses are disrupted, incur additional costs or other unforeseen impacts, as multiple conflicts and climate driven natural disasters hit the areas where CAFOD and our partners are seeking to support the poorest and most vulnerable communities.

**Mitigations:** CAFOD has a fully funded contingency reserve to allow us time to adjust our operations to respond to a downturn in income or to an unplanned increase in spending. For example, an increase in grant spending to offset the ongoing inflationary effects of the Ukrainian conflict on food and fuel supplies, with partners facing inflationary pressures that make our grants worth less and which also impacts other costs within our international programmes. We monitor our own costs and put contingency plans in place to actively balance spending with available income streams. We are constantly monitoring our programmes and working with partners and donors to continue adapting our work, so that we can continue to benefit those that are the most vulnerable, particularly where long-standing problems have been exacerbated by the impact of the pandemic, natural disasters and the surge in food and fuel prices.

# Financial Review

Our total income in 2022-23 was £67.9 million, which is a record high for CAFOD and nearly 35% higher than last year. This exceptional result was higher than we had anticipated, given the UK and global economic situation, and was particularly boosted by receiving £16.0 million through being a member of the Disasters Emergency Committee (mostly in support of our Ukraine response).

As in every other year, the majority of our income comes from the steadfast and very generous support from the Catholic community of England and Wales. We received £31.9 million (compared to £29.6 million in 2021-22) in general donations and legacies from those supporters, in addition to another £5.5 million (compared to £6.0 million in 2021-22) in direct response to emergency appeals. Our legacy income was substantial once more at £11.2 million, up from £11.0m in 2021-22. Our general donations from supporters at £20.7 million, was £2.2 million above last year, which is a very positive result given the concerns over cost-of-living increases in the UK and the gradual return to pre-pandemic 'norms' within our parish and school communities, with parishes still rebuilding their offline fundraising activities and both schools and parishes impacted by the UK economic realities. We had good income from all other sources, given the challenging environment for securing institutional funding.

This financial year has been impacted by multiple major emergency appeals. The total emergency appeal income, at £21.5 million, was significantly above last year's exceptional total of £8.4 million and is reflected in the near doubling in our spending on disaster relief in 2022-23 compared to the previous year. The £5.5 million from our supporters included further support to the Ukraine appeal (£1.6 million) carrying over from 2021-22, with significant amounts for the Pakistan Floods (£1.2 million) from May 2022 and the Turkey/Syria Earthquake appeal (£2.4 million) in February 2023. This was in addition to £16.0 million which we received through being a member of the Disasters Emergency Committee (in support of our Ukraine (£13.5 million), Pakistan Floods (£1.0 million) and Turkey/Syria Earthquake (£0.7 million) appeal responses, in addition to final allocations of funds to support the Coronavirus and Afghanistan responses).

Our other institutional income, of £14.2 million (£12.5 million in 2021-22), was raised from Caritas and other Catholic agencies £8.8 million (£5.6 million in 2021-22), the UK government and other governments £3.0 million (£5.1 million in 2021-22) and institutional donors £2.4 million (£1.8 million in 2021-22). Income from these sources improved year on year, with the exception of the support from the UK and some other governments, reflecting the difficult UK institutional funding environment. Finally, our total income in 2022-23 includes £0.3 million (£0.1 million in 2021-22) of other investment income, increased from 2021-22 due to higher interest rates.

The grants totalling £8.8 million from Caritas, CIDSE and other Catholic agencies were received to support specific international programmes, including emergency responses in Sudan and other areas, where CAFOD leads on behalf of Caritas Internationalis. Grants from governments and other institutional donors, totalled a further £5.4 million, with no income this time from the UK Government, now that our UK Aid Match Fund programme has been completed. However, we received £1.8 million from United Nations agencies, £0.5m and £0.2m respectively from the Governments of Sweden and Jersey. We also received £1.0 million from the START Network, £0.9 million from the Church of Jesus Christ of Latter-day Saints and £1.0 million from all other institutional sources.

We spent £6.9 million on raising funds, compared to £6.3 million in 2021-22, reflecting the continued investment to grow our supporter base and income, including new ways of digital fundraising to inspire existing supporters and better engage with new and younger audiences, though this only represented 10.3 per cent of our total spending in 2022-23. We were able to spend another £59.4 million on our programmatic activities to support our mission, bringing the total spending to £66.3 million. Because of the multiple concurrent emergency responses, in 2022-23, nearly 49 percent of our total spending was

focused on our disaster relief work and nearly 35 percent on our international development programmes. However, the actual amount spent on international development in 2022-23, at £23.1 million, was very similar to the £23.6 million spent in the previous year.

Our total income exceeded expenditure in 2022-23, leading to an increase in programmatic reserves in hand for our emergency responses in 2023-24. In conjunction with the Trustees review of the Reserves Policy (see here) this ensured availability of general reserves, that have already been in part allocated by Trustees in March 2023, to release an additional £1.5 million funding to respond to the Food crisis in East Africa.

Although not directly reflected in our income figures CAFOD has continued to use general donations to respond to the emergency of the Food crisis in East Africa. We spent just over £2 million on this response in 2022-23 (from CAFOD sources of funds) and, as noted above, have the further £1.5 million allocated by Trustees in March 2023, to spend as soon as practicable in 2023-24, to respond to this area of great need.

As a member of Caritas Internationalis, we operate as part of a worldwide network of Catholic agencies committed to helping those in need. We also work with a wide range of other local and non-faith-based partners. We made 594 grants to our partners (totalling £41.8 million after foreign currency exchange adjustments), including £3.4 million in direct payments in support of partner programmatic activities. This approach enables us to have a truly global impact. We were able to contribute £18.2 million to support work in 14 countries within Africa; £19.9 million for work in 19 countries across Asia, the Middle East and Europe (including Ukraine), and £3.2 million for 7 countries in Latin America and the Caribbean. £0.6 million was spent on grants to support global work including advocacy and UK development education.

## Financial Performance

We did not receive funding from the UK government in 2022-23. Remaining income from past rounds of the FCDO UK Aid Match programme, was fulfilled in 2021-22. None of our last four Lent appeals has benefitted from matched funding. We continue to pursue other possible funding opportunities with FCDO, including smaller commercial contract awards and seeking to join new framework agreements.

We have continued to monitor any residual impact on supporter fundraising of the Coronavirus pandemic but any effect of this has been overshadowed by the cost-of-living situation in the UK economy, brought on by the global impact of the war in Ukraine and the ill-fated September 2022 'mini-budget' of the UK Government. We have seen no significant financial impact as a direct result of Brexit and though we can no longer directly access European Community Humanitarian Office (ECHO) funds directly, we are receiving ECHO funding as a back-donor, through being an implementing partner to some of our European Union (EU) based sister Caritas/CIDSE agencies. We also received £0.1m directly from the EU in 2022-23. We continue to work within the best practices for fundraising in the UK introduced by the Fundraising Regulator, and within the UK Data General Data Protection Regulations. This has not significantly impacted our fundraising potential and we have been successful in finding ways to access new donors, with online engagement and digital fundraising activities, whilst maintaining regulatory compliance. This 'digital first' work continues to be invaluable in enabling us to launch so many major emergency appeals this year in a timely and effective way. Despite the economic challenges and the ongoing rebuilding of parish community activities, our general supporter income in 2022-23 increased by over £2 million from the previous year, though this was partly due to the more favourable timings of Lent in each year, with more income falling into the 2022-23 financial year than naturally did into 2021-22.

The war in Ukraine exacerbated the post pandemic economic uncertainty and led to immediate inflationary pressure in the UK and globally, and the UK Government's issues in September 2022 only added to this. CAFOD maintains a fully funded contingency reserve, to cover the eventuality of any significant income shortfall due to an adverse UK economic

environment or to other new factors emerging in the future. This, together with careful management of our budgeted costs in 2022-23, despite the inflationary pressures, gave us the flexibility to cope with general income being difficult to grow, given the additional resources allocated to fundraising. In the event, we experienced no overall income downturn in general income, as legacy income exceeded our expectations, to offset shortfalls in other general income streams, and as appeal income from all sources was exceptionally strong and contributed to increase our unrestricted reserves. (See next section).

Uncertainty remains over a range of issues affecting CAFOD and other UK-based INGOs. Although, after the collapse in September 2022, Sterling ended the year at a relatively good rate to the US dollar, the longer-term depreciation of the pound against the US dollar from a peak in 2014, has reduced the effective value of our Sterling grants to our partners, as they spend in local currencies mostly aligned to the US dollar. This also continues to add to our cost base for overseas offices and salary costs in many countries. We are mindful of this ongoing risk, and we continue to buy forward on US dollars to smooth out currency impacts and practice careful stewardship of our finances. As explained earlier we have not suffered any significant impact of exiting the EU as we have accessed ECHO funding via sister agencies based in Europe and UK INGOs do remain eligible for some EU funding instruments. We have continued to work on diversifying our institutional income sources, with some grants received from other governments and institutions this financial year and opportunities are being pursued with other donors such as Trusts and Foundations. The institutional funding risks and opportunities continue to be closely watched.

## Financial Position & Reserves

Each year the Trustees set aside sufficient reserves, to ensure a balance between spending to meet the immediate needs of our programmes and protecting our future work; by allowing time to adjust to any unexpected operational challenges in our overseas work or to a large reduction in the amount of income we receive.

At 31st March 2023, we held total funds of £24.7 million: £9.5 million general funds, which the Trustees consider to constitute CAFOD's reserves (£7.5 million held as a stabilisation fund and a further £2.0 million as yet unallocated reserve); £6.1 million designated by the Trustees for specific purposes; £8.4 million restricted funds in hand; and a permanent endowment fund of £0.7 million.

There are potential risks associated with the assets that CAFOD owns and with potential unforeseen costs, however, the Trustees consider the main financial risk to be a downturn in general income. To manage a sudden downturn in general income, without damaging the long-term commitments we make to our partners, we allow up to two years to adjust our programmes, reduce other costs or recover income levels. Based upon a possible shortfall of up to 10 per cent in the level of general income and the need for up to two years to adjust our activities, the Trustees have agreed the level of general funds to be held as a stabilisation fund at 20 per cent of the planned annual general income for the coming years, which is currently a range of £6.5 million to £7.5 million.

At 31 March 2023, a stabilisation fund of £7.5 million is available, together with £2.0 million in unallocated reserves, so that our target level of £6.5 million to £7.5 million for general funds is met. The Trustees will consider setting aside further reserves to fund specific activities in 2023-24 and the next two to three years, under a Strategic Spending Plan, as the total of general funds is expected to exceed £7.5 million throughout 2023-24. We have planned to have a small surplus of unrestricted income over our planned spending on our grants to partners and other operating costs in 2023-24, but Trustees may consider retaining some unallocated reserve to cover income and inflation risks in 2023-24 and 2024-25.

We also held £6.1 million designated funds at the balance sheet date: £3.8 million is set aside to fund the fixed assets that are used in our operations and £2.3 million as designated funds already assigned by the Trustees to be spent in the next one to two years on specific activities.

