



Catholic Agency for
Overseas Development

Report of the Trustees and **Financial Statements**

For the year ended **31 March 2024**



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Cover photo:

Tailoring training session supported by CAFOD partner CAJED and Caritas Goma, in the Democratic Republic of Congo (DRC).

The training includes savings and loan projects to help women to become more financially empowered, as well as training for young people to set up tailoring and carpentry businesses and other useful skills.

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Letter from Chair and Executive Director

Dear Friends,

As we reflect on the many challenges and achievements of the past year, we are filled with deep gratitude for the unwavering commitment of CAFOD's supporters.

Our world is marked by political and economic instability, increased conflict and migration of peoples and with it, humanitarian crises unfold and worsen. Too many situations in the world seem increasingly desperate, yet this report stands as a testament to the power of solidarity, made possible by the generosity of the Catholic community who partner with us in hope and the belief in a renewed future.

When we attended the Caritas General Assembly, we saw the world come together in one room, embodying a spirit of partnership and collaboration. It is this same spirit that we have seen here in England and Wales, through individual gifts, parish collections, schools' activities, campaigners, marathon runners and volunteers. More than ever, we have seen the Catholic community put its faith into action.

However, this year has been a challenge to CAFOD financially as the economic difficulties at home deepen. You will see in this report that our income was lower than our expenditure. Many other charities have also experienced lower income. We were able to meet this shortfall from our reserves and were able to fulfil our commitments. We will have to reduce costs but will remain true to our vision, our values and the trust our supporters place in us.

You will see in this report that the support of the Catholic community has enabled CAFOD to remain steadfast in our commitment to stand alongside the most vulnerable and marginalised communities around the world. Despite financial challenges, we provided 578 grants in over 39 countries, including emergency support and long-term development, we have advocated internationally for a fairer world, we have supported the Catholic community in England and Wales to be informed, to pray and to take action to stand alongside people and communities around the world.

CAFOD's values of hope and solidarity, alongside dignity and compassion, are foundations of our mission and form the basis of Our Common Home, the strategic document which underscores our commitments and ways of working. This past year we have reviewed our strategy so that we can better progress our commitments with local partners. It is stronger in tackling the interconnected crises around the world, and in placing communities at the heart of the solutions. The revised strategy reaffirms us, guides us, and sharpens our ambition into practical action.

This coming year we are asked to be Pilgrims of Hope as we look ahead to the Year of Jubilee in 2025. Despite the many challenges we face around the world and at home, we are filled with determination, knowing that together as a global Catholic family, we can see our common home transformed so that both people and planet have the chance to flourish. As Pope Francis reminded us in his recent encyclical 'Laudato Deum', to say "there is nothing to hope for... would mean exposing humanity, especially the poorest, to the worst impacts of climate change" (#54).

***We dare to hope for the transformation of our common home.
Thank you for choosing to stand alongside us and our partners, and
for putting your faith into action with CAFOD.***

With deepest gratitude and prayers,

+ Stephen Wright

Right Reverend Stephen Wright

Christine Allen

Christine Allen





We celebrate and remember
Colleagues who have passed

Helen Gregory

We celebrate and remember our colleague Helen Gregory who passed away in 2024. Helen was a valued member of the IT Department in London and an active and fearless ally.

A keen musicologist and music fan, Helen's passing is still felt by all who knew this kind, thoughtful and knowledgeable person.

Nyika Musiyazwiriyo

We celebrate and remember our colleague Nyika, South Sudan Country Representative, who passed away in May 2023. In all his work, Nyika built and nurtured relationships, acting as a friend and mentor. He touched the lives of so many in all his time with CAFOD and sister agencies in the many countries of Africa he worked in.

We also remember the many CAFOD partners and supporters who have died during the year. Their names are kept in the CAFOD Book of Remembrance, and we remember them with gratitude and fondness.

CAFOD's vision, mission and values

CAFOD is the official aid agency of the Catholic Church in England and Wales and part of Caritas Internationalis. We are an international development organisation that serves, learns from and works alongside people experiencing poverty, regardless of their religion or culture, providing practical support.

Our work is guided by our strategy.

Our vision

Our common home is transformed to reflect the Kingdom of God, with social, economic, political and cultural systems and structures that put 'the last' first, so that all people, communities, and the earth may flourish.

Working in partnership

Guided by Catholic Social Teaching, CAFOD works in partnership with teams of local experts and volunteers. We refer to organisations and people as 'partners' because we see the relationship as one of equals where everyone can learn and grow.

Partners are best placed to listen, understand and respond to the needs of the most marginalised women, men and children.

Through this model, we ensure that vital funds, in the form of grants and other advice and support from CAFOD staff, reach those who need them the most and help to strengthen local organisations for the future.

Our mission

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

- To support people, communities, and our local partners to be artisans of their own destiny.
- To prioritise and work with those who experience poverty and are most vulnerable and excluded, to provide lifesaving support, relieve suffering, and strengthen resilience, in ways that protect and regenerate the environment.
- To challenge and transform the structures and behaviours that drive poverty, vulnerability, inequality, injustice and exclusion, and harm the environment.
- To educate, enable and inspire the diverse Catholic community in England and Wales to act in solidarity for the common good.

We must dare to be different, to point to ideals other than those of this world, testifying to the beauty of generosity, service, purity, perseverance, forgiveness, fidelity to our personal vocation, prayer, the pursuit of justice and the common good, love for the poor, and social friendship.

Pope Francis, 'Christus Vivit', #36

Our values

Our four organisational values, rooted in the Gospel, underpin our day-to-day behaviours, and guide our decision-making.

Hope

Hope transforms despair, feeds love and fuels our work. We are profoundly hopeful, inspired by Scripture, Catholic Social Teaching and the resourcefulness and strength of our supporters, volunteers, local partners and the people and communities we seek to serve. It joins us in confidence with others to act for the common good.

Dignity

The glory of God is reflected in the intrinsic dignity and worth of every person and our collective diversity, yet our world is blighted by poverty, discrimination, and injustice. Together, we seek inclusion and justice for all. We work with people regardless of gender, race, disability, age, ethnicity, nationality, culture, sexual orientation, political or religious belief, recognising the overlapping and interdependent nature (intersectionality) of these social categorisations.

Compassion

Our compassion at the cries of 'the poor' and 'the Earth' is rooted in love and empathy. It compels us to act, to draw near to those in need, and to stand with them as equals. We refuse to accept the suffering of our brothers and sisters or our common home.

Solidarity

We believe in community. We strive to walk alongside others, with a 'preferential option' for 'the poor and oppressed', making their cause our own. We invite others to act in solidarity. We seek to unite in prayer and action for the common good so everyone can be part of and contribute to building their local and global community.

“

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

Pope Francis

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Meera and her newborn baby daughter Marwi are two people reached by CAFOD's programme to support communities after flooding in Pakistan.

Accountability, memberships and standards

CAFOD is accountable to the Catholic community in England and Wales, the partners we work alongside and the people and communities we serve worldwide.

A registered charity in England and Wales, CAFOD reports to the Catholic Bishops' Conference of England and Wales and complies with UK Company Law, Charity Law and Charity Commission regulations. Upholding our values and standards is key; all CAFOD representatives must follow our Code of Conduct which reflects our principles and CAFOD complies with Canon law as well as local and international laws.

CAFOD collaborates with various organisations to enhance our effectiveness and learning. We are proud members of Bond, the Start Network, the Disasters Emergency Committee (DEC) and DEC Cymru, CIDSE, The Climate Coalition, and Stop Climate Chaos Wales. Additionally, we belong to Caritas Internationalis, a global Catholic Church network with a presence in 165 countries, where the local Church often serves as a sole trusted and constant presence, especially in challenging or fragile contexts.

Concerned to operate to high standards, we adhere to Caritas Internationalis' management standards, we are accredited by the Core Humanitarian Standards and the Grand Bargain to ensure effectiveness and accountability in our humanitarian and development work. Internationally, our programmes also adhere to rigorous quality standards to mitigate risks of harm and fraud. Across our initiatives, colleagues continue to carry out screenings against sanctions lists, participating in numerous audits and facilitating partner safeguarding and financial and organisational health check assessments. In the UK, we follow the Fundraising Code of Practice, ensuring that fundraising practices are ethical, transparent, and accountable to the public. We welcome feedback and complaints, providing clear instructions on our website for raising concerns, including anonymous reporting.

CAFOD advocates for changes in the humanitarian system through initiatives like the Charter for Change and is a signatory to the Climate and Environment Charter, striving to reduce our environmental impact and empower locally led responses. Regular audits against these standards ensure accountability and we openly publish significant project evaluations on our website.

Summary of CAFOD's finances

This has been a challenging year with lower levels of income being recorded from both institutional funders and our supporters. The total level of income was £47.9 million, of which £28.6 million (60 per cent) came from the ongoing support of the Catholic community in England and Wales, despite the economic challenges everyone has been facing.

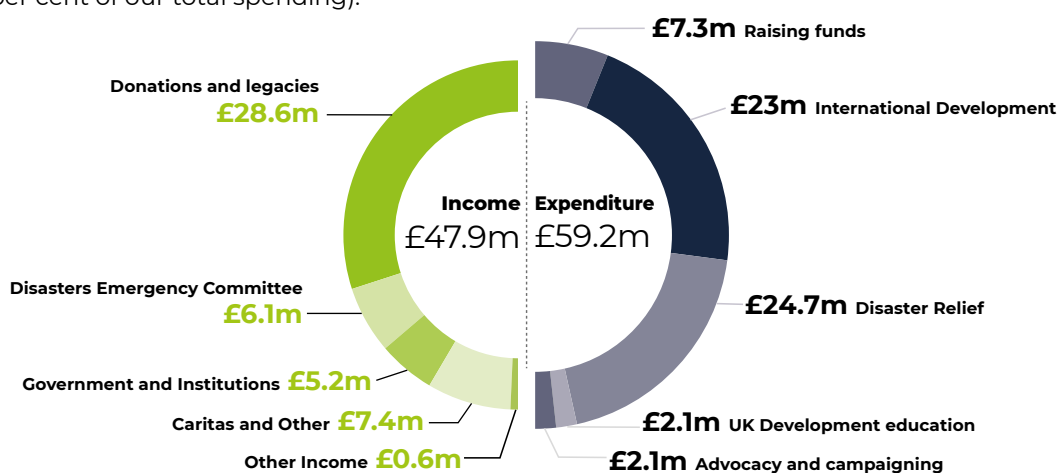
Total income was made up of donations and legacies of £34.7 million and £13.2 million of other income. General and emergency appeal donations included £6.1 million from the Disasters Emergency Committee (DEC). This was some £10 million lower than was received from DEC in the previous year, as there were no new major emergency appeals and less was received from DEC in support of our continuing work in Ukraine, Afghanistan, Pakistan (floods) and Syria-Turkey (earthquake). Also included in that £34.7 million, we were pleased to receive £18.6 million of general donations and £8.5 million from generous legacies, both being lower than the amounts received last year, by £2.1 million and £2.7 million respectively.

We remain appreciative and very respectful of this level of continued support from the Catholic community, during another difficult year with continued pressures on household budgets. Our supporters and volunteers have adapted and continued to expand ways to engage with us and our partners, as some traditional fundraising methods have been replaced by more online giving activities following the pandemic. Regardless of the economic challenges, and the changes in fundraising activities, the commitment of our supporters to their global family has been humbling.

Differences between incoming and outgoing funds in any one financial year are managed by the creation, and subsequent use, of reserves. CAFOD's expenditure this year was higher than the overall income we received. This was planned, in part, as we spend down emergency appeal and other restricted funds that were received last financial year. However, we also experienced lower unrestricted income than we had budgeted to receive this year, and we were able to meet this shortfall from reserves we had set aside from previously higher unrestricted income received, as well as by using some of the contingency reserve that the Trustees set aside for just such a situation, and so we were able to meet all our commitments and continue the important work of our mission.