Having reviewed the financial position and future plans for the charity, the Trustees have identified no material uncertainties related to events or conditions that cast significant doubt on the charity's ability to continue its activities for the foreseeable future. CAFOD ensures financial sustainability by undertaking a range of measures to compensate for risks to income levels and cost inflation. This includes targeted budget reductions, scenario planning, financial modelling, risk analysis and continued cashflow forecasting and monitoring. CAFOD has proven, in recent years that it has the flexibility to adapt our financial management, and to adjust expenditure in line with forward income projections, as and when needed. We have taken the opportunity to review and reduce the level of stabilisation reserve we need to hold so that, as the future longer-term impacts of the global economic situation and the accelerating effects of climate change on the poorest communities unfold, we can increase the funds we make available to advance our mission. We continue to review and adapt our programme delivery operating model, to implement our Integral Ecology approach and achieve the objectives we have set within the Our Common Home strategy.

## Investment Policy

To ensure continued good stewardship of our resources and maintain the trust of the Catholic community we have a responsible and considered approach to investing. The objective of our investment policy is to maintain high liquidity, whilst remaining in a secure position by avoiding risking our capital. We also ensure that any investment meets the ethical standards we have set ourselves. Within these guidelines, we work to achieve the best possible returns, growing the resources available to help us achieve our charitable aims.

In addition to having Sterling deposits with suitable UK regulated financial institutions and holding transactional balances in Sterling, US dollars and Euros, we have a permanent endowment fund, the capital element of which is held in perpetuity and from which the income is applied to our work. To maintain the capital value of this fund, meet its ethical standards and achieve the best possible return, this fund is invested in an ethical UK common investment fund.

We continue to actively consider opportunities to test the deployment of limited funds into new forms of social investment supporting local community enterprises. No decisions were made on this during 2022-23 and our investment policy would be reviewed / updated should this opportunity prove fruitful in terms of developing CAFOD's mission delivery.

Our investment policy is reviewed by the Finance, Legal, Audit and Risk Committee, acting as an investment sub-committee and is approved by the Trustees annually. The Finance, Legal, Audit and Risk Committee, reporting to the Trustees, monitors investment performance and compliance with investment policy quarterly. The Trustees have confirmed that the objectives of our investment policy were met during the year.

## 2. Structure, Governance and Management

### Legal Structure and Governing Document

CAFOD is the official overseas development agency of the Catholic Church in England and Wales. Following the actions of Catholic women's organisations that held the first 'Family Fast Day' in 1960, CAFOD was formally established by the Bishops of England and Wales in 1962 'to channel the desire of the Catholic community to reach out to people living in poverty across the world'. CAFOD is constituted as a charitable company limited by guarantee (company number 09387398, charity registration number 1160384) and it does not have a share capital. CAFOD's governing document is the Memorandum and Articles of Association. CAFOD's charitable objects are:

- the relief of poverty throughout the world;
- the advancement of education throughout the world;
- the advancement of the Christian religion throughout the world;
- the relief and prevention of sickness, disease and physical or mental disability throughout the world;
- such other charitable purposes anywhere in the world as are for the benefit of the UK community.

### Board of Trustees

CAFOD is governed by a Board of Trustees which comprises Member Trustees and a wider group of Trustees. Member Trustees are appointed by the existing Member Trustees and their appointment must be ratified by the Standing Committee of the Bishops' Conference of England and Wales. The Member Trustees hold a limited number of reserved powers, including the appointment of all other Trustees and the power to amend CAFOD's governing document, the Memorandum and Articles of Association. All other powers, including the establishment of specialist committees and general responsibility for the running of CAFOD are vested with the full Board of Trustees. There are now three committees: The Strategy and Performance Committee (SPC), Remuneration Committee (RemCo) and Finance, Legal, Audit and Risk Committee (FLAR). The Governance Committee was disestablished in March 2022 and replaced with a Lead Trustee on Governance.

The CAFOD Board of Trustees composition should reflect the diversity and demographic of the Catholic community in England and Wales whilst ensuring that the necessary skills and competencies are present. Trustees give their time voluntarily and receive no private benefits from CAFOD. Trustees have taken account of the statutory reporting duty to illustrate how, in practice, the activities of CAFOD meet the legal public benefit requirement. Trustees have noted and paid due regard to all the Charity Commission's statutory guidance that is relevant to CAFOD's mission and have highlighted in this report examples of its activities which illustrate how its work fulfils that mission and the significant benefits it brings to:

- individuals and communities in poverty overseas, irrespective of their race, religion or creed;
- teachers, youth workers, students and pupils involved in teaching and learning about global poverty and injustice and its causes;
- the Catholic community in England and Wales in expressing its faith in action in response to global poverty and injustice issues.

# Charity Governance Code

CAFOD Trustees are the custodians of CAFOD's mission, vision and values as expressed in the strategic framework, Our Common Home, which Trustees approved in March 2020. Trustees are committed to upholding the high standards that are outlined in the seven principles of the Charity Governance code:

- 1. Organisational purpose,**
- 2. Leadership,**
- 3. Integrity,**
- 4. Decision-making, risk and control,**
- 5. Board effectiveness,**
- 6. Equality, diversity and inclusion,**
- 7. Openness and accountability.**

Through careful agenda setting and regular meetings, Trustees ensure that they exercise leadership that drives CAFOD's organisational purpose, act with integrity, and make informed decisions. Trustees are mindful of their responsibility to hold the executive to account whilst also creating a supportive environment that models CAFOD's values.

Last year, significant governance events were as follows:

- Trustees supported the Executive to align CAFOD's work to deliver Our Common Home in a difficult financial environment. Trustees continued to have oversight of the delivery of Our Common Home through review of a quarterly Directors' report, key programmatic achievements and concerns, review of strategic milestones and key performance indicators. In line with usual governance arrangements, Trustees maintained close oversight of CAFOD Finances and changes to the way we undertake our International Programme work to ensure longer term sustainability of CAFOD's ability to deliver our mission. Trustees monitored the ongoing utilisation of the £3.5 million strategic spending plan approved in July 2021. The Trustees reviewed the reserves policy and decided that the stabilisation reserve should more appropriately be set at £7.5 million, and this allowed £1.5 million of available reserves to be allocated to the East Africa Food Crisis at March 2023, in addition to a further £1 million of available reserves being allocated by Trustees to respond to that crisis earlier in the financial year. This ensured we spent down available general reserves in a timely way, to provide additional resources to respond to a terrible situation in East Africa and to accelerate the achievement of the Our Common Home objectives.
- Trustees maintained oversight of a rolling programme of planned Trustee recruitment. Every two years, there is a process to refresh the CAFOD Board of Trustees in line with good governance and supported by the governance lead. Trustees serve four-year terms of office, renewable once. By custom, two Bishop Trustees, nominated by the Catholic Bishops' Conference of England and Wales, serve as Member Trustees. Trustees were pleased that Bishop Tom Neylon, of Liverpool Diocese joined CAFOD as a Member Trustee. Following a skills audit, three other Trustee vacancies were advertised externally and promoted through networks, following the end of term of long-serving Trustees John Darley and John Guy. The appointment process included presenting a CV, an interview led by Trustees and due diligence checks. Following a recruitment campaign at the end of this financial year, the appointment of Maveen Pereira, George Fitzsimons, and Graham O'Sullivan to the Board of Trustees was finalised, effective 1 April 2023. In recognition of their volunteer role, all Trustees have signed the CAFOD volunteer code of conduct and associated policies and are expected to attend mandatory training, including on safeguarding. Trustees undertook a formal appraisal, which had been agreed in principle in March 2022, reflecting on their effectiveness in contributing to the CAFOD Board of Trustees. Some learning was identified, and Trustees are supported with development opportunities as they arise.

- Trustees worked to the Terms of Reference of the Board of Trustees which had been updated the previous year. This ensures that Board practices are in line with legal expectations, CAFOD's governance document the Memorandum and Articles of Association and CAFOD's strategic framework Our Common Home. Mindful of their own contribution to CAFOD's carbon footprint, Trustees continued with hybrid working, with half of Board meetings taking place remotely.
- Trustees continued to engage with the CAFOD Executive on issues affecting staff, meeting with the UK staff union. The Trustee lead for Racial Justice, Equity, Diversity and Inclusion engaged with CAFOD colleagues from black, Asian, and minority ethnic backgrounds and the Board agreed a formal terms of reference for this relatively new Trustee role. They will play a key part to help Trustees monitor CAFOD's steps towards racial justice, within CAFOD as an organisation, in our wider programmatic work and in their own governance practices.
- All Trustees, particularly the honorary Treasurer, the Security Lead and the Safeguarding Lead were actively overseeing the actions CAFOD took in response to various incidents, ensuring that the Board of Trustees were informed, that the relevant reporting took place and that lessons were learnt as needed.
- Trustees were able to take part in events, meeting CAFOD supporters, staff and partners. The trust of the Catholic community in CAFOD's integrity and effectiveness is important. Account is given of CAFOD's work through a number of communication mechanisms, including the website, a supporter magazine, e-newsletters and supporter webinars. This included a trip to Kenya by the Chair of SPC to participate in a strategy development workshop and to witness the response to the Global Food Crisis. Trustees monitor CAFOD's reputation carefully and take timely action when needed, mindful of the trust placed in CAFOD by supporters, partners and communities and the high standards CAFOD is held to.

## Engagement with employees and volunteers

CAFOD could not do its work without its staff and volunteers. The Trustees take their interests into consideration when making decisions. Some Trustees do additional voluntary work with CAFOD, in a non-governance capacity, so they are able to appreciate the perspective of volunteers. The Executive Team is headed by the Director of CAFOD who is responsible for the day-to-day administration of CAFOD and reports to the Trustees. The CAFOD Director line manages the five CAFOD Directors and together form the Executive Team<sup>1</sup>. The Executive Team is responsible for the management of CAFOD, and the implementation of Trustee decisions. Trustees delegate certain powers to the Executive as agreed in the Scheme of Delegations which is reviewed annually.

Together with the Executive Team, Trustees seek to raise awareness on organisation-wide matters and the vision behind CAFOD's strategic framework, Our Common Home. Employees and volunteers receive governance and financial updates systematically through a bimonthly Staff and Volunteers Briefing webinar, and this is recorded for members of staff in different time zones. The CAFOD Director also circulates information on behalf of the Board via email to staff.

Trustees plan for engagement spaces in Board and Board committees and work with the Executive Team to communicate decisions effectively. Specialist staff members regularly attend Board and committee meetings, sharing their work and seeking input by Trustees and specialist advisers to inform decision-making. The Remuneration Committee invites engagement with staff Union representatives twice a year, hearing their members' views

<sup>1</sup> The CAFOD Director is the most senior paid staff member in CAFOD. For legal purposes, the Trustees are the Directors of CAFOD and are registered as such with the Charity Commission and Companies House.



directly. Trustees also aim to attend CAFOD events, providing informal spaces to engage with staff. Governed by the Whistleblowing policy, Trustees can hear staff concerns when formal CAFOD complaints mechanisms have been exhausted, with clear protocols in place to resolve any matters raised in this way.

## Remuneration Policies and Gender Pay-gap report

CAFOD staff and Trustees carefully consider their responsibility as stewards of the resources entrusted to us. All employees should be treated with dignity and respect which is why we are a Living Wage employer. Our remuneration packages reflect the skills and experience required in particular roles. The Board of Trustees is responsible for setting the remuneration levels for CAFOD Executive Team members. The CAFOD Executive Team is responsible for setting the remuneration of the CAFOD workforce. However, CAFOD is committed to ensuring that there is a clear relationship between the remuneration policy of the Director and that of CAFOD's whole workforce. For our UK / International pay scales, whilst the maximum ratio is set at 5:1, the ratio between the highest and lowest paid staff now stands at 4:1, which is back in line with our pre- pandemic level.