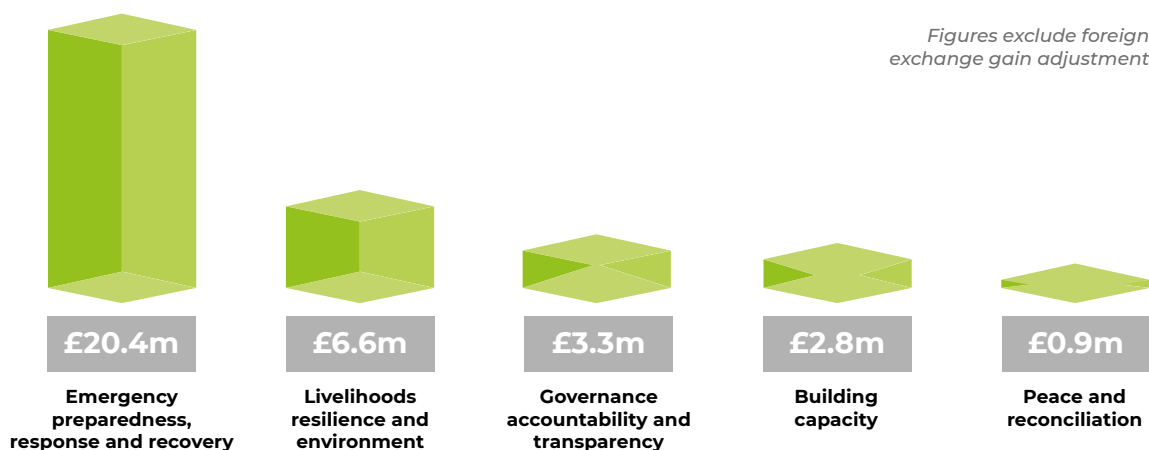
Chart 1: Income / Expenditure

We spent £59.2 million in total; with £7.3 million (12 per cent) on raising income and £51.9 million (88 per cent) on delivery of our mission through charitable activities. Both these figures include allocated support, administration and governance costs of £6.2 million (11 per cent of our total spending).



These resources entrusted to us allowed us to continue to respond to the situations in Ukraine, Syria, Pakistan and Afghanistan, as well as the crisis in Sudan and the Israeli-Palestinian humanitarian need. We also covered a wide and diverse range of issues in many other countries, 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 578 grants to partners, including £1.4 million of programme payments made by CAFOD in direct support of partners for programme activities including emergency responses. This spending on programmes totalled £34.0 million, before foreign exchange and other adjustments, covering these main themes:

Chart 2: Grant Making



Making progress against our commitments

Our work since 2020 has been 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 – come together to support these commitments, this strategy and ultimately, the communities we serve. None of the achievements in this report would have been possible without the hard work, knowledge and commitment of those local communities around the world with whom we stand in solidarity.

By adapting, innovating and collaborating with a greater diversity of people and organisations, we continue to grow and learn as a global community.

We are proud of the impact our acts of faith and love have made together.



As outlined earlier in the letter from our Director and Bishop chair and later in this report, this is the final year in which CAFOD will report against these commitments, before moving to the six goals as outlined in the refreshed Our Common Home strategy which you can see on pages 27 – 30.

“
This vision of ‘might is right’ has engendered immense inequality, injustice and acts of violence against the majority of humanity, since resources end up in the hands of the first comer or the most powerful: the winner takes all. Completely at odds with this model are the ideals of harmony, justice, fraternity and peace as proposed by Jesus.

Pope Francis, 'Laudato Si' #82

”

COMMITMENT 1

Achieving positive impacts for people, communities and the environment

Over the last year, CAFOD has worked closely with its partners and the communities they serve to achieve positive impacts for people and the environment across Africa, Asia, the Middle East, Latin America and Europe.

Our commitment to respond to the interconnected **'cry of the earth, cry of the poor'** recognises that a challenge a community faces doesn't exist in isolation. For example, a community might be living through drought, but this existential challenge could affect how they make a living, who has a say in how water is managed in the community and their rights at a local government level. CAFOD's integrated programmatic approach means that these impacts, wherever possible, are achieved in the same project. By acknowledging the intricate tapestry of every context, our relationships and work can become more equitable, rich and valuable.

This is what Pope Francis calls 'integral ecology'. At its core, this recognises the interconnectedness of issues and calls for sustainable practices that promote harmony between human societies and the natural world.

To respond to Humanitarian Crises, over the course of FY 23-24 £1.19 million was allocated from CAFOD's General Emergency Funds (GEF) across 31 projects and 20 countries. Of these 31 projects, 13 were in Africa, 12 were in Asia & Middle East, five in Latin America & Caribbean and one in Europe. Bangladesh, Colombia, Eritrea, Ethiopia, Guatemala, Myanmar, Nigeria, Occupied Palestinian Territories, South Sudan and Syria all received multiple allocations from the GEF in FY 23-24. In FY 23-24 94% of GEF funds were allocated to countries where CAFOD has one of its 22 Core Programmes. The remaining 6% was used in line with CAFOD's commitment to respond globally where possible to significant humanitarian need.

We had specific CAFOD appeals for:

East Africa
Turkey-Syria
Libya
Pakistan
Afghanistan
Ukraine
Israel-Palestine
Sudan

The short country focus sections in this report aim to show how we put into practice this integral ecology approach in our work, whether it is in long-term development or in responding to humanitarian crises.



Tree planting in the school courtyard with students from local primary and secondary schools in Goma, DRC

Country focus: Nigeria

In Nigeria, CAFOD's partner Justice Development and Peace Commission (JDPC) Diocese of Yola has been working with families in Adamawa State to improve food and livelihood security through training on environmentally sensitive crop production and income generating activities.

To tackle local deforestation and to strengthen livelihoods, JDPC led the training of 50 women to make eco-friendly smart stoves which they are able to sell. The stoves reduce demand for wood for cooking fires, that leads to deforestation. The women have also been learning how to make organic fertiliser and add organic pest control and organic storage techniques to their traditional skills.

As well as ensuring an income, the project tackles deforestation and allows farmers to move away from using chemicals which have damaged soil health and caused erosion and aridity. One participant, Josephine Musa, said that after using these techniques, she and her husband had seen massive results and produced a greater yield than they ever had before.



CAFOD came together as a consortium with Caritas Germany, Catholic Caritas Foundation of Nigeria (CCFN) and Justice Development and Peace Commission (JDPC) Maiduguri in Borno State, Northeast Nigeria. Aisha (left), received two cash transfers through the project.

Country focus: Sri Lanka

In Sri Lanka, partners are trialling a range of organic compost production methods as an alternative to expensive and environmentally destructive chemical farming methods. Interim results are promising, which will provide farmers with the methodologies to enable them to produce affordable, effective, locally produced environmentally friendly fertiliser, in line with agroecology principles, and local sovereignty.



Nissanka working on her land in Sri Lanka.

Country focus: Guatemala

Our Guatemalan partner, Caritas Social Pastoral Outreach Team works to change the narrative with local communities. In the diocese of Verapaz, Caritas Social Pastoral Outreach Team is supporting women from 6 municipalities across the region, to empower them with the skills, tools and knowledge they need to fight back against challenges they might face at home or in society.

Caritas is working with the women to provide psychological, legal and economic support so that women are more aware of their rights, helping them to end the cycle of violence that many of them told us they have experienced.

The women are learning how to access justice and, through leadership workshops, to better understand that they have a voice – that they are able to speak out – and that there are laws in Guatemala to support them if they continue to face gender-based violence.

They have also been supported to set up savings and loans groups together, as well as learning how to improve their family incomes through agricultural production. This training increases self-esteem and furthers the ability of indigenous women to take back control of their own lives.



Indigenous women in Guatemala are learning how to raise livestock (like chickens and pigs) and grow crops in an environmentally friendly way.

Country focus: Ukraine

As the war in Ukraine enters its third year, CAFOD continues to support partners there to respond to immediate needs like food, hygiene and repairing damaged homes, while also addressing the secondary effects of conflict such as unemployment, human trafficking, forced labour, homelessness, as well as mental health and psychosocial support needs. CAFOD's partners Depaul Ukraine, Caritas Ukraine and Caritas Spes are all providing mental health and psychosocial support to adults and children affected by the trauma of displacement, conflict, or trafficking via support centres and with mobile outreach teams.



Thanks to the DEC, people like Ivanna have access to nutritious food baskets in Ukraine.

Country focus: The Democratic Republic of Congo (DRC)

In the face of a humanitarian crisis caused by fighting linked to the resurgence of the M23 armed group in North Kivu, DRC, CAFOD has been working to support people that have had to flee their homes from the Rutshuru, Masisi and Nyiragongo areas. Over 2.6 million people have been displaced since the start of the M23 crisis in March 2022. Hundreds of thousands of them currently live in overcrowded camps in unsanitary conditions and with an acute lack of basic services and commodities such as food, water, healthcare and schooling.

With our partners Caritas Goma, the Anglican Church and the Solidarité Coopérative Agricole du Congo (SOCOAC), CAFOD has been working to provide people in the camps with vital food, sanitation and living supplies that they have told us they need. Workers have been trained in upholding humanitarian standards. Alongside this, a training programme addressing sexual and gender-based violence for the community health workers in the camps was implemented, helping to identify those affected and provide them with the support they need, coupled with community awareness campaigns.



CAFOD is working through local experts in eastern DRC to provide life-saving support for displaced families, including food baskets, mats and blankets.

Country focus: Afghanistan

In Afghanistan, one of the organisations that is a CAFOD partner succeeded in advocating to the authorities to give women tax ID numbers so they can earn a salary and pay tax.

Country focus: Brazil

In Brazil, partners have been successful in campaigning for three social and affordable housing developments which will provide homes for 584 vulnerable families.



Vera, a proud new homeowner in Brazil.

Supporting communities in emergencies

Thanks to the global Church network, CAFOD has been able to support communities effectively and rapidly in emergencies. Local Caritas agencies are embedded in their communities and consequently have an intrinsic understanding of the context and needs. Working with Caritas sister agencies, CAFOD has been able to support people affected by the devastating earthquake in Morocco's Atlas Mountains in September 2023; the refugee crisis in Armenia after people fled from Nagorno Karabakh also in September and to respond to people's immediate needs in Gaza that have worsened since October 2023.

Existing partners in Gaza have been able to provide cash and voucher assistance to people to buy essential supplies, shelter for people who have been displaced and activities for children to offer a semblance of normality in the crisis.



Salina and Mogibor in the paddy field where they grow their rice in Bangladesh.

Interrelated issues

The southern coastal belt of Bangladesh, where much of CAFOD's work in Bangladesh is focused, has an extremely high vulnerability to climate change, including cyclones and tidal surges coupled with environmental degradation through farming practices.

There is a higher number of families living there in extreme poverty compared to other areas of the country. Consequently, it is prone to internal migration of young men who go in search of work, leaving behind the most vulnerable groups including women, children and elderly.

Many families in the region earn a living and feed themselves through farming.

Understanding how food is grown, produced and shared

CAFOD's work in Bangladesh supports 'agroecology', a sustainable approach to agriculture which takes into account all aspects of a food system, including the impact on the environment, resources and livelihood resilience. The approach not only helps to increase food production, but helps to increase household incomes, improve health and regenerate the environment while helping people who most need support to improve their ability to cope with the effects of the climate crisis.

Through the work of our partners in the Patuakhali district in the far south of Bangladesh, we have helped to support 3,000 families (14,000 people) living in poverty, the majority of whom are women who earn very little, landless families or people living with disabilities.

Supporting communities and learning alongside them

The families incorporated agroecology techniques into their farming methods to adapt to climate change. This included growing organic vegetables in and around their homesteads, such as on roofs of houses, on trellises above ground which is highly prone to flooding and on floating vegetable gardens on flooded or waterlogged land.

The families learned techniques such as the production of vermi-compost, which uses earthworms to create an organic compost which can be used for homestead vegetable production and sold to larger scale farmers who use it as an alternative to expensive and environmentally damaging chemical fertiliser.

Many families in the community, thanks to their hard work and support from our partners, have reported 20 per cent increases in their income. This has lifted many above the so-called poverty line which roughly translates as earning less than \$1.90 a day.



Jahangir, inside the Community Seed Wealth Centre in Bangladesh.

Local seeds for local people

A key component of CAFOD's work on agroecology in Bangladesh has been on seeds and the production, preservation and sharing of local seeds for local people. CAFOD's work with the poorest farmers across the world has shown that the privatisation of seeds by large transnational corporations does not benefit the families who need them most and often traps the poorest farmers in debt and a heavy reliance on external inputs. CAFOD, through our work with partners, promotes the production, preservation and sharing of indigenous seeds which in turn promotes agrobiodiversity. Many of the local seeds promoted in CAFOD's work are more able to cope with the changing climate and diseases.

Our local partners have been working to promote the practice of 'Nayakrishi', a biodiversity-based farming methodology that aims to enhance the variety of crops and apply alternatives to the chemical and agricultural methods that characterise industrial food production. The team are working with farmers to develop the principles of biodiversity-conscious farming practices and promote a network of farmers through an annual conference and biodiversity festival. The approach aims to promote mutual learning among farmers, helping collaboration and exchange of seeds and ideas, in times of adverse conditions and crisis.



Salina and Mogibor showing some of their seed collection.

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.

Throughout all CAFOD's work, we seek to listen to, support and amplify the voices of those who too often are ignored. Our partnership approach means we listen to the needs and desires of local communities, we will often offer direct support and strengthening of the capacity of local organisations so they can serve local communities better, and we also stand alongside partners on global platforms such as the global climate negotiations (COP).

Over 2023-24, more than 1.3 million individuals were directly supported by projects run by CAFOD partners. 86% of these partners are local, national or regional organisations.

Feature **World Bank AGM 2023**



Hand in of the signed Salina letters to the World Bank London office.

CAFOD's commitment to amplifying the voices of marginalised women, men and children worldwide was seen in the World Bank Annual Meeting held in Marrakech, Morocco in October 2023. Collaborating with various civil society organisations (CSOs), CAFOD co-organised a session, 'How Can the World Bank Build Long-term Resilience and Equity in the Global Food System?' This session served as a platform to critically examine the World Bank's policies, particularly those on restrictive seed laws and the promotion of modern agriculture practices that adversely affect small-scale farmers and biodiversity.

During the session, one of our partners shared a story about a farmers' movement in Bangladesh. Farida Akhter, from our partner UBINIG, a policy research partner in Bangladesh, said:

"I spoke about the initiatives of Nayakrishi Andolon, a biodiversity-based farmers' movement in Bangladesh in which women are taking the lead in preserving the local varieties of seeds and enhancing diversity through sharing and exchanging among farmers. I also spoke about Salina Begum, a Nayakrishi farmer who is preserving seeds and has earned self-sufficiency in her family and in the community."



Hand in of the signed Salina letters to the World Bank London office.

During the World Bank Annual meetings 2024 Ms Akhter also handed over a letter from Salina Begum to the Director of Agriculture and Food at the World Bank. This letter, which urged the World Bank to protect the rights of small-scale farmers to freely use their own varieties of seeds, was supported by 18 bishops and 70,000 other Catholics from 764 parishes in England and Wales.

"...I support CAFOD's Fix the Food System campaign because it's highlighting the situation that small-scale farmers around the world are increasingly finding themselves in. Caught in a huge power imbalance with large agribusiness, even their rights to their own seeds passed down from generation to generation are being threatened. This can't be right, and I urge parishes in England and Wales to sign small scale farmer Salina's letter to the World Bank, as I have done, to call for change so they have the choice. This is a very simple and important activity..."

Bishop Tom Neylon from Liverpool Archdiocese

Ms Akhter also visited the World Bank's Executive Director for Bangladesh, Bhutan, India and Sri Lanka and agreed that she would write him a letter about concerns for seed sovereignty that he will present to the government in Bangladesh.

In addition to this, Ms Akhter also spoke at a workshop co-organised by CAFOD, the Peasants Movement of the Philippines and Ibon International at a grassroots Counter Summit that took place parallel to the World Bank annual meetings. This was an opportunity for other small scale farmers' groups and land rights campaigners to learn more about UBINIG's work.

CAFOD produced a report, 'Sowing Seeds of poverty,' which presents evidence of the negative consequences of the World Bank's approach to seeds and illustrates alternatives to this approach by featuring the work of our partners in Bolivia, CENDA, as well as the work of the Commission of João Pessoa in Brazil.





Farida, Director of UBINIG, a policy and research organisation visiting Salina's village on her return from Marrakech, Morocco where the World Bank's Annual Meetings were taking place.

Sharing success together

Upon returning from the World Bank meetings, CAFOD's partner continued its support for grassroots initiatives by visiting communities like Gorasin village in Bangladesh, where Salina Begum and other Nayakrishi farmers live.

The joyous reception from the people and expressions of gratitude from the community underscored the significance of international support in recognition of their hard work and commitment to securing a better future for themselves and the environment.

Salina's acknowledgment of the collective effort made by everyone – farmers in Bangladesh, CAFOD's partners and Catholics in England and Wales – and her call to action for seed preservation resonated deeply with the community members.

Salina shared this message that recognises the values of togetherness, community, sharing and solidarity:



"It is a pleasant surprise to me and my community that there can be so much support from people in other countries. I am a farmer. What I have done is keep seeds, grow crops in different seasons and share with neighbours and relatives."

"I cannot be happy alone. I have to share the happiness with others."

Salina Begum



In Sierra Leone, women are taking control of their finances and planning for annual expenditure with support from a Village Savings and Loans Association (VSLA) project.

Through CAFOD's local partner, the Women and Girls FIRST (Financial Inclusion and Resilience Strengthening) project aims to strengthen resilience and improve financial inclusion among rural communities in Sierra Leone. The project uses an integrated approach, including influencing financial institutions and other powerholders to promote an enabling environment for women's and girls' financial inclusion.

CAFOD's baseline of the Women and Girls FIRST project showed very low rates of access to formal financial services. Only 11.5 per cent of surveyed community members used any type of formal financial products such as bank accounts and digital financial services. **Overall, women were almost three times less likely to use financial products than men.** This is due to cultural barriers, as well as discriminatory financial service policies – for example ID requirements for bank accounts – that restrict access to financial services for women and vulnerable groups.

Improving financial inclusion, through expanding informal financial services as well as improving access to formal financial products, has the potential to sustain economic empowerment of vulnerable groups, including women and girls. Over the past year, the focus has been on building an enabling environment that contributes to a level playing field for communities and their powerholders. The view is that once communities are informed, they are better able to independently articulate issues that affect them and raise their voices with respective powerholders.

The project established community groups and Village Saving and Loans Associations (VSLAs). 250 VSLA groups are being supported through the project and have received refresher training, including on management of social funds and income-generating activities. Women entrepreneurs are also being supported through training and business grants.

The 500 'Financial Champions' selected from the VSLAs, (one female and one male for each VSLA) have had training on financial inclusion and business development, and 50 (so far) have been trained as Mobile Money and Banking Agents for their communities. The 500 Financial Champions can now play a role in sharing the issues affecting them with the financial service providers.

Over the year, nine community forum sessions were held, engaging Community Banks (CBs), Financial Services Associations (FSAs) and Micro Finance Institutions (MFIs). Communities, through the Financial Champions, spoke about the challenges related to stringent requirements for opening accounts, low liquidity at the CBs and FSAs, and accessing loan products that meet their needs. They also demanded financial products that are user-driven, instead of the usual way where financial service providers dictated the type of products on offer. This participatory engagement of women with financial institutions had never happened before in these communities, and there was commitment from the financial service providers to address the challenges that women face.

Through regular airing of jingles and dramas over community radio stations, and weekly adult numeracy and literacy lessons, the project continuously disseminates necessary information about financial literacy and inclusion and encourages communities to make their voices heard.

Also, 50 Adolescent Girls VSLAs were established, with a total of 1,250 members who have been trained by project staff and are being mentored by the local female entrepreneurs. They have identified the challenges they face and have proposed solutions, and many are now running successful small-scale income generating activities, including gardening, selling food and baking.

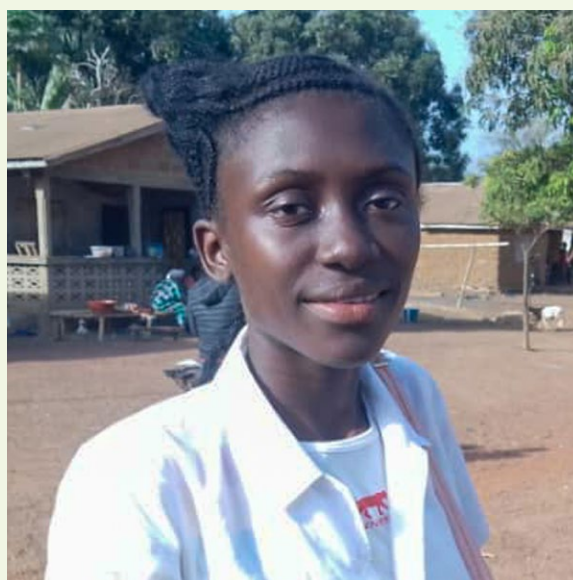
Reviving my Grandmother's Business

By Fatmata B. Turay

Kambia District Development and Rehabilitation Organization (KADDRO)

"My name is Yeabu. This is my story. I just turned 16 and I am the second of 7 children. Yes, I have six siblings: four sisters and two annoying brothers. I am in Third Year of Secondary School and I am passionate about education and wish to become a professional nurse and be or service to my community.

"I presently live with my old grandmother. I asked my parents to come stay with her so I will be supporting her with the household chores - and that makes me happy!"



Yeabu is 1 of 25 girls selected in Bassia Bundu village in the Women and Girls FIRST project to participate in the adolescent girls Village Savings and Loans Association (VSLA) pilot, implemented by KADDRO. She is such an inspiration to her peers in the VSLA. Upon onboarding into the project, the girls were given basic training on the VSLA methodology and given a grant of 5,000 Leones per group to use as a revolving loan among group members to embark on small scale business and support their contribution during the weekly VSLA savings meeting.



Yeabu bakes bread to sell.



"I received 200 Leones from the 5,000 Leones our group received from the project and started baking and selling bread, as I had mastered the act of bread baking from my grandmother as that was her trade. She however stopped the business two years ago due to her poor health and I took the opportunity to revive the business.

"I am sure my decision to revive the bread baking business makes her proud as I saw the smile on her face when I started a few months ago. The business has been good, and I have increased my VSLA contribution from two to four shares per week, and just last week I bought a science textbook which I have been wanting for the past year.

"With the mentorship support we are now receiving from our (local female entrepreneur) role model, I am sure of attaining my dream of becoming a passionate nurse and can perhaps set up a well-structured bakery and name it after my grandmother."

COMMITMENT 3

Creating a culture of encounter for transformative change

We are committed to fostering a culture of encounter for transformative change. Solidarity and respectful relationships are key to how we help bring about a more just and equal world. These values are fundamental to our engagement with the Catholic community of England and Wales, amongst CAFOD staff and volunteers as well as with communities around the world. Whether it be forging impactful partnerships with diaspora Catholic communities, implementing the work needed to progress as an anti-racist organisation, or creating a safe and inclusive working culture, we are on a journey and we are committed to the work needed to make progress.

In 2022 CAFOD conceived its Anti-Racism Action Plan to ensure sustained action and measurements in achieving our vision. The Anti-Racism action plan focuses on four key principles that are mentioned in this section below, including; **promoting local leadership, engaging the diverse Catholic community of England and Wales, ensuring anti-racist external communications, voice and agency and, internally, ensuring a safe and inclusive work culture.** This plan is owned by CAFOD's executive team. In 2023, the Racial Justice Reference Group (RJRG) made up of diverse external experts was formed to provide guidance and constructive challenge that supports the Executive team in implementation of the plan.

Be servants... of the culture of encounter! I would like you to be almost obsessed about this. Be so without being presumptuous, imposing 'our truths', but rather be guided by the humble yet joyful certainty of those who have been found, touched and transformed by the Truth who is Christ, ever to be proclaimed.

Pope Francis, World Youth Day, July 2013

Culture of Encounter Country Focus – Brazil

The COVID-19 pandemic worsened social issues in Piauí – Brazil, increasing hunger and reducing family income. Cáritas Brasileira, Caritas Regional Piauí, diocesan Caritas, and CAFOD developed a project to support 450 families (1,350 people) through emergency distribution of food baskets to meet basic needs and strengthen rural family livelihoods, including supporting animal husbandry, vegetable gardening and irrigation infrastructure, in remote areas of Curimatá and Morro Cabeça do Tempo in Piauí state. Sustainability of production initiatives was strengthened by involving families directly in project design, which included the creation of a voluntary rotating fund by the farming families.

Households were selected in collaboration with local committees. This included collaboration with parish members, unions, local government and farmers' associations, to ensure a transparent, accurate identification of the most vulnerable families.



Lourdes and Luiz with their freshly harvested parsley.

CAFOD partners are supporting landless and vulnerable farmers to produce diverse and better quality food in harmony with the environment.

Clare Dixon



We celebrate and remember the immeasurable contributions to justice, peace and international development made by Clare Dixon, who retired from CAFOD in 2024.

Her tireless work as the head of the Latin America team, championing the cause of people experiencing poverty, marginalisation and oppression, has been and continues to be an inspiration to us all.

What Clare gave to CAFOD, and her dedication to working alongside oppressed people in Latin America and worldwide, will have a lasting impact.

Our commitment to diaspora communities

As we reflect on our collaborative efforts, CAFOD remains steadfast in deepening engagement with diaspora Catholic communities in fundraising, campaign work and schools. **For the coming year, we will continue on a journey of partnership and collaboration guided by our shared values of justice, compassion and solidarity.**

Online and face-to-face events with our diverse Catholic community of England and Wales

This year has seen many opportunities to meet, listen and celebrate with Catholic diaspora, whether that be through international celebration gatherings in Northampton diocese, joining in the monthly Africa Mass celebration in Hallam Diocese or listening and working alongside active networks in parishes such as those in Basingstoke, Peckham, Cardiff and Preston. Our CAFOD Webinar series has been a great space to welcome guests and respected speakers. We are grateful to those who have shared their expertise and lived experience including:

- UK MasterChef semi-finalist Olayemi Adelekan, who prompted a very positive response from the wider Nigerian community.
- Sierra Leonean chef Maria Bradford, who also proved extremely popular.
- 'Nollywood' and Netflix filmmaker, Obi Emelonde and the screening of his film, The Oratory.