Our remuneration review process is designed to ensure we remain within these parameters. Salary scales are reviewed annually, adjusted if appropriate and published to all staff.

In line with UK government requirements, we track and report on our gender pay gap annually. For April 2023, our gender pay gap was 4.73 per cent (mean) and 6.05 per cent (median) which was well below the national average of 17.3 per cent (median). This reflects an increase in male staff at the lower salary levels now standing at 32 per cent compared with 21 per cent last year and an increase of female staff at the upper level, with female staff now accounting for 53 per cent of that part of our workforce compared with 48 per cent last year. Last year we took specific action to revise our Recruitment and Retention Allowance which benefited more men than women. We continue to examine ways in which we can close the gap further and are commissioning a reward and benefits review. The full gender pay report, which includes details of the proportion of women and men in each of the pay quartiles, is available on our website.

## Statement in relation to Section 172 of the Companies Act 2006

We as Trustees of CAFOD must act in the way we consider, in good faith, would be the most likely to promote the organisations' success in achieving its charitable purpose through the realisation of its Vision, Mission and Values. As explained in the "Legal Structure and Governing Document" section, we have clear mechanisms to delegate the management of CAFOD to the Director and the Executive Team while we maintain oversight over the progress of the work through the different Board committees. In doing so, we have regard to:

- a)** The likely consequences of any decision in the long term – In the financial year 2022-23, we have monitored the change process being undertaken in the International Programme, with special attention to maintaining an approach that is sustainable, impactful and cost-efficient in the long term, with grant spending being prioritised when it is most appropriate to do so. Trustees review quarterly performance reports to help inform decision-making and evidence progress against the new strategy.
- b)** The interests of the charity's employees – See the previous three sections for more details on how we have approached engagement with staff as part of our annual schedule, as well as more targeted engagement around Diversity and Inclusion.

- c) The need to foster the charity's business relationships with suppliers, customers and others – Partnership is an integral part of CAFOD's operating model, built on relationships of mutual respect that always aspire to be more equitable and to foster local agency. As Trustees, it is crucial for us that these relationships are also transparent and accountable. We are continuing to update our procurement procedures to respond fully to the requirements of the Modern Slavery Act and to ensure excellent stewardship of our resources. All our fundraisers, volunteers and any fundraising contractors working with us comply with our Fundraising Promise (see Statement on Fundraising for more details). In Our Common Home, we commit to ensuring that our campaigns and education resources reach a younger, more diverse supporter base and examples can be found in this report.
- d) The impact of the charity's operations on the community and the environment – Our strategic framework Our Common Home recognises the interconnected crises of the cry of the poor and the cry of the earth. We are committed to our Safe, Accessible, Dignified and Inclusive approach across all of CAFOD's activities. This commitment is embodied in three specific Trustee roles, Safeguarding Lead, Security Lead and Racial Justice, Equity, Diversity and Inclusion Lead, whose responsibility is to follow the development and/or review of any relevant policies. They are also informed of any incidents on record and accompany management staff in the handling of these cases. As outlined in our Environmental Policy, we are supportive of a permanent reduction of travel and we are following in detail the embedding of an environmental lens across our programmes. More details of CAFOD's carbon footprint and environmental impact can be found in our Statement on Streamlined Energy and Carbon Reporting in this report, as well as other examples throughout the Strategic Report.
- e) Maintaining a reputation for high standards of business conduct – As Trustees, we strive to model the commitments made under Our Common Home, codified in the CAFOD Volunteer Code of Conduct which all Trustees sign, and stay accountable to everyone in the organisation and the communities we serve. We make declarations of interests systematically and the Finance, Legal, Audit and Risk Committee reviews annually the policies concerning the ethical aspects of our work, namely Fraud and Loss, Anti-Money Laundering, Anti-Bribery, Counter-Terrorism and Conflict of Interest. The committee also keeps oversight of internal audit processes to provide assurance in our internal control environment, through quarterly progress reports and the Annual Internal Audit Report.
- f) The need to act fairly as between members of the charity – This criterion is only indirectly applicable to CAFOD. As Trustees we are not remunerated for our time and we do not hold shares as would be the case for a company. Although Member Trustees hold additional governance responsibilities, the entire Board works equally and collectively to ensure that the charity is run for the advancement of its charitable purpose and in the best interest of those who benefit from its work.

## Statement of Safeguarding

We are committed to recognising the personal dignity and rights of all people we work with, especially vulnerable groups. We have a particular concern to ensure children, young people and vulnerable adults are safeguarded and recognise we have a special duty of care and respect towards them. We are committed to upholding professional conduct in all areas of our work and creating an organisational culture that prioritises safeguarding and ensures a safe and trusted environment for all who come into contact with us.

Our Safeguarding Policy and the procedures and training that support its implementation provide the framework for preventing and addressing abuses of power that negatively impact our staff or communities we support. Over the last year we have delivered induction and refresher training to 94 staff so that they understand the safeguarding policy and related codes of behaviour and feel confident, equipped to support our partners and able to report any safeguarding concerns. We have a number of channels for staff and

representatives to report safeguarding breaches to us, including our online complaints and incident management system.

In the coming year we will be:

- Reviewing our safeguarding policy
- Introducing office safeguarding audits in each of our locations
- Completing mapping and referral pathways for all CAFOD locations

As an organisation working primarily through partnership, we expect our partners to share our commitment to safeguarding and to have in place measures to prevent and respond to all types of abuse and exploitation. Over the past year we have revised our approach to partner and project assessments, moving to a web-based platform that will transform our ability to analyse data, identify the areas that need support, and facilitate reporting. We continue to provide a wide range of support to partner organisations on safeguarding and safe and dignified programming in the form of training, policy development and review, sharing tools, and funding specific initiatives to strengthen local capacity. This has reduced the risk of abuse or exploitation within our programmes and has emphasised that all engagement with communities is undertaken in a safe and dignified manner.

We are committed to a zero-tolerance approach to misconduct that breaches our policies, including abuse, exploitation, intimidation, and other acts.

In the last financial year, CAFOD handled 6 safeguarding reports involving individuals associated with CAFOD or our partner organisations. The outcome of these reports is outlined below.

DESCRIPTION	2022-23
<b>Total safeguarding allegations</b>	<b>6</b>
CAFOD representative	4
Partner representative	2
<hr/>	
<b>Allegations investigated</b>	
Open cases	<b>0</b>
Closed cases	6
<hr/>	
<b>Allegation type</b> * each case may involve more than one type of allegation	
Sexual exploitation and abuse	2
Sexual harassment	2
Inappropriate conduct with a child	2
Other safeguarding policy violation	2
<hr/>	
<b>Outcome (closed cases)</b>	
Substantiated	2/8 (25%)
<hr/>	
<b>Action taken</b>	
Termination of engagement/contract non-renewal	2
Other disciplinary corrective action	0
Non-disciplinary corrective action – such as capacity strengthening through training	3

We commit to supporting any survivors in the way that best meets their needs, such as providing access to specialised support where appropriate. We are committed to being openly accountable for our work and to reporting serious breaches of our code of conduct and safeguarding policy to donors and the Charity Commission. We routinely review each case to identify any gaps in safeguarding policy or practice that led to the breach and ensure that these are addressed and additional safeguarding measures applied where necessary.

# Statement on Fundraising

At CAFOD, we have made a Fundraising Promise to our supporters. It outlines how we will behave when we fundraise and ensures our fundraising is legal, honest, open, transparent and accountable.

We do all we can to ensure that fundraisers, volunteers and any fundraising contractors working with us comply with our Fundraising Promise. We are registered with the Fundraising Regulator which sets and maintains the standards for charitable fundraising in the UK. We comply with laws relating to data protection, health and safety and the environment.

We tell the truth and do not exaggerate. We do what we say we are going to do. We welcome and answer questions about our fundraising activities and costs.

We are clear about who we are, what we do and how gifts are used. Where we have a promotional agreement with a commercial company, we make clear how much of the purchase price we receive. We give a clear explanation of how someone can make a gift and amend a regular commitment.

We respect the rights, dignities and privacy of our supporters and beneficiaries. We will not put undue pressure on supporters to make a gift and if a supporter does not want to give, or wishes to cease giving, we respect their decision and act on this. We offer supporters choices about how they wish to be contacted and we respond to requests to end contact.

We deliver most of our fundraising activity directly, with the exception of some payroll giving promotions. The professional payroll giving fundraisers, who act on our behalf, are responsible for responding to invitations by companies to speak to employees about the general benefits of payroll giving. These fundraisers represent a wide range of charities and are not operating only 'on CAFOD's behalf'. They are providing a 'reactive' service to companies and employees. They are instructed to talk specifically about CAFOD only if an employee first mentions CAFOD's name and expresses an interest in supporting us. No issues or complaints have been communicated to us with regard to payroll giving. The agencies we use meet the standards outlined in the Fundraising Code of Practice.

Our overarching Fundraising policy includes a section which governs our approach to protecting vulnerable people. This is also referenced within our organisational Safeguarding Policy.

With regards to fundraising and set out in our policy, existing principles already in use are:

If it is known or there are reasonable grounds for believing that an individual lacks capacity to make a decision to donate, a donation will not be taken.

Donations given by someone who lacked capacity at the time of donating will be returned.

We take care not to use images or words that cause unjustifiable distress or offence and try not to cause unreasonable nuisance or disruption. We encourage any feedback from the public and our Trustees regularly review trends in the feedback we receive. We are registered with the Fundraising Regulator, have paid the levy and uphold the code of practice. We continue to develop our policies and practices in line with best practice requirements and our regular detailed return on all fundraising related complaints has been submitted to the Fundraising Regulator for the financial year 2022-23.

The main fundraising activities undertaken by CAFOD for the financial year 2022-23 and the number of items of feedback about each are given below, with the 2021-22 comparative number in [brackets].

A total of 454 [478] complaints, comments and opinions were received from our supporters. We did not receive any fundraising complaints reportable to the Fundraising Regulator, Charity Commission or the Information Commissioner's Office.

The level of feedback received continues to represent a very small proportion of feedback in relation to the fundraising activities we undertook at 0.0049 percent [0.0035] percent].

Nearly half of the contacts made by supporters were related to fulfilment issues from our World Gifts scheme (online and by post) e.g. late delivery, non-receipt of orders, or a missing item. More detail on our main fundraising channels is supplied below:

Online fundraising: 203 [205]. We received a similar level of comments and complaints about people's experience of giving online. The complaints were of a varied nature: the vast majority were about the fulfilment of orders placed online; non-receipt of donation acknowledgments. We introduced a new donation funnel to our website and this generated a number of comments about the cost of transactional fees and signing up to regular gifts. We also had a few comments from overseas supporters who had difficulty donating online, due to the increased security levels implemented by UK banks.

Postal direct mailing: 182 [181]. The majority of these were also related to fulfilment issues, such as late receipt of World Gifts and some missing or damaged items. We continued to experience delivery delays outside of our control, as Royal Mail services were affected by industrial action. Other complaints related to concerns about the cost and environmental impact of sending postal communications.

The other main fundraising activities to generate feedback were email communications 37 [57]. We received a further 32 [34] items of feedback across the other 9 [12] fundraising channels we use.

## Statement on Streamlined Energy and Carbon Reporting (SECR)

### CAFOD's approach to environmental stewardship

Within CAFOD's Strategic Framework, Our Common Home, we have a commitment to 'an ecological conversion to transform ourselves'. One of the measures is that CAFOD will 'exemplify environmental stewardship and be net carbon neutral by 2030.'

The approach we have taken is first to reduce and measure our carbon footprint across all of our operations, and then to consider the challenge of becoming a net zero organisation.

We have focused actions on international travel as this is approximately three quarters of our carbon footprint. In 2022-23 we reduced flights by 20% (685) flights compared with the baseline of 850 from pre-Covid levels (2019-20). From 2023-24 we will set annual targets for further reductions. We introduced an annual flight planning system alongside annual corporate planning and budgeting and will further embed this in the forthcoming year.

We have also approved the installation of solar panels in one of our overseas offices, and this will happen in 2023-24.

We are working towards measuring a comprehensive carbon footprint of CAFOD's global operations. In 2022-23 we measured energy, vehicle and paper use in the UK. For 2023-24 we plan to include the carbon emissions from our international flights, as well as UK based rail travel, commercial printing, water and waste, and energy and vehicle use in some overseas offices. We will also build a cross-organisational system to enable us to have a comprehensive carbon footprint within 3 years.

In 2023-24 we plan to set targets for a reduction in printed materials, which is the second biggest carbon impact in the UK. This has to be done within government guidelines on data confidentiality and considering the needs of different CAFOD supporters.

We have also started to roll out our environmental stewardship tool across CAFOD's programmes and will develop further guidelines to mitigate negative environmental impacts, as well as to increase and measure environmental regeneration within programmes.

## Emissions reporting for SECR (UK office energy and business travel) for 2022-23

Under SECR legislation, we are required to report some of our UK-based greenhouse gas emissions as part of our Annual Report. Specifically, we need to report, as a minimum, our emissions from UK energy use and business vehicle travel.

This section summarises our legally obligated emissions as required by SECR.

Emissions source	Scope	Quantity	Unit	Carbon footprint (tCO <sub>2</sub> e) 2022-23	Carbon footprint (tCO <sub>2</sub> e) 2021-22	Carbon footprint (tCO <sub>2</sub> e) 2020-21
Electricity use, Romero House	2	435862	KWh	84.29	104.3	130.53
Gas use, Romero House	1	77324	KWh	15.46	13.0	13.90
Electricity use, Volunteer Centres	2	4073	KWh	0.78	3.0	9.70
Gas use, Volunteer Centres	1	23094	KWh	4.62	8.9	7.85
Business vehicle travel	3	42832	vkm	7.32	0	3.84
<b>TOTAL</b>		-	-	<b>112.47</b>	<b>129.2</b>	<b>177.51</b>
Per person		253.79	FTE	0.44	0.52	0.67

The Carbon footprint for UK office energy was 112.47 tCO<sub>2</sub>e and represents a carbon intensity of 0.44 tCO<sub>2</sub>e per full time equivalent (FTE) employee at CAFOD in 2022-23.

This is reduced from 0.52 tCO<sub>2</sub>e FTE in 2021-22, mainly due to the ongoing decarbonising of the grid (9% per year due to reduced coal use and increased renewables). Our electricity footprint reduced again last year. Gas use increased slightly due to a colder winter.

We have data for our business vehicle travel this year (staff had not claimed for mileage last year). Staff numbers increased this year, while energy use remain similar to previous years, so this also reduced the carbon intensity.

### 3. Statement of Trustee's Responsibilities

The Trustees are responsible for preparing the Trustees' Report, which incorporates the directors' report as required by company law, and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of the income and expenditure of the charitable company for that period. In preparing these accounts, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Statement of Recommended Practice 'Accounting and Reporting by Charities' (the Charities' SORP);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Insofar as each of the Trustees of the charity at the date of approval of this report is aware there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The Trustees' Report, including the Strategic Report, was approved by the Trustees on 11th July 2023 and signed on their behalf by



The Right Reverend Stephen Wright,  
Chair of Trustees

# 4. Independent Auditor's Report to the Members of Catholic Agency of Overseas Development

## Opinion

We have audited the financial statements of Catholic Agency for Overseas Development ('the charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charitable company's affairs as at 31 March 2023 and of its income and expenditure, for the year then end;
- 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 charitable company 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 Trustee's 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 charitable company'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 Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements



themselves. 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 our audit the information given in the Trustees' report, which includes the directors' report and the strategic 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 strategic report and the directors' report included within the Trustees' report have 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 charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 52], 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 charitable company'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 charitable company 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 these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

## **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), employment legislations, taxation legislations and anti-fraud, bribery and corruption legislation. We also considered compliance with local legislation for the group's overseas operating segments.

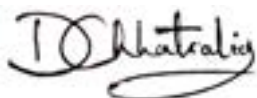
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, grants made to partners and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Trustees about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, review of overseas office audit reports and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

## Use of our report

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Dipesh Chhatralia  
Senior Statutory Auditor  
For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor  
London

08 November 2023

# 5. Statement of Financial Activities

(Incorporating the income and expenditure account)  
for the year ended 31 March 2023

	Note	Unrest- ricted Funds £'000	Rest- ricted Funds £'000	Total Funds 2023 £'000	Unrest- ricted Funds £'000	Rest- ricted Funds £'000	Total Funds 2022 £'000
Income and endowments from:							
Donations and legacies	2	<b>26,046</b>	<b>27,369</b>	<b>53,415</b>	26,765	11,197	37,962
Charitable Activities	3	<b>467</b>	<b>13,752</b>	<b>14,219</b>	362	12,112	12,474
Other trading activities		<b>11</b>	<b>0</b>	<b>11</b>	22	0	22
Investments	4	<b>250</b>	<b>21</b>	<b>271</b>	55	21	76
Other income		<b>0</b>	<b>0</b>	<b>0</b>	8	0	8
<b>Total</b>		<b>26,774</b>	<b>41,142</b>	<b>67,916</b>	27,212	23,330	50,542
Expenditure on:							
Raising funds	5	<b>6,771</b>	<b>81</b>	<b>6,852</b>	6,137	189	6,326
Charitable activities:							
International Development	5	<b>14,182</b>	<b>8,905</b>	<b>23,087</b>	14,798	8,752	23,550
Disaster Relief	5	<b>2,385</b>	<b>29,823</b>	<b>32,208</b>	3,755	12,460	16,215
UK Development education	5	<b>1,996</b>	<b>77</b>	<b>2,073</b>	1,664	95	1,759
Advocacy and campaigning	5	<b>2,037</b>	<b>16</b>	<b>2,053</b>	1,919	42	1,961
<b>Total</b>	5	<b>27,371</b>	<b>38,902</b>	<b>66,273</b>	28,273	21,538	49,811
Operating surplus/(deficit)		<b>(597)</b>	<b>2,240</b>	<b>1,643</b>	(1,061)	1,792	731
Net (losses)/gains on investments	12	<b>0</b>	<b>(36)</b>	<b>(36)</b>	0	56	56
Net income/(expenditure)	7	<b>(597)</b>	<b>2,204</b>	<b>1,607</b>	(1,061)	1,848	787
Reconciliation of funds:							
Total funds brought forward		<b>16,184</b>	<b>6,947</b>	<b>23,131</b>	17,245	5,099	22,344
Total funds carried forward		<b>15,587</b>	<b>9,151</b>	<b>24,738</b>	16,184	6,947	23,131

CAFOD did not change any of its principal activities during the above financial years and there were no gains and losses other than those included above. Restricted funds above include permanent endowment funds with a current value of £688,143 (see note 12). All of the charity's income and expenditure is derived from continuing operations.

# Balance Sheet

as at 31 March 2023

		2023	2022
	Note	£'000	£'000
<b>Fixed assets</b>			
Tangible assets	10	<b>9,282</b>	9,382
Intangible assets	11	<b>67</b>	271
Investments	12	<b>2,654</b>	4,190
		<b>12,003</b>	13,843
<b>Current assets</b>			
Stock		<b>14</b>	14
Debtors	13	<b>4,590</b>	4,712
Short term cash deposits		<b>11,586</b>	10,085
Cash at bank and in hand		<b>9,192</b>	7,110
		<b>25,382</b>	21,921
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	14	<b>(12,566)</b>	(12,504)
<b>Net current assets/(liabilities)</b>		<b>12,816</b>	9,417
<b>Total assets less current liabilities</b>		<b>24,819</b>	23,260
Pension scheme liability	17	<b>(81)</b>	(129)
<b>Total assets</b>	20	<b>24,738</b>	23,131
<b>The funds of the charity:</b>			
Endowment funds	18	<b>688</b>	724
<b>Restricted income funds:</b>			
General donations and legacies	18	<b>241</b>	355
Emergency appeals	18	<b>8,440</b>	5,903
Income from charitable activities	18	<b>(230)</b>	(41)
Interest		<b>12</b>	6
<b>Unrestricted funds:</b>			
Designated fixed asset fund	19	<b>3,815</b>	4,119
Designated programme fund	19	<b>2,285</b>	10
General funds	19	<b>9,487</b>	12,055
<b>Total funds</b>	20	<b>24,738</b>	23,131

The financial statements were approved and authorised for issue by the Trustees on 11th July 2023 and signed on their behalf by:



The Rt. Rev Stephen Wright  
Chair of the Trustees



Chris Perry  
Honorary Treasurer

# Cash Flow Statement

## for the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Cash flows from operating activities			
Net cash provided by operating activities	21	2,069	3,414
Cash flows from investing activities			
Dividends and interest from investments		271	76
Proceeds from sale of fixed assets		0	19
Reduction in cash deposits held as fixed assets		1,500	0
Purchase of tangible fixed assets		(257)	(264)
Purchase of intangible fixed assets		0	0
Net cash provided/(used in) investing activities		1,514	(169)
Change in cash and cash equivalents in the reporting period	22	3,583	3,245
Cash and cash equivalents at the beginning of the reporting period		17,195	13,950
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>20,778</b>	<b>17,195</b>

# Notes to the Financial Statements

## for the year ended 31 March 2023

### 1. Accounting policies

#### (a) Basis of accounting

CAFOD is a charitable company limited by guarantee incorporated in the United Kingdom (company number 9387398, charity registration number 1160384) with the liability of members (four in number) of £1 each. The registered office is: Romero House, 55 Westminster Bridge Road, London SE1 7JB. The nature of the charity's operations and principal activities is described in the Trustees' Report accompanying the Financial Statements.

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) (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and applicable company and charity law in the UK.

Having reviewed the financial position and future plans for the charity, the Trustees have identified no material uncertainties related to events or conditions that cast significant doubt on the charity's ability to continue its activities for the foreseeable future. With the disruption to some normal activities during the coronavirus pandemic, the longer-term economic uncertainty arising from the pandemic, the economic impacts of the crisis in Ukraine, the challenging funding environment and the current economic climate in the UK, with the potential for the higher cost of living to impact on giving, CAFOD has undertaken a range of measures to ensure financial sustainability. This includes scenario planning, financial modelling, risk analysis and ongoing cashflow forecasting and monitoring. CAFOD has the flexibility to adapt our financial management, including the utilisation of contingency reserves and to adjust expenditure as needed, in response to income levels, as any future longer-term impacts on income levels or inflationary factors unfold.

Accordingly, the Trustees continue to adopt a going concern basis in preparing the Financial Statements.

The charity is a public benefit entity as defined in FRS102.

#### (b) Income

Unrestricted income is available for expenditure approved by the Board. Restricted income is available for expenditure in accordance with the purpose specified by the donor. Income is credited to the Statement of Financial Activities when entitlement can be demonstrated, receipt is probable and the amount can be reliably measured.