Speakers planned for the coming year are José Hendo, a Ugandan barkcloth sustainable fashion designer and artist, and Msanii Kimani, a social justice campaigner through comic illustration.



Parishioners attend Mass in Birmingham and celebrate International Mass and CAFOD's LiveSimply award in Northumberland, United Kingdom.

Assessment of our communications

Two of the significant steps for our African diaspora work this year have been in communications and research. The first step is the African diaspora reference group engaging and appraising our communications.

The second is the qualitative research supported by Professor Stephen Bullivant and St Mary's University to highlight how various diaspora networks connect with international concerns, connect with CAFOD and experience parish and faith community life. The strength of Catholic diaspora networks in leading and contributing to a fairer world has shone out, as have the barriers which prevent people and networks playing a rightful part in issues of global justice.



Parishioners sign a CAFOD 'Fix the Food System' petition during Sunday Mass at a Hounslow Parish.

COMMITMENT 4

Transforming ourselves to better deliver our mission

Our ecological conversion

The journey of transformation we embarked on with the launch of Our Common Home in 2020 advocates for change in others, but equally it calls for us to undergo our own 'ecological conversion' as individuals and as an organisation. By transforming ourselves, we aim to lead by example, inspiring others to join us in taking meaningful action. Throughout this year a number of changes have been implemented which improve CAFOD's work and focus, helping to bring about the transformation we seek.

Areas of transformation

Planning and budget allocation

We completed the transition to Core Programme Strategies and held our first 'Annual Review and Adaptation Process', a crucial element of our Integral Ecology Programme Model. The process allows teams to reflect on past learnings, discern changes in communities and partners' contexts and adapt our approaches accordingly.

Our new approach to budgeting will see amounts allocated based on new strategies rather than historical commitments. We set indicative grant budgets for years two and three as initial steps towards longer term funding trajectories.

Technology

The adoption of new digital forms has seen improvements in data capture and analysis. We also used data visualisation software to develop reports and dashboards, enabling improved oversight and interrogation of data across various areas of work such as income, supporter engagement, activity budgets, procurements and programmatic data.

Environmental stewardship

We continued to improve our carbon footprint through various initiatives. Alongside our efforts to reduce our own emissions, we agreed to develop an approach to 'carbon insetting' (as distinct from 'offsetting') – where we make additional investment in our own development projects that make positive environmental contributions, reforestation or community-based renewable energy initiatives, for example.



An integral ecology is inseparable from the notion of the common good... the sum of those conditions of social life which allow social groups and their individual members relatively thorough and ready access to their own fulfilment... The notion of the common good also extends to future generations.

Pope Francis, 'Laudato Si' #156 – 159



Country focus: Zimbabwe

In early 2024, solar panels were successfully installed on the roof of CAFOD's Harare office. The panels and batteries provide 95 per cent of the office's energy during the working day, as well as powering the borehole and staff quarters. The return on this investment is expected in as little as six years.



CAFOD is committed to reducing its own carbon footprint to reduce its impact on our common home. Further information on this can be found later in this report, in the Environmental Stewardship Update 2023/24 section (see page 46).

Anti-racism, equity, diversity and inclusion

CAFOD continues with our commitment in becoming an anti-racist organisation. In June 2023 we launched the first meeting of the Racial Justice Reference group. This group, made up of external experts in the international development and diversity and inclusion space help provide challenge and insights for CAFOD on the performance and delivery of our anti-racist action plan and broader transformative inclusion initiatives. In addition to this, CAFOD has facilitated staff reflection and discussion spaces to consider these concepts and better understand how to put inclusion into practice in our own behaviours.



Pastoralists participate in CAFOD's project for women's empowerment in the Borena zone, southern Ethiopia.

Organisational strategy review

We undertook a reflection on the progress of Our Common Home to date. This allowed us to assess our progress and also look at what we still need to do to build the organisation, partnerships and influence that can deliver on our ambitions. The overall direction and strategic ambitions of Our Common Home have not changed. We sought emphasis and clarity in certain areas. For example, we:

- Improved explanation of Integral Ecology as an overarching lens for our four commitments.
- Emphasised the voices and needs of the communities we serve.
- Articulated our intent to become an inclusive and anti-racist organisation. We can see this in our behaviour as well as the way we communicate about the women, men and children in the communities we work alongside and the work we do through our partners.
- Sharpened our focus - most notably by deleting the original ten Change Statements and incorporating what we need of them into six new Goals.

The review also sparked the development of an accompanying 'Performance Framework'. This is a more structured approach to understand our progress and support continual improvement. It captures group-level plans against our goals, with three- to five-year outcomes and key actions and includes metrics and tools for monitoring performance. A summary of this can be found in the 'Looking Ahead' section of this report (see pages 27-30).

Looking ahead

The revision of Our Common Home identified the following six Goals that will form the basis of our strategy for the next three to five years.

GOAL 1 Transformative inclusion

Removing barriers to inclusion and prioritising the perspectives and needs of the most vulnerable and excluded people is essential for creating a more just, equitable and fairer world.

In support of this goal, together we will:

- Embed our programme quality approach which prioritises community inclusion and safety.
- Enhance our monitoring and evaluation processes to enable us to better understand and address the needs of vulnerable groups.
- Deepen our understanding of our partner portfolio and cultivate a diverse partner and supporter network to ensure a range of perspectives to help us drive meaningful change.
- Infuse our communications with the principles of equity, inclusion and anti-racism and authentically represent the diversity and expertise within our partnerships and the communities we serve.
- Establish a safe, inclusive workplace that empowers individuals and removes barriers to progression.

GOAL 2 Local leadership

Supporting partner organisations in their efforts to lead on advocacy for, and in response to, the needs of their communities. This is fundamental for sustainable development, resilience and transformative change.

In support of this goal, together we will:

- Boost partners' financial resilience by identifying opportunities for direct access to institutional funders and develop innovative funding opportunities for partner projects.
- Develop partner capacity plans where needed with a focus on programme quality and institutional capacity strengthening.
- Facilitate direct access for partners to advocate with decision-makers at international and UK levels, amplifying their voices.



Bill leads a safety-at-sea training session in Liberia.

GOAL 3 Inspiring communities

Raising awareness of the interconnected social and environmental crisis is integral to our mission, as is inspiring and mobilising the Catholic community in England and Wales to take sustained individual and collective action.

In support of this goal, together we will:

- Harness opportunities arising from our upcoming brand refresh, the potential of the Catholic Jubilee in 2025 and improvements in our use of data to raise awareness of CAFOD and inspire participation with us.
- Engage families in England and Wales, demonstrating how CAFOD is a way for them to live out their faith through prayer, giving and campaigning.
- Foster relationships with younger and more diverse audiences.



Roxinne, who volunteers in the Diocese of Northampton, gives a short talk during Mass.

GOAL 4 Influencing change

Leveraging the power of partnerships with communities, supporters and wider civil society is crucial to enhancing our ability to influence systemic and structural change at local, national and international levels. We will focus on building relationships and influencing policy processes and outcomes in areas where we are likely to have most impact.

In support of this goal, together we will:

- Nurture robust relationships with UK government and parliamentary representatives to facilitate effective advocacy.
- Lead or accompany partners to influence relevant stakeholders on specific initiatives of mutual interest at UK and International levels, for example on climate justice, human rights or fairness in the food system.
- Address structural racism within policy areas, public debate and the aid sector.



Left: Campaigners take part in the 'No more fossil fuels' pilgrimage in London, United Kingdom.

Above: Supporters from around the United Kingdom meet their local MPs at the Houses of Parliament to call for action.

GOAL 5 Integrated programming

An integrated approach to programming a more holistic, effective and sustainable way of addressing the complex challenges communities face.

In support of this goal, together we will:

- Continue with:
 - implementing an integrated funding strategy
 - strengthening influencing and advocacy within and across core programmes
 - development of Monitoring, Evaluation and Learning (MEL) plans
 - embedding our programme quality approach.
- Use learning to inform decisions, with a focus on utilising baseline data on gender sensitivity and environmental awareness in projects.
- Look at greater alignment on gender and environmental ambitions in programmes.
- Use evidence from the Annual Review and adaptation findings to develop thematic outputs.

GOAL 6 Our organisation

Our aim is to optimise our operating models and ways of working to reflect our goals and values, ensure financial sustainability, achieve outcomes and be accountable to all stakeholders. This will be in alignment with our current resources and the financial context.

We will undertake a variety of actions:

- Environmental stewardship – we will continue to aim for a reduction in air travel as well as develop our ‘carbon insetting’ approach whereby projects that make positive environmental contributions may receive additional investment.
- Technological enablement – we aim to improve use of data and digital platforms to improve supporters’ experience of giving, praying and acting with us. Internally, we will improve efficiency through automated processes of tasks such as income and expense processing.
- Financial sustainability – central to our approach is integrating insights from various sources and improved visibility of data in support of targeted fundraising, well-informed grant allocations and ease of expenditure monitoring.
- Accountability and continuous improvement – we will have a better overview of partner capacity, so we can better target support. We will strengthen monitoring and evaluating in our international programme to better achieve and demonstrate impact and affirm supporter contributions. We will also look at our own internal performance, strengthening our learning and development practices as well as our performance management approach.



James has been involved in a CAFOD funded fishing project in Liberia. He learnt how to use a GPS fish finder, how to preserve fish for longer and how to stay safe at sea.

Trustee risk management statement

Risks are factors that could stop us from achieving our plans or goals; they can be financial, political, regulatory, governance or operational. Working to eradicate poverty is naturally risky, especially in fragile or conflict-affected areas or when addressing difficult or controversial issues. While we try to limit risk, we can't prevent all events from occurring. That is why we have actions and controls in place to reduce negative impacts. Identifying and addressing the most significant risks helps reduce the possibility of financial loss or damage to CAFOD's reputation and ensures efficient use of resources. We pay particular attention to risks that would have the highest impact on CAFOD, if they came about.

Our risk management is proactive, identifying and assessing key risks beforehand. It is integrated into all our work, planning and decision-making processes. Staff collaborate with partners and trustees to identify risks and develop mitigation strategies. We also support communities in preparing for emergencies with tailored risk assessments and workshops.

At the organisational level, trustees review CAFOD's risk register at least annually, ensuring significant risks are managed properly. The Finance, Legal, Audit and Risk (FLAR) committee meets quarterly to review reports and operational risk registers, providing evidence that management have identified risks and put relevant controls in place. We have crisis management protocols and report serious incidents externally when needed. Trustees review serious incidents quarterly for oversight and learning. Publishing CAFOD's process and approach to risk management and key risks is an important element of transparent and accountable governance. CAFOD's Trustees review and approve the updated risk management approach every three years, so ensuring appropriate systems and processes are in place to manage risks.

CAFOD principal risks and uncertainties

At CAFOD we are dedicated to alleviating poverty and promoting social justice worldwide. However, we recognise that our mission is not without its challenges. In this section, we outline the key organisational risks facing CAFOD and the mitigation measures we have put in place to address them:

RISK	MITIGATION
Integral Ecology Programme delivery and impact	
Our Integral Ecology Programme approach and the support we provide to partners must address the evolving needs of vulnerable communities while effectively demonstrating impact amidst increasingly complex socio-environmental challenges. There is a risk we do not adapt sufficiently, and we do not achieve or demonstrate the impact we want.	CAFOD commits to a continual refinement of its programme model, ensuring that it remains responsive to community needs. This involves rigorous alignment with strategic objectives, enhancing data collection, evidencing, evaluation and learning processes, conducting regular programme reviews, resourcing robust capacity strengthening / accompaniment for our partners and maintaining transparent reporting mechanisms to stakeholders. These measures aim to ensure that CAFOD's programmes effectively address the interconnected challenges of poverty and environmental degradation while demonstrating tangible impact at the community level.

RISK**MITIGATION****Navigating economic uncertainties and global challenges**

Economic uncertainties, together with increasing geopolitical conflicts and climate change, pose challenges to income stability at a time of increasing need and complexity. This poses risks to CAFOD's financial sustainability as well as disruption to mission delivery in affected regions.

CAFOD collaborates proactively with donors and partners to address economic challenges and adapts its programming to respond to emerging needs and challenges, as well as working collaboratively across its teams responsible for fundraising and contract management. CAFOD maintains contingency reserves and closely monitors income and expenditure to identify potential financial risks and proactively rebalance spending commitments with available income streams. These measures aim to ensure that CAFOD remains resilient in the face of economic uncertainties and global challenges, continuing its programme delivery without disruption, and maximising impact for vulnerable communities worldwide.

Living up to our ethical imperatives

CAFOD must be seen to uphold ethical commitments, such as supporting local leadership, agency and voice, speaking out in true witness against injustices and care for the environment in supporting the most vulnerable who are facing poverty or insecurity. Failure to do this consistently will lead to reputational and funding risks.