#### **Donations and legacies:**

Donations from supporters are accounted for when received. Pecuniary legacies are recognised on notification provided there is evidence there are sufficient monies in the estate to make a distribution. Other legacies are included in the Statement of Financial Activities at the earlier of receipt and the date the estate accounts are approved, or a distribution authorised by the executors.

#### **Charitable activities:**

In respect of income from governments and other institutional donors, entitlement is obtained when only administrative requirements exist, and all disbursement and other entitlement conditions are satisfied.

## (c) Expenditure

Expenditure is included in the Statement of Financial Activities when incurred and includes attributable input VAT which cannot be recovered. Expenditure is categorised both by type (namely grants to partners, activity costs and support costs) and by purpose (namely raising funds and charitable activities); an analysis of total expenditure by type and by purpose is given in note 5.

### **Grants and programme payments:**

Grants to third parties are charged to the Statement of Financial Activities when they have been approved and where a binding commitment has been made to the partner organisation. Grants represent funds made available to partner programmes and comprise either cash funds transferred to the partners or in-kind provision of goods and services procured on their behalf. Programme grants that have been approved but not yet disbursed at the balance sheet date are carried forward as programme creditors in the balance sheet.

Programme payments are CAFOD managed programme activities made in support of partners.

### **Activity and support costs:**

Activity costs include the costs of all teams in CAFOD, other than Finance, Facilities, the Directorate, Governance, IT and People and Performance functions, which are classified as support costs. Governance costs include the costs of internal and external audit, Board expenses and an apportionment of the salary costs of the senior executive team, relating to time spent by them on the governance of CAFOD's activities.

Activity costs are attributed directly to expenditure purpose headings. Support costs are allocated to expenditure purpose headings on the basis of the full-time equivalent number of staff contributing towards each purpose. The expenditure purpose headings are:

### **Raising funds:**

Raising funds costs are the costs of generating income for the charitable purposes of the charity;

### **Charitable activities:**

International development: work with poor and disadvantaged communities in the global South to overcome poverty and bring about sustainable development and well-being;

Disaster relief: work to protect lives and relieve suffering during emergencies and reduce the risks to vulnerable communities as a result of conflict and natural disasters;

UK development education: work to raise understanding of the causes of poverty and injustice to inspire a commitment to lasting change;

Advocacy and campaigning: challenging those with power to adopt policies and behaviour that promote social justice and end poverty.

## (d) Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. Financial assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rate of exchange on that date and any gains/(losses) on exchange are credited/(debited) to the Statement of Financial Activities. Foreign exchange forward contracts are included on the balance sheet at their fair value and realised and unrealised gains/(losses) are credited/(debited) to the Statement of Financial Activities.

## (e) Pensions

CAFOD operates five contributory money purchase pension schemes. Scheme funds are independent of CAFOD's finances. Three schemes are administered by The Pensions Trust. Two schemes are administered by Pi Partnership Group (formerly Fairfield Pension Trustees Limited).



One of the schemes that CAFOD is a member of is the Pensions Trust's Growth Plan. The Growth Plan is a money purchase pension scheme which also has some historical guarantees. This is a multi-employer pension scheme for which it is not possible to identify separately the assets and liabilities of participating employers and, as such, CAFOD's regular payments in respect of this plan are charged in the Statement of Financial Activities on a defined contribution basis. A liability is recognised for the present value of agreed additional contributions payable to fund a deficit in this plan related to past service.

## **(f) Fixed assets**

### **(i) Tangible assets**

Tangible assets costing £1,500 or more are capitalised. Depreciation on assets is charged from the date of first usage and provided on the straight-line method at the following annual rates in order to write off each asset over its estimated useful life:

- Leasehold land and buildings (subject to annual impairment review): 1-2% on cost
- Plant and machinery: over 15 years
- Computers, office furniture and equipment and motor vehicles: 20% on cost

### **(ii) Intangible assets**

Software development costs are recognised as internally generated intangible assets provided that:

- there is certainty that it is technically feasible to complete the development activity so that it will be available for future use;
- there is the intention to complete the development activity and use it;
- the organisation can use the intangible asset to generate probable future economic benefits;
- adequate technical, financial and other resources are available to complete the development activity and to use it; and,
- the expenditure attributable to the intangible asset during its development can be measured reliably.

Intangible assets costing £50,000 or more are capitalised.

Amortisation on intangible assets is charged from the date of first usage and provided on the straight-line basis in order to write off each intangible asset over its estimated useful life of five years.

## **(g) Investments**

Investments are included on the balance sheet at their market value at the end of the financial year. Realised and unrealised gains/(losses) are credited/(debited) to the Statement of Financial Activities in the year in which they arise.

## **(h) Cash and cash equivalents**

Cash and cash equivalents include deposits repayable on demand without penalty. Short term money market deposits and fixed term cash deposits which do not meet this criterion are held under current assets as short-term deposits. Cash and bank deposits are stated at the cash amount.

## **(i) Other financial assets and liabilities**

Debtors and creditors are stated at the settlement amount after any applicable discounts.

## **(j) Fund accounting**

Designated funds comprise funds set aside out of unrestricted funds for specific future purposes.

General reserves represent those monies that are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to conditions imposed by donors.

Endowment funds comprise monies that must be held indefinitely as capital. Income therefrom is credited to general funds and applied for general purposes unless under the terms of the endowment such income must be used for specific purposes, in which case it is credited to restricted funds.

## **(k) Operating leases**

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

## **(l) Financial instruments**

The charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Financial instruments are initially recognised at transaction value and subsequently measured at the present value of future cash flows (amortised cost). Financial assets held at amortised cost comprise cash at bank and in hand, short term cash deposits and the group's debtors excluding prepayments. Financial liabilities held at amortised cost comprise the group's short- and long-term creditors excluding deferred income. Other than the pension scheme liability, no discounting has been applied to these financial instruments on the basis that the periods over which amounts will be settled are such that any discounting would be immaterial. The pension scheme deficit liability will be settled over one year and ten months from the balance sheet date and is discounted appropriately.

## **(m) Critical accounting judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The items in the accounts that are considered to involve the most significant judgements and sources of uncertainty through estimation, when applying CAFOD's accounting policies include:

- revenue recognition where judgement is required to appropriately apply the income accounting policies explained in accounting policy note 1(b) above, from governments and other institutional donors and for legacy income;
- whether a provision for disallowed expenditure under donor funding arrangements is judged to be appropriate;
- cost allocation methodology requires judgement as to the most appropriate bases to use to apportion support overheads and governance costs between raising funds and the charitable expenditure categories (see note 5);
- determining the appropriate discount rate for valuing the future pension deficit contributions for CAFOD's main pension liabilities (see note 17).

WIn the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date, are likely to result in a material adjustment to their carrying amounts in the next financial year.

## 2. Income from donations and legacies

	Unrest- ricted Funds £'000	Rest- ricted Funds £'000	Total Funds 2023 £'000	Unrest- ricted Funds £'000	Rest- ricted Funds £'000	Total Funds 2022 £'000
General donations from supporters	13,948	6,778	20,726	15,374	3,184	18,558
Legacy income from supporters	11,023	159	11,182	10,815	181	10,996
Emergency donations from supporters	551	4,939	5,490	514	5,485	5,999
Emergency donations via Disasters Emergency Committee	524	15,493	16,017	62	2,347	2,409
<b>Income from Donations and legacies</b>	<b>26,046</b>	<b>27,369</b>	<b>53,415</b>	<b>26,765</b>	<b>11,197</b>	<b>37,962</b>

Income from donations includes emergency donations received from the Disasters Emergency Committee (DEC), a group of 15 leading UK aid charities that come together in time of crisis and Emergency appeal donations from supporters.

### 3. Income from charitable activities

	Unrest- ricted Funds £'000	Rest- ricted Funds £'000	Total Funds 2023 £'000	Unrest- ricted Funds £'000	Rest- ricted Funds £'000	Total Funds 2022 £'000
Caritas and other Catholic agencies (a)	235	8,607	8,842	137	5,479	5,616
Government grants (b)	166	2,821	2,987	157	4,901	5,058
Institutional and other grants (c)	66	2,324	2,390	68	1,732	1,800
<b>Income from charitable activities</b>	<b>467</b>	<b>13,752</b>	<b>14,219</b>	<b>362</b>	<b>12,112</b>	<b>12,474</b>
<b>(a) Caritas and other Catholic agencies:</b>						
Caritas Australia	70	1,703	1,773	24	567	591
Caritas Belgium	57	744	801	0	1,167	1,167
Caritas Denmark	0	0	0	5	56	61
Caritas Finland	2	117	119	0	1	1
Caritas Germany	2	288	290	22	71	93
Caritas Internationalis	0	8	8	0	117	117
Caritas Italy	7	328	335	0	0	0
Caritas Japan	1	17	18	0	0	0
Caritas Korea	3	80	83	0	0	0
Caritas Norway	12	360	372	15	479	494
Caritas Spain	1	50	51	2	305	307
Cordaid	0	34	34	0	0	0
Catholic Relief Services	57	1,041	1,098	36	561	597
Development & Peace	0	792	792	0	0	0
Misereor	0	123	123	3	166	169
Scottish Catholic International Aid Fund	0	247	247	0	70	70
Séjours Catholique	20	472	492	29	379	408
Trócaire	1	2,061	2,062	0	1,506	1,506
Vastenactie	2	142	144	1	34	35
Others	0	0	0	0	0	0
<b>Income from Caritas and other Catholic agencies:</b>	<b>235</b>	<b>8,607</b>	<b>8,842</b>	<b>137</b>	<b>5,479</b>	<b>5,616</b>

### 3. Income from charitable activities (continued)

	Unrest- ricted Funds £'000	Rest- ricted Funds £'000	Total Funds 2023 £'000	Unrest- ricted Funds £'000	Rest- ricted Funds £'000	Total Funds 2022 £'000
<b>(b) Government grants:</b>						
UK Government, FCDO						
UK Aid Matched Funding	0	(5)	(5)	0	824	824
Other	(1)	(12)	(13)	31	400	431
European Union	6	107	113	18	5	23
Global Fund to End Modern Slavery	9	338	347	22	353	375
Government of Guernsey	0	(9)	(9)	0	(6)	(6)
Government of Isle of Man	0	48	48	0	48	48
Government of Jersey	0	218	218	0	380	380
Government of the Netherlands	0	52	52	0	68	68
Swedish Government	25	435	460	46	1,119	1,165
United Nations agencies	127	1,649	1,776	40	1,652	1,692
United Nations agencies – in-kind donations	0	0	0	0	58	58
<b>Government grants</b>	<b>166</b>	<b>2,821</b>	<b>2,987</b>	<b>157</b>	<b>4,901</b>	<b>5,058</b>
<b>(c) Institutional and other grants:</b>						
Christian Aid	0	20	20	0	77	77
Denise Coates Foundation	3	(3)	0	5	(5)	0
Islamic Relief	3	93	96	0	214	214
Latin American Children's Trust	0	115	115	0	103	103
The Church of Jesus Christ of Latter-day Saints	15	865	880	9	285	294
START	32	968	1,000	37	785	822
Others	13	266	279	17	273	290
<b>Institutional and other grants</b>	<b>66</b>	<b>2,324</b>	<b>2,390</b>	<b>68</b>	<b>1,732</b>	<b>1,800</b>

There were no unfulfilled conditions or contingencies relating to grants existing at the year end.

## 4. Income from investments

	Unrest- ricted Funds £'000	Rest- ricted Funds £'000	Total Funds 2023 £'000	Unrest- ricted Funds £'000	Rest- ricted Funds £'000	Total Funds 2022 £'000
Interest receivable	250	0	250	55	0	55
Dividends receivable	0	21	21	0	21	21
<b>Income from investments</b>	<b>250</b>	<b>21</b>	<b>271</b>	<b>55</b>	<b>21</b>	<b>76</b>

## 5. Expenditure

	Grants &	Activity costs		Support Costs		Total 2023
	programme	Staff	Non- staff	Staff	Non- staff	
	payments £'000	costs £'000	costs £'000	costs £'000	costs £'000	
Raising funds:	0	4,002	1,820	511	519	6,852
International development	14,123	4,405	1,682	1,428	1,449	23,087
Disaster relief	27,564	2,439	704	745	756	32,208
UK Development education	23	1,423	286	169	172	2,073
Advocacy and campaigning	72	1,416	224	169	172	2,053
Charitable activities:	41,782	9,683	2,896	2,511	2,549	59,421
<b>Total expenditure</b>	<b>41,782</b>	<b>13,685</b>	<b>4,716</b>	<b>3,022</b>	<b>3,068</b>	<b>66,273</b>

	Grants &	Activity costs		Support Costs		Total 2022
	programme	Staff	Non-staff	Staff	Non- staff	
	payments £'000	costs £'000	costs £'000	costs £'000	costs £'000	
Raising funds:	0	3,737	1,809	443	337	6,326
International development	14,841	4,634	1,484	1,474	1,117	23,550
Disaster relief	12,287	2,105	657	663	503	16,215
UK Development education	44	1,274	188	144	109	1,759
Advocacy and campaigning	52	1,442	180	163	124	1,961
Charitable activities:	27,224	9,455	2,509	2,444	1,853	43,485
<b>Total expenditure</b>	<b>27,224</b>	<b>13,192</b>	<b>4,318</b>	<b>2,887</b>	<b>2,190</b>	<b>49,811</b>

	2023 £'000	2022 £'000
Information technology	2,291	1,921
HR and organisational development and safeguarding	1,630	1,222
Financial management	746	682
Premises and facilities	782	710
Strategic leadership	163	156
Governance (analysed below)	478	386
<b>Support costs:</b>	<b>6,090</b>	<b>5,077</b>
Senior management	163	130
Legal and professional services	40	36
Internal audit	190	148
External audit	78	71
Board training and meeting costs	7	1
<b>Governance costs:</b>	<b>478</b>	<b>386</b>

## 6. Grants and programme payments

Grants and programme payments are made up of: 505 grants (2022: 504) to third parties totalling £38.44m (2022: £25.33m), plus 89 CAFOD-managed grants (2022: 55) for programme payments made in support of partners for programme activities totalling £3.42m (2022: £2.37m), less realised and unrealised exchange gains and losses of £0.08m (2022: less realised and unrealised exchange gain of £0.47m).

Details of grants to third parties and partner payments are provided in a Report of Grants for 2022/23 published on CAFOD's website <http://cafod.org.uk>.

	2023 Number	2023 £'000	2022 Number	2022 £'000
<b>Analysed by activity:</b>				
Capacity strengthening	129	2,172	129	1,571
Emergency preparedness, response and recovery	159	27,613	139	12,501
Governance accountability and transparency	108	2,801	100	4,527
Livelihoods resilience and environment	146	7,840	146	7,707
Peace and reconciliation	52	1,430	45	1,392
	<b>594</b>	<b>41,856</b>	559	27,698
Realised gains on Foreign Currency		(259)		(269)
Unrealised losses / (gains) on Foreign Currency contracts		185		(205)
<b>Total grants and programme payments</b>	<b>594</b>	<b>41,782</b>	559	27,224
<b>Analysed by region</b>				
Africa (a)	278	18,172	298	17,232
Latin America and Caribbean (b)	119	3,209	111	3,617
Asia, Middle East and Europe (c)	159	19,861	115	6,383
Global, policy and education	38	614	35	466
	<b>594</b>	<b>41,856</b>	559	27,698
Realised gains on Foreign Currency		(259)		(269)
Unrealised losses / (gains) on Foreign Currency contracts		185		(205)
<b>Total grants and programme payments</b>	<b>594</b>	<b>41,782</b>	559	27,224

See note 16 on Forward foreign currency contracts.



## 6 Grants and programme payments (continued)

	2023	2023	2022	2022
(a) Africa	no. of grants	£'000	no. of grants	£'000
Democratic Republic of Congo	41	3,784	53	4,818
Eritrea	8	1,300	9	521
Ethiopia	6	1,179	3	810
Kenya	13	1,387	28	748
Liberia	10	173	5	100
Mozambique	7	388	9	353
Niger	0	(36)	5	136
Nigeria	24	668	16	682
Sierra Leone	18	894	23	778
Somalia	1	100	0	0
South Sudan	54	3,032	49	3,557
Sudan	34	2,828	24	1,968
Eswantini	4	103	3	70
Uganda	10	466	11	514
Zambia	0	0	15	338
Zimbabwe	32	1,425	40	1,696
Multi-Country	16	481	5	143
<b>Africa</b>	<b>278</b>	<b>18,172</b>	<b>298</b>	<b>17,232</b>

	2023	2023	2022	2022
(b) Latin America & Caribbean	no. of grants	£'000	no. of grants	£'000
Bolivia	12	313	10	304
Brazil	21	1,038	24	1,199
Colombia	30	719	17	463
El Salvador	5	138	5	169
Guatemala	7	227	9	249
Haiti	0	0	2	250
Honduras	5	153	6	142
Nicaragua	0	(150)	8	229
Peru	13	439	13	342
Venezuela	0	0	1	30
Multi-country	26	332	16	240
<b>Latin America and Caribbean</b>	<b>119</b>	<b>3,209</b>	<b>111</b>	<b>3,617</b>

## 6 Grants and programme payments (continued)

(c) Asia and Middle East and Europe	2023	2023	2022	2022
	no. of grants	£000	no. of grants	£000
Afghanistan	17	1,442	13	1,579
Bangladesh	22	554	18	1,227
Cambodia	15	182	6	240
India	3	76	4	771
Indonesia	1	17	1	10
Israel	5	105	6	125
Jordan	0	(1)	0	0
Lebanon	13	611	9	348
Moldova	0	0	1	202
Myanmar	22	404	15	333
Nepal	0	0	2	56
Pakistan	6	1,732	1	80
Philippines	1	34	1	40
Poland	3	373	1	10
Sri Lanka	16	365	13	286
Syria	12	2,145	8	472
Ukraine	6	9,648	2	67
Turkey	1	20	0	0
Romania	2	1,526	0	0
Yemen	2	300	1	210
West Bank and Gaza	7	208	9	278
Multi-country	5	120	4	49
<b>Asia, Middle East and Europe</b>	<b>159</b>	<b>19,861</b>	<b>115</b>	<b>6,383</b>

## 7. Net expenditure

	2023	2022
	£'000	£'000
Net expenditure is stated after charging/(crediting):		
Depreciation of tangible fixed assets	357	339
Depreciation of Intangible fixed assets	204	204
Profit on sale of tangible fixed assets	0	(2)
Operating leases: land and buildings	332	295
Auditors' remuneration	81	74
Auditors' remuneration:		
Audit of CAFOD		
UK (primary auditors, Crowe U.K. LLP)	38	33
Overseas (secondary auditors)	40	38
	78	71
Other non-audit services (UK, Crowe U.K. LLP)	3	3
<b>Auditors' remuneration</b>	<b>81</b>	<b>74</b>

## 8. Taxation

CAFOD is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities. All of its income falls within the various exemptions available to registered charities.

## 9. Employees, Trustees and Volunteers

	<b>2023</b>	<b>2023</b>	2022	2022
	<b>Employees</b>	<b>Employees</b>	Employees	Employees
	<b>average</b>	<b>cost</b>	average	cost
	<b>full-time</b>		full-time	
	<b>equivalent</b>		equivalent	
	<b>number</b>	<b>£'000</b>	number	£'000
Generating funds	<b>94</b>	<b>4,513</b>	89	4,180
International development	<b>145</b>	<b>5,833</b>	162	6,108
Disaster relief	<b>75</b>	<b>3,184</b>	73	2,768
UK Development education	<b>31</b>	<b>1,592</b>	29	1,418
Advocacy and campaigning	<b>31</b>	<b>1,585</b>	33	1,605
<b>Total</b>	<b>376</b>	<b>16,707</b>	386	16,079
Salaries		<b>13,822</b>		13,339
Employer's social security contributions		<b>1,382</b>		1,270
Employer's pension contributions		<b>1,503</b>		1,470
		<b>16,707</b>		16,079

The total average number (by headcount) of employees in the year was 391 (2022: 401).

Included in the above are costs relating to redundancy and compensation for loss of office of £86,622 (2022: £185,510) all of which were settled during the year.

The number of employees whose emoluments (excluding employer's national insurance and pension contributions) amounted to over £60,000 in the year was as follows:

	<b>2023</b>	2022
	<b>Number</b>	Number
£60,001 - £70,000	<b>7</b>	7
£70,001 - £80,000	<b>6</b>	4
£80,001 - £90,000	<b>0</b>	1
£90,001 - £100,000	<b>1</b>	0

Total remuneration and benefits received during the year by CAFOD's highest paid member of staff was £94,185 (2022: £83,565) salary, £12,337 (2022: £10,312) employer's national insurance and £9,687 (2022: £8,499) employer's pension contribution. The total remuneration and benefits received during the year by the other key management personnel (2 persons) who have delegated responsibility for the Strategy and Performance Committee and the Finance Legal Audit and Risk Committee was £152,667 (2022: £156,308) salary, £19,779 (2022: £19,130) employer's national insurance and £9,449 (2022: £13,414) employer's pension contribution.

## 9. Employees, Trustees and Volunteers (continued)

### Trustees

The Trustees do not receive any remuneration for their services. In the year, CAFOD paid £1,217 on travel for trustees, and £5,890 for accommodation for a residential meeting. (2022: CAFOD paid £60 on books, £3,575 on the accommodation for residential meeting and £473 to facilitate a cultural review day). One residential meeting was held in this financial year. There are no other related party transactions requiring disclosure within the financial statements.

### Volunteers

In addition to employed staff and Trustees, CAFOD relied on the services of 3,344 volunteers (2022: 3,497) who carried out a total of 5,123 assignments (2022: 5,444); 3,001 Parish-based assignments (2022: 3,230), 1,365 school-based assignments (2022: 1,468) and 757 other assignments in a range of volunteer roles such as campaigning, fundraising, media, office support and youth work (2022: 746).

## 10. Tangible fixed assets

	Leasehold land and buildings £'000	Office equipment £'000	Motor vehicles £'000	Total tangible fixed assets £'000
Cost at 1 April 2022	11,141	532	823	12,496
Additions	101	44	112	257
Disposals	0	(113)	(149)	(262)
<b>Cost at 31 March 2023</b>	<b>11,242</b>	<b>463</b>	<b>786</b>	<b>12,491</b>
Depreciation at 1 April 2022	2,146	453	515	3,114
Charge for the year	214	36	107	357
On disposals	0	(113)	(149)	(262)
<b>Depreciation at 31 March 2023</b>	<b>2,360</b>	<b>376</b>	<b>473</b>	<b>3,209</b>
<b>Net book value at 31 March 2023</b>	<b>8,882</b>	<b>87</b>	<b>313</b>	<b>9,282</b>
Net book value at 31 March 2022	8,995	79	308	9,382

Leasehold land and buildings held at 31 March 2023 relates to Romero House (net book value at 31 March 2023: £8.9m – being £8.2m for the land and building and £0.7m for the plant and machinery) which is used as CAFOD's head office.