We have strengthened decision-making frameworks and foster collaboration among internal stakeholders to ensure that our actions align with organisational values. We carefully balance advocacy risks with partner safety, implement crisis preparedness measures and embed environmental stewardship principles into all organisational practices. We foster a culture of encounter to surface issues of discrimination and power imbalance and promote a safe and inclusive working culture internally and with our external stakeholders. These measures aim to preserve CAFOD's reputation as an ethical and trustworthy organisation, committed to promoting social justice and environmental sustainability.

Potential harm to those CAFOD works with or for

The complex situations in which we work and the vulnerability of those supported in CAFOD's programmes heighten the importance of maintaining safe and secure environments, with safeguarding, physical security and fraud related incidents having the potential to harm individuals and communities and undermine organisational credibility.

CAFOD continues to invest in safeguarding expertise and provides comprehensive staff training and awareness initiatives. It implements Safe, Accessible, Dignified and Inclusive (SADI) practices in all its programmes, establishes robust reporting and investigation protocols for safeguarding incidents and ensures ongoing trustee oversight of safeguarding practices. These measures aim to create safe and inclusive environments for all participants while upholding CAFOD's commitment to safeguarding and accountability. Similarly, staff training, risk awareness, reporting mechanisms, investigation protocols and trustee oversight are in place for all matters related to physical security, health and safety and financial and ethical integrity.

Responding to shifting societal dynamics

CAFOD must effectively engage with evolving audience demographics, particularly in relation to younger and more diverse Catholic communities. Without responsiveness and adaptation there is a risk of diminished participation and support.

CAFOD adopts an agile approach to engagement, developing targeted outreach strategies and investing in digital engagement initiatives and supporter relationships in the longer term. It actively solicits feedback from its audiences, evaluates engagement strategies regularly, and adjusts resource allocation to prioritise initiatives that resonate most strongly with target demographics. These measures aim to ensure that CAFOD remains relevant and effective in engaging with diverse audiences and fostering meaningful connections with supporters in England and Wales and those further afield.

Looking ahead, we recognise that we may face additional challenges that emerge as significant, either from internal resourcing or capacity constraints, new technological risks, emerging issues in the sector or greater levels of geopolitical or climatic disruption.

By implementing proactive risk management strategies and mitigation measures, we are confident in our ability to navigate these challenges effectively and continue to meet our commitments to make a positive impact on the lives of vulnerable communities worldwide.

Financial review

Our total income in 2023/24 was £47.9 million, which is £20 million (29 per cent) lower than the record high of £67.9 million for us last year. That exceptional result in 2022/23 was nearly 35 per cent higher than the previous year and was particularly boosted by receiving £16.0 million through being a member of the Disasters Emergency Committee (DEC), mostly in support of our Ukraine response. There were no new major emergency appeals in 2023/24, and the income from DEC was £6.1 million, nearly £10 million lower, and appeal income from supporters was nearly £4 million lower, explaining much of the reduction from last year.

As in every year, the majority of our income comes from the loyal and very generous support from the Catholic community of England and Wales. We received £27.1 million (compared to £31.9 million in 2022/23) in general donations and legacies from those supporters, in addition to another £1.5 million from supporters (compared to £5.5 million in 2022/23) in continued response to existing emergency appeals, a total of £28.6 million (60 per cent of total income).

Our legacy income at £8.5 million was lower by £2.7 million than the amount received in 2022/23. Legacy income had been impacted by administrative backlogs and delays in processing at the probate services and at HMRC in relation to inheritance tax matters. Our general donations from supporters, at £18.6 million, was £2.1 million lower than last year. This is now reflecting the fact that the UK cost-of-living situation is affecting our individual supporters, parishes are still rebuilding their offline fundraising activities and both schools and parishes are also impacted by the UK economic realities.

Income from all other sources was also £1.3 million below last year, at £13.2 million, which did include higher interest income and income from providing office space to other charities. This was a reasonable outcome given the challenging environment for securing institutional funding.

The previous financial year was impacted by multiple major emergency appeals. The total emergency appeal income that year, at £21.5 million, was significantly above expectations and resulted in the near doubling in our spending on disaster relief in 2022/23 compared to the year before that. The reverse is true in 2023/24, with total emergency appeal income at £7.6 million, more in line with earlier years. This income funded ongoing work on existing appeals and smaller 'hidden' emergencies, but there were no major new appeals. The £1.5 million from our supporters included initial support in the Israeli-Palestinian Crisis (£0.7 million), further support to the Ukraine appeal (£0.2 million) carrying over from 2021/22, the Syria-Turkey Earthquake appeal (£0.3 million) which occurred in February 2023 and the Libya flooding (£0.2 million). This was in addition to £6.1 million which we received through being a member of the DEC (in support of our Ukraine (£2.6 million), Pakistan Floods (£0.8 million) and Syria-Turkey Earthquake (£2.1 million) appeal responses), in addition to a final allocation of funds to support the Afghanistan crisis response from 2021 (£0.6 million).

Our other institutional income, of £12.6 million (compared to £14.2 million in 2022/23), was raised from Caritas and other Catholic agencies £7.4 million (£8.8 million 2022/23), other governments £1.5 million (£3.0 million 2022/23) and all other institutional donors £3.7 million (£2.4 million 2022/23). Income from other governments reduced, reflecting the high level of competition in this area. The increase in income from other institutional donors was positive and is a result of an active strategy to diversify institutional funding sources. Finally, our total income in 2023/24 includes £0.6 million of other income (£0.3 million 2022/23).

Despite receiving lower income, we have continued to spend down restricted reserves to ensure that appeal and other restricted income is spent as soon as practicable in line with supporter and donor intentions. We have spent a total of £59.2 million in 2023/24 (£66.3 million 2022/23).

Within this total, we spent £23.0 million on international development (£23.1 million 2022/23) and £24.7 million (£32.2 million 2022/23) on disaster relief, reflecting the fact that last year was exceptional because there were several concurrent major emergencies. A total of £4.2 million (£4.1 million 2022/23) was spent on advocacy and campaigning and UK development education, with £7.3 million on raising funds, (£6.8 million 2022/23). This fundraising represented 12 per cent of our total spending in 2023/24, which is a lower proportion than in many comparable organisations. CAFOD has continued its 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.

Our total expenditure was below our income in 2022/23, leading to an increase in programmatic reserves in hand for our emergency responses in 2023/24. In 2023/24, we have seen expenditure exceed income, as our programmatic development work and those emergency responses have continued to be delivered, with no new major appeals to bring in a significant amount of new income.

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 578 grants to our partners (totalling £33.9 million after foreign currency exchange and other adjustments), including £1.4 million in other payments in direct support of partner programmatic activities. This approach enables us to have a truly global impact. We were able to contribute £14.3 million to support work in over 17 countries within Africa; £16.2 million for work in more than 14 countries across Asia, the Middle East and Europe (including Ukraine) and £2.8 million for more than eight countries in Latin America and the Caribbean. A further £0.7 million was spent on grants to support global work including advocacy and UK development education.



Forced to abandon her home due to ongoing violence, Nyamaguar is a mother of five children who recently fled armed conflict. Nyamaguar and her family work on a host farm to earn a living. They access emergency support to help meet their basic needs.

Other external factors affecting financial performance

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 economic situation in the UK, initially brought on by the global impact of the war in Ukraine and worsened by the UK-based additional financial turmoil in September 2022. This resulted in the UK entering into recession in the second half of 2023 from which it emerged at the end of the first quarter of 2024. There has been a protracted cost-of-living crisis since the pandemic and while UK inflation has now fallen back, interest rates remain high, impacting mortgages for many households. This has impacted on the steadfast support from the Catholic community in England and Wales. Unrestricted income from those supporters has fallen behind expectations in 2023/24. Additionally, we have seen significant delays in UK Government run legacy administration processing (HMRC and the Probate Services) which has delayed receipt of legacy income.

CAFOD continues to work within the best practices for fundraising in the UK introduced by the Fundraising Regulator and within the UK General Data Protection Regulations. This has not significantly impacted our fundraising potential and we have been successful with online engagement and digital fundraising activities, while maintaining regulatory compliance. This 'digital first' work continues to be invaluable in enabling us to launch emergency appeals in a timely and effective way and to give new, and a broad range of supporters, ways to engage with and support CAFOD.



Caritas Poland staff and volunteers welcome refugees fleeing Ukraine in the first days of the war.

Unfortunately, the economic challenges and the ongoing rebuilding of parish community activities have impacted on our general supporter income in 2023/24 which reduced by £2.1 million from 2022/23. This was combined with the administrative delays that impacted our legacy income which was also £2.7 million lower than received in the previous year.

The war in Ukraine exacerbated the post pandemic global economic uncertainty and led to immediate inflationary pressure in the UK and globally, and the UK political turmoil in September 2022 only added to this. The current tensions and conflict in Gaza, the ongoing war in Ukraine, the equally devastating effects of the fighting in Sudan and continued climate related challenges to food security in many other areas, that have prevailed during 2023/24, have done nothing to improve the global economic outlook or to reduce the needs to which CAFOD exists to respond.

After the marked fall in the sterling exchange rate in September 2022, sterling ended the year in March 2024 at a relatively strong rate to the US dollar, leading to modest foreign exchange gains that helped to reduce our reported expenditure. However, the longer-term depreciation of sterling 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.

We have not suffered any further significant financial impact of exiting the European Union (EU). Though direct income from the European Civil Protection and Humanitarian Aid Operations (ECHO) is no longer possible and we have seen a reduced level of EU direct income, we have accessed ECHO funding via sister agencies based in Europe and UK International non-governmental organisations (INGOs) do remain eligible for some EU funding instruments. We have, with some success, continued to work on diversifying our institutional income sources, with a higher level of grants received from other institutional funders this financial year and further opportunities are being pursued with smaller Trusts and Foundations. The institutional funding risks and opportunities continue to be closely watched.

Once again, we did not receive funding from the UK Government in 2023/24. Remaining income from past rounds of the FCDO UK Aid Match programme, was fulfilled in 2021/22. None of our last five Lent appeals has benefitted from UK Government matched funding, though we piloted a matching scheme involving individual major donors in March 2024. We continue to pursue other possible funding opportunities with FCDO, including seeking to join new framework agreements and smaller commercial contract awards.

CAFOD has always maintained a contingency reserve to cover the risk of any significant income shortfall due to an adverse UK economic environment or to other new factors emerging in the future. For the first time, this reserve was called upon during 2023/24. The impact of a £6 million shortfall, below our budget expectations, in unrestricted income in 2023/24, (mainly from general donations and legacies), was covered by measures in place, including use of £2.0 million unallocated general reserves in hand at 31 March 2023, management of unrestricted spending to below what was originally budgeted in 2023/24 and the partial use of our contingency reserve (stabilisation fund), being reduced by £2.3 million, from the £7.5 million 'fully funded' position, to the £5.2 million in hand at 31 March 2024. It will be necessary to restore that contingency reserve, when possible, as uncertainty remains over the level of income from individual supporters and legacies, as for many charities.

Financial position and reserves

Each year, the trustees seek to set aside sufficient reserves to ensure a balance between spending to meet the immediate needs of our programmes and protecting our future work. This allows 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 31 March 2024, we held total funds of £13.6 million: £5.2 million general funds, which the trustees considered to constitute our reserves (£5.2 million held as a stabilisation fund and no unallocated reserve); £4.0 million designated by the trustees for specific purposes; £3.6 million restricted funds in hand; and a permanent endowment fund of £0.8 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 on 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 target 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 2024, a stabilisation fund of £5.2 million is available, with no further unallocated general reserves, so that our target level of £6.5 million to £7.5 million for general funds is not being met. Following our reserves policy, the trustees will implement contingency plans to reduce costs and/or stimulate general income, as there are insufficient reserves to meet the minimum target level of £6.5 million in general reserves. We have planned to have a further deficit of unrestricted income over our planned spending on our grants to partners and other operating costs in 2024/25, but trustees may consider adjusting these plans for 2024/25. From the 2025/26 financial year, we would expect to be in a position to start to rebuild the stabilisation fund back towards the £6.5 million lower end of the required range.

We also held £4.0 million designated funds at the balance sheet date: £3.7 million is set aside to fund the fixed assets that are used in our operations and £0.3 million as designated funds, which are already assigned by the trustees to be spent in the next year to complete specific activities.