## 11. Intangible fixed assets

	Software development £'000	Total Intangible fixed assets £'000
Cost at 1 April 2022	1,018	1,018
Additions	0	0
<b>Cost at 31 March 2023</b>	<b>1,018</b>	<b>1,018</b>
Amortisation at 1 April 2022	747	747
Charge for the year	204	204
<b>Amortisation at 31 March 2023</b>	<b>951</b>	<b>951</b>
<b>Net book value at 31 March 2023</b>	<b>67</b>	<b>67</b>
Net book value at 31 March 2022	271	271

Intangible fixed assets relates to the development of CAFOD's supporter and volunteer relationship management system.

## 12. Investments held as fixed assets

	2023 £'000	2022 £'000
Sterling deposits	1,966	3,466
Permanent endowment fund	688	724
<b>Investments held as fixed assets</b>	<b>2,654</b>	<b>4,190</b>

The sterling deposits corresponds to the amount of the stabilisation fund held in liquid funds. The permanent endowment fund is invested in CCLA Charities Ethical Investment Fund Income Units at a historic cost of £449,024. The movement on investments during the year was:

	2023 £'000	2022 £'000
Market value at 1 April	724	668
Unrealised (losses)/gains	(36)	56
<b>Market value at 31 March</b>	<b>688</b>	<b>724</b>

CAFOD, the charity, owns the entire £3 issued share capital of The CAFOD Trading Company Limited ('CAFOD Trading'), registered in England and Wales (company number 989846). The principal activity of CAFOD Trading has been to carry out commercial activities for the benefit of the charity. CAFOD Trading ceased to trade on 28th February 2017 and remains dormant. The registered office is Romero House, 55 Westminster Bridge Road, London SE1 7JB.

## 13. Debtors

	2023	2022
	£'000	£'000
Interest receivable	34	6
Taxation recoverable	1,049	1,211
Accrued income	2,738	2,579
Prepayments	566	566
Other debtors	203	145
Forward foreign currency contracts (note 16)	0	205
<b>Debtors</b>	<b>4,590</b>	<b>4,712</b>

Included in accrued income above is an amount of £1,042,000 (2022: £709,000) relating to legacies. As at 31 March 2023, CAFOD also has entitlement to a number of legacies from estates for which the administration has yet to be finalised. The future income from these legacies is estimated at £7,554,000 (2022: £7,676,000), though we do not expect all of this to be received in the next financial year.

## 14. Creditors: amounts falling due within one year

	2023	2022
	£'000	£'000
Programme creditors	10,754	10,773
Taxation and social security	325	395
Other creditors and accruals	1,272	1,308
Interest free loans from supporters	30	28
Forward foreign currency contracts (note 16)	185	0
<b>Creditors</b>	<b>12,566</b>	<b>12,504</b>

Other creditors and accruals include pension contributions of £48,000 (2022: £143,000).

Programme creditors represent grants approved that are yet to be paid to partners. Some grants for partners are approved in principle for two or three years. Second- and third-year grants represent planned future commitments but are not recognised as a liability when they are approved, as payment is conditional upon satisfactory progress. As at 31 March 2023 planned future commitments under formal multi-year funding cycle approvals amounted to £1.3m; £0.8m due within one year and a further £0.5m due within two years (2022: £1.0m; £0.7m due within one year and a further £0.3m within two years).

## 15. Operating lease commitments

At 31 March 2023, the total future minimum lease payments under non-cancellable operating leases in respect of operating leases for land and buildings were:

	2023	2022
	£'000	£'000
Within one year	13	13
In the second to fifth years inclusive	0	0
Later than five years	0	0
<b>Operating lease commitments</b>	<b>13</b>	<b>13</b>

## 16. Forward foreign currency contracts

CAFOD mitigates the risk of having to change or cut planned activities because of the financial implications of a rapid change in the value of Sterling against the US Dollar and other currencies. To achieve this CAFOD purchases a proportion of its US Dollar requirements on forward contracts. The fair value of these contracts is calculated at the balance sheet date by comparison between the rate implicit in the contract and the exchange rate at that date. The unrealised loss on these contracts at 31 March 2023 was £185,000 which has been included in creditors and grant expenditure (2022: unrealised gain included in debtors and grant expenditure was £205,000).

The contracts are to purchase US Dollars (USD) and sell Sterling (GBP) for a period of up to 12 months in duration, at USD/GBP rates between 1.37 and 1.13. At the balance sheet date, a purchase value of USD 8.9 million remained on these contracts representing approximately 50% of the estimated currency exposure on project creditors and salary and expense commitments for the coming year. The actual rate of exchange at 31 March 2023 was 1.23.

## 17. Pensions

The charity operates five contributory money purchase pension schemes. Scheme funds are independent of the charity and are all administered by independent Trustees. (Three schemes are administered by The Pensions Trust. Two schemes are administered by Pi Partnership (formerly Fairfield Pension Trustees Limited.))

For all these schemes, CAFOD paid contributions at the basic rate of 10% during the year and members paid contributions at a basic rate of 5% during the year. For members with more than 10 years' service, CAFOD paid 12.5% and also matched any additional members' contributions up to a maximum employer's contribution of 17.5%.

One of the schemes that CAFOD participates in is the Pensions Trust's Growth Plan, a multi-employer pension plan which also has some historical guarantees. As at the balance sheet date there were 201 active members of the Growth Plan (31 March 2022: 188). CAFOD intends to continue to offer membership of the Growth Plan (Series 4) to its employees along with the Pensions Trust's Flexible Retirement Plan.

Contributions paid into the Growth Plan up to and including September 2001 were converted to defined amounts of pension payable from normal retirement date. From October 2001 contributions were invested in personal funds which have a capital guarantee, and which are converted to pension on retirement, either within the Growth Plan or by the purchase of an annuity. Current contributions to Series 4 of the Growth Plan are entirely money purchase.

The Trustee of the Growth Plan commissions an actuarial valuation every three years to determine the funding position of the Plan by comparing the assets with the past service liabilities at the valuation date and the rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met.

The triennial actuarial valuation results at 30 September 2020 were finalised during the year ended 31 March 2022 and are the most recent results announced. The valuation of the Plan was performed by a professionally qualified actuary. The market value of the Growth Plan's assets at the valuation date was £799 million and the Plan's technical provisions (i.e. past service liabilities) were £832 million, which is equivalent to a funding level of 96%. The shortfall in assets compared with the value of liabilities was £32 million (£131.5 million at the 2017 valuation). The reduction in the deficit in this valuation, resulted in a revised recovery plan being issued by the Actuary. The length of the recovery plan was unchanged and still extends to 31 January 2025. However, the Trustees of the Growth Plan decided to exclude future provision for scheme expenses from the calculation of liabilities. Contribution amounts were also adjusted depending on the Actuary's calculations of each employer's relative share of the liabilities. There was a change in approach with the deficit contributions fixed from 1 April 2022, until the end of the recovery plan with no 3% annual

increase. Employers will pay ongoing contributions to meet fund expenses, beyond the period of the recovery plan. A 3% per annum increase will apply to future scheme expense contributions.

CAFOD's additional deficit contribution amount for the year ending 31 March 2023 was £47,347 and contributions for the following one year and ten months, starting on 1st April 2023, remain fixed at £47,347 per annum. CAFOD's ongoing scheme expense contribution, for the year to 31 March 2023 was £52,922 and this sum will increase by 3% compound per year.

CAFOD's obligation to pay additional deficit contributions over the period of a recovery plan are recognised as a specific balance sheet provision. The movements on this provision are as follows:

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Provision at start of year	<b>129</b>	473
Payments made during the year	<b>(48)</b>	(125)
Release of provision for future deficit liability	<b>0</b>	(219)
Discount rate adjustment	<b>0</b>	0
<b>Provision at end of year</b>	<b>81</b>	129

The Trustees have determined that the appropriate discount rate to apply to the future cash liability is that published by actuaries from time to time for single employer pension schemes. This rate was 4.60% at 31 March 2023 (2.00% at 31 March 2022).

For the year ended 31 March 2024, CAFOD's regular pension contributions for all its pension arrangements are estimated to be £1,504,000.



## 18. Restricted funds

	Balance Apr-22 £'000	Income £'000	Expend- iture £'000	Gains £'000	Transfers £'000	Balance Mar-23 £'000
Endowment funds:						
Sr. Laura Tanti Foundation	724	0	0	(36)	0	688
Restricted income funds:						
General donations and legacies	355	6,937	(7,051)	0	0	241
Emergency appeals donations	5,903	20,432	(17,895)	0	0	8,440
Income from charitable activities	(41)	13,752	(13,941)	0	0	(230)
Investment income	6	21	(15)	0	0	12
<b>Restricted fund movement 2022/23</b>	<b>6,947</b>	<b>41,142</b>	<b>(38,902)</b>	<b>(36)</b>	<b>0</b>	<b>9,151</b>

	Balance Apr-21 £'000	Income £'000	Expend- iture £'000	Gains £'000	Transfers £'000	Balance Mar-22 £'000
Endowment funds:						
Sr. Laura Tanti Foundation	668	0	0	56	0	724
Restricted income funds:						
General donations and legacies	340	3,361	(3,346)	0	0	355
Emergency appeals donations	3,157	7,836	(5,090)	0	0	5,903
Income from charitable activities	914	12,112	(13,067)	0	0	(41)
Investment income	20	21	(35)	0	0	6
<b>Restricted fund movement 2021/22</b>	<b>5,099</b>	<b>23,330</b>	<b>(21,538)</b>	<b>56</b>	<b>0</b>	<b>6,947</b>

The Permanent Endowment relates to the Sister Laura Tanti Foundation for which CAFOD has received cumulative donations as at 31 March 2023 of £421,155 (2022: £421,155) held under trust deeds. The Trustees of CAFOD hold this amount and its income in trust and will apply the income for the benefit of the poor as stipulated.

The balances on restricted funds represent amounts raised for specific purposes less amounts spent on those purposes by the year end. As at 31 March 2023 the balances held were for the following purposes:

	2023 £'000	2022 £'000
Africa Programme	(664)	249
Asia, Middle East, and Europe Programme	8,697	3,983
Latin America Programme	40	54
General Programme	390	1,937
Permanent endowment	688	724
<b>Restricted funds</b>	<b>9,151</b>	<b>6,947</b>

## 18. Restricted funds (continued)

Some restricted funds are in surplus where amounts already received are yet to be fully spent and some in deficit where amounts already spent on those specific purposes are receivable from the donor after the year end. Restricted fund balances at 31 March 2023, shown net above, comprises:

	2023 £'000	2022 £'000
Programme grants in surplus	13,034	9,172
Programme grants in deficit	(3,883)	(2,225)
<b>Restricted funds</b>	<b>9,151</b>	<b>6,947</b>

## 19. Unrestricted funds

	Balance Apr-22 £'000	Income £'000	Expend- iture £'000	Transfers £'000	Balance Mar-23 £'000
Designated funds:					
Fixed asset fund	4,119	0	0	(304)	3,815
Programme fund	10	0	(1,010)	3,285	2,285
General funds:					
Stabilisation fund	9,000	0	0	(1,500)	7,500
Unallocated reserve	3,055	26,774	(26,361)	(1,481)	1,987
<b>Unrestricted fund movement 2022/23</b>	<b>16,184</b>	<b>26,774</b>	<b>(27,371)</b>	<b>0</b>	<b>15,587</b>

	Balance Apr-21 £'000	Income £'000	Expend- iture £'000	Transfers £'000	Balance Mar-22 £'000
Designated funds:					
Fixed asset fund	4,415	0	0	(296)	4,119
Programme fund	294	0	(822)	538	10
General funds:					
Stabilisation fund	9,000	0	0	0	9,000
Unallocated reserve	3,536	27,212	(27,451)	(242)	3,055
<b>Unrestricted fund movement 2021/22</b>	<b>17,245</b>	<b>27,212</b>	<b>(28,273)</b>	<b>0</b>	<b>16,184</b>

## 19. Unrestricted funds (continued)

### Designated fixed assets fund:

The main asset of CAFOD is Romero House (CAFOD's head office), however, the use of this building is not essential to continuing day-to-day operations, as it could be sold and leased back (or another property rented), with CAFOD continuing to operate effectively. Accordingly, the value of the fixed asset fund is set at the net book value at the balance sheet date of unrestricted tangible and intangible fixed assets, less £5.5m – being 50% of the initial investment in Romero House and the amount the Trustees would consider making available by taking a loan mortgaged on the property (Romero House), if CAFOD needed to liquidate this amount. CAFOD would enter into detailed discussions with our bankers, to provide such a loan, should this be required. This would not change our reserves position but would enable the Stabilisation fund to be represented entirely by cash deposits.

### Designated programme fund:

This fund represents available funds which the Trustees have designated for expenditure on specific programme activities within the detailed budget for the coming years.

### General funds:

General funds are available unrestricted funds in hand, over and above those set aside for designated purposes and are generated as planned or because more general income has been received than was expected or because budgeted expenditure has not been incurred. General funds are 'reserves', as defined in the Charities SORP (FRS 102) and comprise the Stabilisation fund plus the unallocated reserve.

The Trustees have established a policy to hold a desired level of general funds in a stabilisation fund, to limit any potential disruption associated with the financial risks CAFOD faces from its operations. Based upon a risk assessed as a shortfall of up to 10% - 15% in the budgeted general income and the need for up to two years to adjust programmes, the Trustees have established the target level of the Stabilisation fund at 20% of the planned annual general income for the coming years, which equates to a range of £6.5 million to £7.5 million. At the balance sheet date, the Stabilisation fund stood at £7.5 million with £5.5 million held in the value of Romero House (as explained above) and £2.0 million held in cash deposit investments.

The Trustees have established a policy to spend any unallocated reserve within general funds in excess of the target level on CAFOD's programme and partners promptly, taking the opportunity to meet existing needs or invest for the future, whilst ensuring that any further commitments which the expenditure generates are sustainable.

## 20. Analysis of net assets between funds

	Fixed assets £'000	Invest- ments £'000	Net current assets £'000	Pension provision £'000	Total net assets £'000
Endowment funds:					
Sr. Laura Tanti Foundation	0	688	0	0	688
Restricted income funds:					
General donations	0	0	241	0	241
Emergency appeals	0	0	8,440	0	8,440
Income from charitable activities	0	0	(230)	0	(230)
Interest	0	0	12	0	12
Designated funds:					
Fixed asset fund	3,815	0	0	0	3,815
Programme fund	0	0	2,285	0	2,285
General funds:					
Stabilisation fund	5,534	1,966	0	0	7,500
Unallocated reserve	0	0	2,068	(81)	1,987
<b>Total net assets at 31st March 2023</b>	<b>9,349</b>	<b>2,654</b>	<b>12,816</b>	<b>(81)</b>	<b>24,738</b>

	Fixed assets £'000	Invest- ments £'000	Net current assets £'000	Pension provision £'000	Total net assets £'000
Endowment funds:					
Sr. Laura Tanti Foundation	0	724	0	0	724
Restricted income funds:					
General donations	0	0	355	0	355
Emergency appeals	0	0	5,903	0	5,903
Income from charitable activities	0	0	(41)	0	(41)
Interest	0	0	6	0	6
Designated funds:					
Fixed asset fund	4,119	0	0	0	4,119
Programme fund	0	0	10	0	10
General funds:					
Stabilisation fund	5,534	3,466	0	0	9,000
Unallocated reserve	0	0	3,184	(129)	3,055
<b>Total net assets at 31st March 2022</b>	<b>9,653</b>	<b>4,190</b>	<b>9,417</b>	<b>(129)</b>	<b>23,131</b>

## 21. Reconciliation of net income to net cash provided by operating activities

	2023 £'000	2022 £'000
Net income	1,607	787
Depreciation	561	543
Gain on disposal of fixed assets	0	(2)
Income from investments	(271)	(76)
Loss/(gain) on investments	36	(56)
Decrease in debtors	122	421
(Decrease) in pension scheme liability	(48)	(344)
Increase in creditors	62	2,141
<b>Net cash provided by operating activities</b>	<b>2,069</b>	<b>3,414</b>

## 22. Analysis of changes in cash and cash equivalents

	Opening balance £'000	Movement £'000	Closing balance £'000
Short term cash deposits	10,085	1,501	11,586
Cash at bank and in hand	7,110	2,082	9,192
<b>Cash and cash equivalents</b>	<b>17,195</b>	<b>3,583</b>	<b>20,778</b>

# GOD'S TRANSFORMING POWER

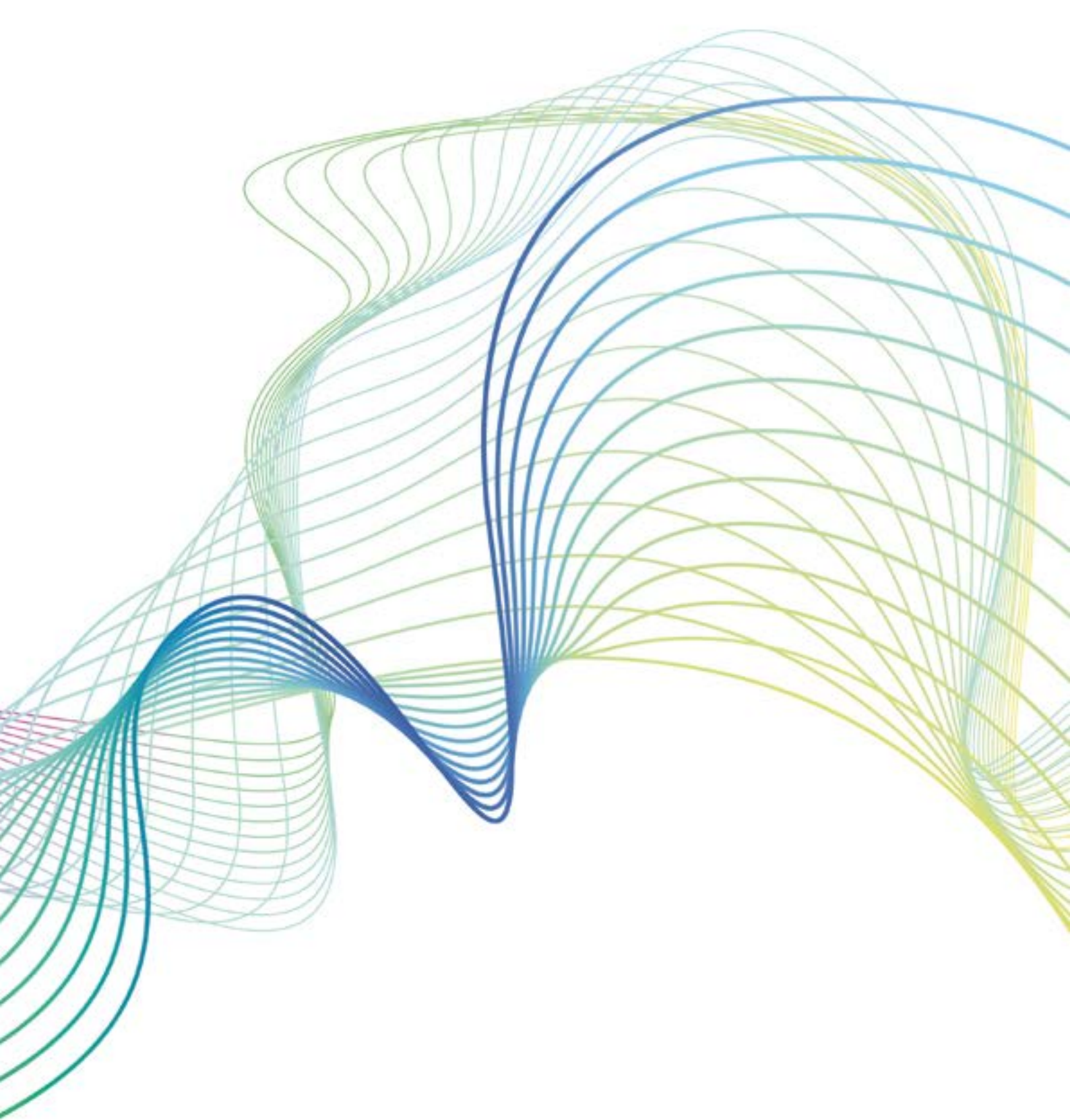
**God who cannot be bound  
Flow into our hearts and minds  
Wear down our resistance to your love  
And refresh us with the spirit of your compassion**

**Today, as we commit ourselves once more to your work  
We ask you to show us how to hold the needs of your world  
At the heart of our lives  
And to celebrate your many gifts with joy.**

**May your power transform our lives  
May your Spirit set us free  
And may the blessing of God,  
Father, Son and Holy Spirit  
Be with us all now and for ever**

**Amen**

Linda Jones/CAFOD



## A prayer to the Creator

Lord, Father of our human family,  
you created all human beings equal in dignity:  
pour forth into our hearts a fraternal spirit  
and inspire in us a dream of renewed encounter,  
dialogue, justice and peace.

Move us to create healthier societies  
and a more dignified world,  
a world without hunger, poverty, violence and war.

May our hearts be open  
to all the peoples and nations of the earth.

May we recognize the goodness and beauty  
that you have sown in each of us,  
and thus forge bonds of unity, common projects,  
and shared dreams.

Amen.

Pope Francis, Fratelli tutti, 287



*Anowera runs a popular seed bank from her home in Bangladesh, part of a thriving seed network established by CAFOD's partner. She stores a variety of seeds suitable for different times of the year, as well as varied weather conditions. She's keen to share her seeds with as many people as possible. "I want farmers to preserve their seeds," says Anowera. "I don't want any hybrid seeds to enter in my village. That is my motto. That's why I give seeds to farmers, so their seeds can go to other farmers, and from those farmers they can go to other farmers. I really love being able to share with my neighbours because when I give seeds to*

*a farmer, it gives me pleasure that they can then have their own seeds for the next season. They don't have to go to the companies. That is my ultimate pleasure, that I help them become their own seed savers." But it's not always easy. The climate crisis is having a noticeable impact on her vegetable garden and her farmer neighbours. Through workshops and training, seed bankers like Anowera are working together to increase their store of seeds to survive future climate shocks: "My hope for the future is to make my seed store bigger so that I can give more seeds to my neighbours."*



Catholic Agency for  
Overseas Development

The Catholic Agency for Overseas Development (CAFOD) is the official aid agency of the Catholic Church in England and Wales and part of Caritas International. Registered charity number 1160384. Company limited by guarantee registered in England and Wales number 09387398.