The reduction of CAFOD's reserves from £9.5 million at 31 March 2023 to £5.2 million at 31 March 2024, was not a planned outcome. The significantly lower levels of general income became apparent in the final two quarters of the year and while general expenditure commitments were reviewed and reduced at that time, the savings were not sufficient to cover the shortfall in income. Therefore, part of the contingency reserve (stabilisation fund) has been used and reduced from £7.5 million to £5.2 million. However, having reviewed the financial position and 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. We continue to ensure 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 had taken the opportunity in 2022/23 to review and reduce the level of contingency reserve (stabilisation fund) we needed to hold so that we could increase the funds we make available to advance our mission. We will ensure that contingency plans are in place to both reduce costs and stimulate general income, with the intention of restoring the stabilisation fund to the required minimum level at the earliest prudent opportunity. 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 recently refreshed 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, while remaining in a secure position by avoiding significant risk to 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, whilst also prioritising and maintaining our ethical standards. We are actively engaging with institutions who provide us with essential financial services, but whose standards do not fully meet our own.

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 seek 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.

Our investment policy is reviewed by the Finance, Legal, Audit and Risk Committee (FLAR), acting as an investment sub-committee, and is approved by the trustees annually. The FLAR, 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 Articles of Association, and our 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 of Member trustees and a wider group of trustees. 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 Articles of Association. The appointment of Member trustees must be ratified by the Standing Committee of the Bishops' Conference of England and Wales. 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), receiving support from external advisors. The Governance oversight now sits with the Governance lead trustee after the Governance Committee was disestablished in March 2022.

The CAFOD Board of Trustees aims to reflect the diversity of the Catholic community in England and Wales while ensuring the presence of required skills and competencies. Trustees are recruited through an open process, in line with the schedule of terms of office. Trustees serve voluntarily and do not receive personal benefits from CAFOD. Trustees undertake a thorough induction with training and support to fulfil their duties. They have considered the legal obligation to demonstrate how CAFOD's activities provide public benefit. Trustees have acknowledged and carefully considered all relevant statutory guidance from the Charity Commission regarding CAFOD's mission and in this report, have highlighted examples of CAFOD's activities that demonstrate how its work aligns with its mission and the significant benefits it provides to:

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

The trust of the Catholic community in CAFOD's integrity and effectiveness matters a great deal to trustees. Account is given of CAFOD's work through a number of communication mechanisms, including e-newsletters, the website, supporter webinars and a supporter magazine, which trustees engage with.

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 has undergone review this financial year since its approval by trustees back in March 2020. Trustees are committed to following the seven principles set out in the Charity Governance code to support CAFOD's good governance practices to better serve our stakeholders and achieve our mission.

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 team to account whilst also creating a supportive environment that models CAFOD's values.

Last year, significant governance events were as follows:

- Trustees continued to support the executive team in aligning CAFOD's work with the goals of Our Common Home in a difficult financial and geopolitical context. Trustees maintained oversight of Our Common Home's progress through quarterly Directors' reports, tracking key programme achievements and concerns, reviewing strategic milestones and monitoring key performance indicators. Trustees received updates on CAFOD's response to the food crisis in the Horn of Africa and East Africa over the year in light of the £1.5 million of available reserves previously allocated to the crisis in March 2023. Trustees also provided feedback throughout the Our Common Home review process and approved in principle the second tranche of a strategic spending plan.
- 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 to ensure good governance, 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. In early 2024, a trustee position was advertised externally to diversify the Board and gain fresh perspectives following the resignation of 'young trustee' Charlotte Bray. The selection process involved submitting a CV, an interview conducted by trustees and executive members and background checks. In acknowledgment of their volunteer role, all trustees have agreed to the CAFOD volunteer code of conduct, GDPR and related policies.
- Trustees continued to engage with the CAFOD Executive on issues affecting staff, meeting with the UK staff union. The trustee for Racial Justice, Equity, Diversity and Inclusion engaged with the newly formed Racial Justice Reference Group that is supporting CAFOD in this anti-racism journey. They will play a key part in informing and helping trustees monitor CAFOD's steps towards racial justice within CAFOD as an organisation, in our wider programmatic work and in our own governance practices.
- Trustees adhere to the Terms of Reference of the Board of Trustees, which will be reviewed later in 2024. This ensures that Board practices are in line with legal expectations, CAFOD's governance document, the 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. Additionally, trustees received specialised training on safeguarding and on equity, diversity and inclusion.
- Trustees often take part in events, meeting CAFOD supporters, staff and partners. This included a trip to Colombia by the Governance trustee lead alongside the CAFOD Director to participate in meetings with stakeholders and experience the work of CAFOD and meet partners.
- Trustees keep a close eye on CAFOD's reputation and act promptly, when necessary, always considering the trust placed in CAFOD by supporters, partners, and communities, as well as the high standards expected of CAFOD.
- All trustees, particularly the Security lead, the Honorary Treasurer, and the Safeguarding lead, played an active role in supervising CAFOD's response to various incidents. They ensured that the Board of Trustees remained informed, that lessons were learnt as needed and facilitated relevant reporting.

Engagement with employees and volunteers

CAFOD could not do its work without its staff and volunteers and trustees consider their needs when making decisions. Some trustees engage in additional voluntary work with CAFOD, outside of their governance role, to better understand the perspective of volunteers. The executive team, led by the Director of CAFOD, handles the day-to-day administration and reports to the trustees. The Director oversees five other executive directors, collectively forming the CAFOD Executive Team. The executive team manages CAFOD and implements decisions made by the trustees, who delegate certain powers to them as outlined in the annually reviewed Scheme of Delegations.

Together with the executive team, trustees aim to raise awareness of organisation-wide issues and the vision outlined in CAFOD's strategic framework, Our Common Home. Staff and volunteers regularly receive governance and financial updates through a bimonthly webinar, which is recorded for those in different time zones. Additionally, the CAFOD Director provides an update to all staff following every Board meeting.

Trustees organise engagement opportunities within board and committee meetings, collaborating with the executive team to communicate decisions effectively. Specialist staff members frequently participate in these meetings, presenting their work and seeking input from trustees and specialist advisers to guide decision-making. Additionally, the Remuneration Committee meets with staff union representatives biannually to hear their members' views. 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 for specific roles. The Board of Trustees sets the remuneration levels for the CAFOD Director, while the executive team sets the remuneration for the rest of the CAFOD workforce. CAFOD is committed to ensuring a clear relationship between the Director's remuneration and that of CAFOD's entire workforce. For our UK/International pay scales, the ratio between the highest and lowest paid staff is currently 4:1, with a maximum ratio set at 5:1.

To ensure our remuneration policies reinforce our stewardship and uphold our values, this year we have commissioned a salary and benefit reward review that will assess our remuneration packages and ratios set against the broader market.

In line with UK government requirements, we track and report on our gender pay gap annually. For April 2024, CAFOD saw a continued decrease in the gap. Looking at the Gender Pay Gap, the Mean has nearly halved and is now at 1.20 per cent, compared with 2.38 per cent last year, and the Median is now at 2 per cent compared with 4.14 per cent last year. It is worth noting that the Median gap is impacted to a greater degree by the smaller number of men at the lower salary levels, relative to their female colleagues. The full gender pay gap report is available on our website.

Statement in relation to section 172 of the Companies Act 2006

As the Board of Trustees of CAFOD, we must act in good faith and make decisions that best support the success of the organisation in fulfilling its charitable purpose, in line with its Vision, Mission and Values. As detailed in the 'Legal Structure and Governing Document' section, we have established processes that delegate the management of CAFOD to the Director and the executive team, while we retain oversight through various board committees to monitor progress. In doing so, we have regard to:

- a) The likely consequences of any decision in the long term – all major decisions that could affect the charity's long-term future are discussed in the relevant sub-committee and board meetings. Quarterly performance reports are reviewed by trustees to guide decision-making and track progress, founded on the Our Common Home strategy.
- b) The interests of the charity's employees – see the previous three sections for more details on how we continue to approach engagement with staff as part of our annual schedule, and our ongoing commitment to Equity, 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 continue to update our procedures to respond fully to the requirements of the Modern Slavery Act and ensure excellent stewardship of our resources such as having a procurement policy that provides key thresholds and principles. Both are reviewed annually. 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, integrates the interconnected crises of the cry of the poor and the cry of the earth. The review of our framework now better incorporates Integral Ecology, which views all things as connected. Our Environmental Policy encourages a permanent reduction in travel, and we track the integration of environmental considerations in our programmes. We are committed to ensuring a Safe, Accessible, Dignified and Inclusive approach across all activities. This is reflected in three trustee roles: safeguarding lead, security lead, and racial justice, equity, diversity and inclusion lead, who oversee the development and review of relevant policies, are informed of any incidents and support staff in managing such cases. The Looking Ahead section outlines our goals, while information on our carbon footprint and environmental impact is detailed in our Environmental Stewardship Update 2023/24 section on page 46.
- e) Maintaining a reputation for high standards of business conduct – as trustees, we strive to emulate the commitments outlined in Our Common Home, as detailed in the CAFOD volunteer code of conduct, which we all sign, remaining accountable to everyone within the organisation and the communities we serve. We regularly make declarations of interest, and the Finance, Legal, Audit and Risk Committee reviews policies related to the ethical aspects of our work annually, covering Fraud and Loss, Anti-Money Laundering, Anti-Bribery, Counter-terrorism, and Conflicts of Interest. The committee also oversees internal audit processes to ensure solid internal controls, 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 on safeguarding

We are committed to recognising the God-given 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 accompanying procedures and training provide the framework for preventing and addressing abuses of power that negatively impact our partners or the people and communities we support. Over the last year we have delivered induction and refresher training to 73 staff. Training has been essential to ensure staff understand the safeguarding policy and related code of behaviour. The training builds confidence and equips us to support our partners to report any safeguarding concerns. We have also set up a network of CAFOD senior practitioners to strengthen our safeguarding practice in our activities in England and Wales. In the coming year we will be:

- Ensuring that all staff sign and are briefed on our revised safeguarding policy
- Continuing to roll out country office safeguarding audits and develop action plans

As an organisation working primarily through partnership, especially with Catholic organisations, 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. We undertake an initial assessment of partners through collaboratively completing a partner safeguarding profile, to ensure their safeguarding practices are appropriate and adequate in terms of their operational size and type of contact with people and communities.

In 2023 we achieved our aim of transitioning these partner safeguarding profiles to a web-based platform and launching our revised assessments to measure programme quality. These ensure that we are embedding safeguarding and safe and dignified ways of working in our advocacy, development and humanitarian programming. This will minimise the risk of harm to project participants (particularly children, vulnerable adults and other marginalised groups) and remove barriers to inclusion. The new unified system of assessments and web-based data collection will improve our ability to monitor our progress and deliver targeted support to address any gaps. Over the past year we continued to provide a wide range of support to partner organisations on safeguarding and safe and dignified programming, such as training, policy development and review, sharing tools, supporting complaints handling and funding specific initiatives to strengthen their capacity.

We are committed to a zero-tolerance approach to misconduct that breaches our policies, including abuse, exploitation and harassment. CAFOD has a number of channels for staff and representatives to report safeguarding breaches to us, including our online complaints and incident management system.

In the last financial year, CAFOD handled 10 safeguarding reports involving individuals associated with CAFOD or our partner organisations. The outcome of these reports is outlined below.

DESCRIPTION	2023-24
Total safeguarding reports	10
CAFOD representative	3
Partner representative	7
Allegations investigated	
Open cases	1
Closed cases	9
Allegation type * each case may involve more than one type of allegation	
Sexual exploitation and abuse	3
Sexual harassment	7
Inappropriate conduct with a child	1
Other safeguarding policy violation	1
Outcome (closed cases)	
Substantiated	7/9 (78%)
Action taken * each case may involve more than one action	
Termination of engagement/contract non-renewal	5
Other disciplinary corrective action	1
Non-disciplinary corrective action – such as capacity strengthening through training	2

We commit to supporting any survivors in the way that best meets their needs, taking into account legal and cultural sensitivities. We operate and adjust our approach to ensure we are providing access to specialised support where appropriate. We are committed to being openly accountable for our work and to reporting serious breaches of our 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

We have made a 'Fundraising Promise' to our supporters. It outlines how we will behave when we fundraise to ensure our fundraising is legal, honest, open, transparent and accountable. We have a fundraising policy which covers treatment of donors and donations.

We respect the rights, dignity and privacy of our supporters. 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. The agencies we use meet the standards outlined in the Fundraising Code of Practice.

We welcome feedback from the public. 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 2023/24.

The main fundraising activities undertaken by CAFOD for the financial year 2023/24 and the number of items of feedback about each are given below, with the 2022/23 comparative number in brackets.

A total of 252 (2022/23 – 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. This level of reaction represents a very small proportion of feedback in relation to the fundraising activities we undertook at 0.0018 per cent (2022/23 – 0.0035 per cent).

We continued to receive feedback related to fulfilment issues from our World Gifts scheme (online and by post). Issues included late delivery, non-receipt of orders or a missing item, but significantly lower volumes compared to previous years. This is because of a move to e-cards instead of hard copies, which is increasingly preferred by supporters. More detail on our main fundraising channels is supplied below.

Online fundraising: 72 (2022/23 – 205). We received a significantly lower level of comments and complaints about people's experience of giving online. The complaints received were varied, with about half of them relating to the fulfilment of orders placed online. We continued to receive comments about our optional offer to cover transactional fees within our donation funnel on our website.

Postal direct mailing: 111 (2022/23 – 181). About a quarter of the comments received also related to fulfilment issues, including late receipt of World Gifts and some missing items. We continued to experience delivery delays outside of our control, as Royal Mail services continued to be beset by internal issues. Other complaints related to concerns about the cost and environmental impact of sending postal communications, with a switch to receiving emails instead.

The other main fundraising activities to generate feedback were email communications 31 (2022/23 – 57). We received a further 38 (2022/23 – 34) items of feedback across the other 10 (2022/23 – 12) fundraising channels we use.

Environmental Stewardship Update 2023/24

Progress in 2023/24

The environmental stewardship work is overseen by the Environmental Stewardship Steering Group and seeks to make progress on areas that will make the most difference to reducing our carbon footprint.

This year, as part of our mid-term review of Our Common Home we recommitted to a 50 per cent reduction in CAFOD's carbon footprint by 2030 compared with 2019/20 levels and set a new commitment to invest in environmental regeneration.

The main areas of progress in 2023/24 are below.

1. Flights at lower level compared with pre-COVID

Flights remain the biggest contributor to CAFOD's carbon footprint at approximately 70 per cent. We have updated travel guidance and strengthened the flight planning process and oversight from management teams. This led to an initial reduction in flights from 850 in 2019/20 to 685 in 2022/23 but flights have increased in 2023/24 to 736, as the effects of the COVID-19 pandemic recede.

2. Installed solar panels in overseas offices

The Harare office in Zimbabwe installed solar panels meaning that 95 per cent of energy is now provided by the solar panels and battery during office hours, reducing fossil-fuel based energy by approximately 90 per cent.

3. Strengthened the environmental focus of programmes

As part of CAFOD's Integral Ecology Programme Model, we have rolled out environmental awareness training with all programmes as part of our work on having Safe, Accessible, Dignified and Inclusive programming (SADI). We have also developed a classification tool, which allows us to see how many projects currently demonstrate environmental stewardship and how many demonstrate environmental regeneration. We have focused on specific sectors and have worked with some programmes to start to measure agroecological transition and environmental impacts.

4. Committed to tackle residual emissions through investment in programmes

To account for any residual emissions after reducing our carbon footprint by 50 per cent, we have opted for a 'carbon insetting' approach that invests in our own programmes that regenerate the environment, as opposed to carbon offsetting, which would involve outsourcing this work externally to other organisations. We will further develop this approach next year and ideally the fund would start from 2026/27 when we have a full carbon footprint base analysis and a full sense of CAFOD's programmes that demonstrate environmental regeneration.

5. Revamped LiveSimply materials

Materials finished and rolled out in schools, in draft form for parishes – to be finished and rolled out in 2024/25.

6. Commitment to measure CAFOD's carbon footprint

This will allow us to develop a comprehensive picture of CAFOD's carbon footprint – but has been delayed due to budget constraints and will be picked up in 2024/25.

7. Updated CAFOD's Environmental Policy

The policy has been updated to take into account progress and changes over the past four years. Currently in draft form for revision and Board approval.

Plans 2024/25

As part of the Environmental Stewardship Three Year Plan (2022 to 2025) we will focus our efforts in the third year (2024/25) on:

Operations

1. Realistic proposals for flight reductions in different programme contexts

Flying will always play a role in CAFOD's operations as an international and partnership-based organisation. Additionally, CAFOD works in many fragile and conflict states, where air travel is often the only feasible way to travel due to security concerns. We will develop three- to five-year plans for different programme contexts on approaches to flight reduction in line with CAFOD's organisational commitments.

2. Solar panels in overseas offices

Scope further options for installation of solar panels in CAFOD's overseas offices, particularly with Church-based partners.

3. Reduce print use of Side by Side, CAFOD's main supporter magazine

Develop a strategy for Side by Side magazine, which will include three- to five-year targets for reduction of resource use and moving supporters to receiving it online.

Programmes

1. Further strengthen environmental focus in programmes

Roll out our Environmental Stewardship Tool across all programmes. Second phase pilot of environmental classification tool to assess which programmes meet highest levels of environmental stewardship or environmental regeneration and finalise a plan for full roll out in 2025/26.

2. Develop approach for CAFOD's carbon insetting

Develop criteria for environmental regeneration programmes, such as agroecology, that would be eligible for support through CAFOD's insetting approach. Develop metrics for how we would measure and communicate the positive contribution to both people and the environment.

Governance

1. Produce CAFOD's first partial cross-organisational carbon footprint

Set up a carbon footprint measurement system, with proposals for the scope of the measurement as well as how to measure relevant consumption. We will use the system to produce a carbon footprint for 2023/24 data (UK operations plus international travel). Develop a plan – and resourcing needs – for a full footprint for 2024/25 data.

Statement on Streamlined Energy and Carbon Reporting (SECR)

Emissions source	Scope	Quantity	Unit	Carbon footprint (tCO ₂ e) 2023-24	Carbon footprint (tCO ₂ e) 2022-23	Carbon footprint (tCO ₂ e) 2021-22
Electricity use, Romero House	2	415299	KWh	86.00	84.29	104.3
Gas use, Romero House	1	108876	KWh	22.02	15.46	13.0
Electricity use, Volunteer Centres	2	3004	KWh	0.62	0.78	3.0
Gas use, Volunteer Centres	1	15857	KWh	3.21	4.62	8.9
Business vehicle travel	3	57645	vkm	9.69	7.32	0
Homeworking	3	6525	FTE home working hour	2.178	–	–
TOTAL		-	-	123.72	112.47	129.20
Per person		253.79	FTE	0.46	0.44	0.52

The Carbon footprint for UK workplace energy was 121.54 tCO₂e and represents a carbon intensity of 0.46 tCO₂e per full time equivalent (FTE) employee at CAFOD in 2023/24.

We have made progress with our carbon emissions compared to 2020/21 levels of 165 tCO₂e (0.67 per person).

This year our carbon output has increased by 6 per cent, while still 6 per cent below 2021/22 (or 8 per cent below without the addition of homeworking). We have included homeworking in our data for the first time in 2023/24, following government guidelines.

In addition, our head office ground source heat pumps were replaced after 13 years and upgraded to a more efficient model. However, they were out of action for three months in winter and we used backup gas boilers to heat the building. Considering this, we are expecting an improvement in figures for the FY2024/25.

3. Statement of Trustees' 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 2024 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 the Catholic Agency for Overseas Development ('the charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, Balance Sheet, Cashflow 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 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 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 its 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 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 49, 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. 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), 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

23 September 2024

5. Statement of Financial Activities

Incorporating the income and expenditure account
for the year ended 31 March 2024

	Note	Unrest- ricted Funds £'000	Rest- ricted Funds £'000	Total Funds 2024 £'000	Unrest- ricted Funds £'000	Rest- ricted Funds £'000	Total Funds 2023 £'000
Income and endowments from:							
Donations and legacies	2	24,330	10,400	34,730	26,046	27,369	53,415
Charitable Activities	3	434	12,148	12,582	467	13,752	14,219
Other trading activities		15	0	15	11	0	11
Investments	4	467	21	488	250	21	271
Other income		115	0	115	0	0	0
Total		25,361	22,569	47,930	26,774	41,142	67,916
Expenditure on:							
Raising funds	5	7,232	73	7,305	6,771	81	6,852
Charitable activities:							
International Development	5	16,335	6,691	23,026	14,182	8,905	23,087
Disaster Relief	5	4,059	20,595	24,654	2,385	29,823	32,208
UK Development education	5	2,045	84	2,129	1,996	77	2,073
Advocacy and campaigning	5	2,040	16	2,056	2,037	16	2,053
Total	5	31,711	27,459	59,170	27,371	38,902	66,273
Operating (deficit)/surplus		(6,350)	(4,890)	(11,240)	(597)	2,240	1,643
Net gains/(losses) on investments	12	0	68	68	0	(36)	(36)
Net (expenditure)/income	7	(6,350)	(4,822)	(11,172)	(597)	2,204	1,607
Reconciliation of funds:							
Total funds brought forward		15,587	9,151	24,738	16,184	6,947	23,131
Total funds carried forward		9,237	4,329	13,566	15,587	9,151	24,738

CAFOD did not change any of its principal activities during the above financial years and there were no gains or losses other than those included above. Restricted funds above include permanent endowment funds with a current value of £755,752 (see note 12). All the charity's income and expenditure is derived from continuing operations.

Balance Sheet

as at 31 March 2024

		2024	2023
	Note	£'000	£'000
Fixed assets			
Tangible assets	10	9,251	9,282
Intangible assets	11	0	67
Investments	12	756	2,654
		10,007	12,003
Current assets			
Stock		14	14
Debtors	13	4,553	4,590
Short term cash deposits	22	4,007	11,586
Cash at bank and in hand	22	6,556	9,192
		15,130	25,382
Current liabilities			
Creditors: amounts falling due within one year	14	(11,533)	(12,566)
Net current assets/(liabilities)		3,597	12,816
Total assets less current liabilities		13,604	24,819
Pension scheme liability	17	(38)	(81)
Total net assets	20	13,566	24,738
The funds of the charity:			
Endowment funds	18	756	688
Restricted income funds:			
General donations and legacies	18	14	241
Emergency appeals	18	3,313	8,440
Income from charitable activities	18	225	(230)
Interest		21	12
Unrestricted funds:			
Designated fixed asset fund	19	3,717	3,815
Designated programme fund	19	318	2,285
General funds	19	5,202	9,487
Total funds	20	13,566	24,738

The financial statements were approved and authorised for issue by the Trustees on 11th July 2024 and signed on their behalf by:

+ Stephen Wright

The Rt. Rev Stephen Wright
Chair of the Trustees

George Fitzsimons

George Fitzsimons
Honorary Treasurer

Cash Flow Statement

for the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Cash flows from operating activities			
Net cash (used in) / provided by operating activities	21	(12,305)	2,069
Cash flows from investing activities			
Dividends and interest from investments		488	271
Proceeds from sale of fixed assets		0	0
Reduction in cash deposits held as fixed assets		1,966	1,500
Purchase of tangible fixed assets		(364)	(257)
Purchase of intangible fixed assets		0	0
Net cash provided by investing activities		2,090	1,514
Change in cash and cash equivalents in the reporting period	22	(10,215)	3,583
Cash and cash equivalents at the beginning of the reporting period		20,778	17,195
Cash and cash equivalents at the end of the reporting period		10,563	20,778

Notes to the Financial Statements

for the year ended 31 March 2024

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 (five 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 initial economic uncertainty arising from the coronavirus pandemic, the economic impacts of the war in Ukraine, the challenging funding environment and the current economic climate in the UK, and with cost of living concerns impacting 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 no known dispute and evidence there are sufficient monies in the estate to make a distribution. Entitlement to other legacies is deemed to be at the earlier of payment being received or notification of a distribution or notification of the final estate accounts being approved 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 in 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 per cent on cost
- plant and machinery: over 15 years
- computers, office furniture and equipment and motor vehicles: 20 per cent 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 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).

In 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 2024 £'000	Unrest- ricted Funds £'000	Rest- ricted Funds £'000	Total Funds 2023 £'000
General donations from supporters	15,517	3,108	18,625	13,948	6,778	20,726
Legacy income from supporters	8,457	10	8,467	11,023	159	11,182
Emergency donations from supporters	157	1,383	1,540	551	4,939	5,490
Emergency donations via Disasters Emergency Committee	199	5,899	6,098	524	15,493	16,017
Income from donations and legacies	24,330	10,400	34,730	26,046	27,369	53,415

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 2024 £'000	Unrest- ricted Funds £'000	Rest- ricted Funds £'000	Total Funds 2023 £'000
(a) Caritas and other Catholic agencies:						
Caritas Australia	50	1,277	1,327	70	1,703	1,773
Caritas Belgium	24	146	170	57	744	801
Caritas Denmark	4	84	88	0	0	0
Caritas Finland	5	239	244	2	117	119
Caritas Germany	4	82	86	2	288	290
Caritas Internationalis	28	1,201	1,229	0	8	8
Caritas Italy	0	0	0	7	328	335
Caritas Japan	0	0	0	1	17	18
Caritas Korea	0	0	0	3	80	83
Caritas Norway	19	750	769	12	360	372
Caritas Spain	0	0	0	1	50	51
Cordaid	0	0	0	0	34	34
Catholic Relief Services	24	(67)	(43)	57	1,041	1,098
Development & Peace	0	678	678	0	792	792
Misereor	6	271	277	0	123	123
Scottish Catholic International Aid Fund	0	100	100	0	247	247
Secours Catholique	29	565	594	20	472	492
Trócaire	0	1,825	1,825	1	2,061	2,062
Vastenactie	2	55	57	2	142	144
Income from Caritas and other Catholic agencies:	195	7,206	7,401	235	8,607	8,842

3. Income from charitable activities (continued)

	Unrest- ricted Funds £'000	Rest- ricted Funds £'000	Total Funds 2024 £'000	Unrest- ricted Funds £'000	Rest- ricted Funds £'000	Total Funds 2023 £'000
(b) Government grants:						
UK Government, FCDO						
UK Aid Matched	0	6	6	0	(5)	(5)
Other	0	0	0	(1)	(12)	(13)
European Union	3	110	113	6	107	113
Global Fund to End Modern Slavery	0	0	0	9	338	347
Government of Guernsey	0	25	25	0	(9)	(9)
Government of Isle of Man	0	0	0	0	48	48
Government of Jersey	0	251	251	0	218	218
Government of the Netherlands	3	55	58	0	52	52
Government of Sweden	21	276	297	25	435	460
United Nations agencies	56	720	776	127	1,649	1,776
Government grants	83	1,443	1,526	166	2,821	2,987
(c) Institutional and other grants:						
Christian Aid	0	0	0	0	20	20
Denise Coates Foundation	0	0	0	3	(3)	0
Islamic Relief	0	0	0	3	93	96
Latin American Children's Trust	0	0	0	0	115	115
The Church of Jesus Christ of Latter-day Saints	57	1,203	1,260	15	865	880
START	77	1,874	1,951	32	968	1,000
Others	22	422	444	13	266	279
Institutional and other grants	156	3,499	3,655	66	2,324	2,390

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 2024 £'000	Unrest- ricted Funds £'000	Rest- ricted Funds £'000	Total Funds 2023 £'000
Interest receivable	467	0	467	250	0	250
Dividends receivable	0	21	21	0	21	21
Income from investments	467	21	488	250	21	271

5. Expenditure

	Grants & programme payments £'000	Activity costs		Support Costs		Total 2024 £'000
		Staff costs £'000	Non-staff costs £'000	Staff costs £'000	Non-staff costs £'000	
Raising funds:	0	4,387	1,848	559	511	7,305
International development	13,466	4,749	1,694	1,582	1,535	23,026
Disaster relief	20,323	2,206	744	710	671	24,654
UK Development education	34	1,430	322	176	167	2,129
Advocacy and campaigning	53	1,448	220	172	163	2,056
Charitable activities:	33,876	9,833	2,980	2,640	2,536	51,865
Total expenditure	33,876	14,220	4,828	3,199	3,047	59,170

	Grants & programme payments £'000	Activity costs		Support Costs		Total 2023 £'000
		Staff costs £'000	Non-staff costs £'000	Staff costs £'000	Non-staff 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
Total expenditure	41,782	13,685	4,716	3,022	3,068	66,273

	2024 £'000	2023 £'000
Information technology	2,072	2,291
HR and organisational development and safeguarding	1,784	1,630
Financial management	850	746
Premises and facilities	835	782
Strategic leadership	182	163
Governance (analysed below)	523	478
Support costs:	6,246	6,090
Senior management	183	163
Legal and professional services	40	40
Internal audit	225	190
External audit	72	78
Board training and meeting costs	3	7
Governance costs:	523	478

6. Grants and programme payments

Grants and programme payments are made up of: 496 grants (2023: 505) to third parties totalling £32.65m (2023: £38.44m), plus 82 CAFOD-managed grants (2023: 89) for programme payments made in support of partners for programme activities totalling £1.37m (2023: £3.42m), less realised and unrealised foreign exchange gains, losses and banking losses, resulting in a net gain of £0.14m (2023: less realised and unrealised foreign exchange gains and losses, resulting in a net gain of £0.08m).

Details of grants to third parties and partner payments are provided in a Report of Grants for 2023/24 published on CAFOD's website <http://cafod.org.uk>.

	2024	2024	2023	2023
	Number	£'000	Number	£'000
Capacity strengthening	149	2,824	129	2,172
Emergency preparedness, response and recovery	149	20,406	159	27,613
Governance accountability and transparency	94	3,320	108	2,801
Livelihoods resilience and environment	140	6,614	146	7,840
Peace and reconciliation	46	851	52	1,430
	578	34,015	594	41,856
Realised gains on Foreign Currency		(348)		(259)
Realised loss from Foreign bank accounts		329		0
Unrealised (gains) / losses on Foreign Currency contracts		(120)		185
	578	33,876	594	41,782
Africa (a)	261	14,276	278	18,172
Latin America and Caribbean (b)	108	2,867	119	3,209
Asia, Middle East and Europe (c)	166	16,202	159	19,861
Global, policy and education	43	670	38	614
	578	34,015	594	41,856
Realised gains on Foreign Currency		(348)		(259)
Realised loss from Foreign bank accounts		329		0
Unrealised (gains) / losses on Foreign Currency contracts		(120)		185
	578	33,876	594	41,782

See note 16 on Forward foreign currency contracts.

6 Grants and programme payments (continued)

	2024	2024	2023	2023
(a) Africa	no. of grants	£'000	no. of grants	£'000
Democratic Republic of Congo	36	3,631	41	3,784
Eritrea	10	826	8	1,300
Ethiopia	8	953	6	1,179
Kenya	13	875	13	1,387
Liberia	10	256	10	173
Mozambique	6	315	7	388
Niger	1	7	0	(36)
Nigeria	25	557	24	668
Sierra Leone	16	498	18	894
Somalia	1	100	1	100
South Sudan	50	3,722	54	3,032
Sudan	13	649	34	2,828
Eswatini	2	27	4	103
Uganda	7	252	10	466
Zimbabwe	46	943	32	1,425
Libya	1	50	0	0
Morocco	1	30	0	0
Multi-Country	15	585	16	481
Africa	261	14,276	278	18,172

	2024	2024	2023	2023
(b) Latin America & Caribbean	no. of grants	£'000	no. of grants	£'000
Bolivia	13	302	12	313
Brazil	22	893	21	1,038
Colombia	22	502	30	719
El Salvador	4	120	5	138
Guatemala	9	278	7	227
Honduras	4	138	5	153
Nicaragua	1	25	0	(150)
Peru	8	169	13	439
Multi-country	25	440	26	332
Latin America and Caribbean	108	2,867	119	3,209

6 Grants and programme payments (continued)

(c) Asia and Middle East and Europe	2024	2024	2023	2023
	no. of grants	£'000	no. of grants	£'000
Afghanistan	11	767	17	1,442
Bangladesh	18	379	22	554
Cambodia	8	235	15	182
India	2	26	3	76
Indonesia	0	0	1	17
Israel	11	173	5	105
Jordan	0	0	0	(1)
Lebanon	12	366	13	611
Myanmar	24	569	22	404
Nepal	0	(12)	0	0
Pakistan	7	1,464	6	1,732
Philippines	0	0	1	34
Poland	1	3	3	373
Sri Lanka	15	312	16	365
Syria	19	3,877	12	2,145
Ukraine	11	7,285	6	9,648
Turkey	0	0	1	20
Romania	5	134	2	1,526
Yemen	0	0	2	300
West Bank and Gaza	15	513	7	208
Multi-country	7	111	5	120
Asia, Middle East and Europe	166	16,202	159	19,861

7. Net expenditure

	2024	2023
	£'000	£'000
Net income/(expenditure) is stated after charging/(crediting):		
Depreciation of tangible fixed assets	345	357
Depreciation of intangible fixed assets	67	204
Loss on disposal of tangible fixed assets	50	0
Operating leases: land and buildings	290	332
Auditors' remuneration	80	81
Auditors' remuneration:		
Audit of CAFOD		
UK (primary auditors, Crowe U.K. LLP)	37	38
Overseas (secondary auditors)	40	40
	77	78
Other non-audit services (UK, Crowe U.K. LLP)	3	3
Auditors' remuneration	80	81

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

	2024	2024	2023	2023
	Employees	Employees	Employees	Employees
	average	cost	average	cost
	full-time		full-time	
	equivalent		equivalent	
	number	£'000	number	£'000
Generating funds	99	4,946	94	4,513
International development	158	6,331	145	5,833
Disaster relief	70	2,916	75	3,184
UK Development education	32	1,606	31	1,592
Advocacy and campaigning	31	1,620	31	1,585
Total	390	17,419	376	16,707
Salaries		14,391		13,822
Employer's social security contributions		1,420		1,382
Employer's pension contributions		1,608		1,503
		17,419		16,707

The total average number (by headcount) of employees in the year was 405 (2023: 391).

Included in the above are costs relating to redundancy and compensation for loss of office of £46,509 (2023: £86,622) 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:

	2024	2023
	Number	Number
£60,001 - £70,000	7	7
£70,001 - £80,000	6	6
£80,001 - £90,000	2	0
£90,001 - £100,000	0	1
£100,001 - £110,000	1	0

Total remuneration and benefits received during the year by CAFOD's highest paid member of staff was £102,937 (2023: £94,185) salary, £12,950 (2023: £12,337) employer's national insurance and £10,706 (2023: £9,687) employer's pension contribution. The total remuneration and benefits received during the year by the other key management personnel (2 persons) who have responsibility for executive support to the Strategy and Performance Committee and the Finance, Risk and Audit (FLAR) Committee was £163,770 (2023: £152,667) salary, £20,090 (2023: £19,779) employer's national insurance and £14,367 (2023: £9,449) 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 £1,487 on travel for trustees, £1,006 for accommodation for a residential meeting and £287 for training. (2023: £1,217 on travel for trustees, and £5,890 for accommodation for a residential meeting).

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 2,014 volunteers (2023: 3,344) who carried out a total of 3,654 assignments (2023: 5,123); 2,054 Parish-based assignments (2023: 3,001), 1,296 school-based assignments (2023: 1,365) and 304 other assignments in a range of volunteer roles such as campaigning, fundraising, media, office support and youth work (2023: 757).

CAFOD has undertaken a significant refresh of our volunteer agreements and moved to online records and agreements. This involved conversations with all past volunteers with contact details on our database; asking individuals to review their volunteer commitment and re-sign CAFOD's volunteer agreement and policies. This process confirmed that there had been a drop in active volunteers, particularly since the pandemic.

Whilst the number of volunteers and assignments has decreased since 2023, the number of parishes without a volunteer representative (our volunteer role with the biggest number of volunteers) has not decreased as significantly. The larger decline has been in having multiple parish volunteers in any one parish.

10. Tangible fixed assets

	Leasehold land and buildings	Office equipment	Motor vehicles	Total tangible fixed assets
	£'000	£'000	£'000	£'000
Cost at 1 April 2023	11,242	463	786	12,491
Additions	279	47	38	364
Disposals	0	(101)	(93)	(194)
Cost at 31 March 2024	11,521	409	731	12,661
Depreciation at 1 April 2023	2,360	376	473	3,209
Charge for the year	235	37	73	345
On disposals	0	(101)	(43)	(144)
Depreciation at 31 March 2024	2,595	312	503	3,410
Net book value at 31 March 2024	8,926	97	228	9,251
Net book value at 31 March 2023	8,882	87	313	9,282

Leasehold land and buildings held at 31 March 2024 relates to Romero House (net book value at 31 March 2024: £8.9m – being £8.1m for the land and building and £0.8m for the plant and machinery) which is used as CAFOD's head office.

11. Intangible fixed assets

	Software development	Total intangible fixed assets
	£'000	£'000
Cost at 1 April 2023	1,018	1,018
Additions	0	0
Cost at 31 March 2024	1,018	1,018
Amortisation at 1 April 2023	951	951
Charge for the year	67	67
Amortisation at 31 March 2024	1,018	1,018
Net book value at 31 March 2024	0	0
Net book value at 31 March 2023	67	67

Intangible fixed assets related to the development of CAFOD's supporter and volunteer relationship management system. This investment has now been fully written off.

12. Investments held as fixed assets

	2024	2023
	£'000	£'000
Sterling deposits	0	1,966
Permanent endowment fund	756	688
Investments held as fixed assets	756	2,654

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:

	2024	2023
	£'000	£'000
Market value at 1 April	688	724
Unrealised gains/(losses)	68	(36)
	756	688

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

	2024	2023
	£'000	£'000
Interest receivable	8	34
Taxation recoverable	729	1,049
Accrued income	2,823	2,738
Prepayments	745	566
Other debtors	128	203
Forward foreign currency contracts (note 16)	120	0
Debtors	4,553	4,590

Included in accrued income above is an amount of £1,653,000 (2023: £1,042,000) relating to legacies. As at 31 March 2024, 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 £8,346,000 (2023: £7,554,000), though we do not expect all of this to be received in the next financial year.

14. Creditors: amounts falling due within one year

	2024	2023
	£'000	£'000
Programme creditors	9,477	10,754
Taxation and social security	397	325
Other creditors and accruals	1,629	1,272
Interest free loans from supporters	30	30
Forward foreign currency contracts (note 16)	0	185
Creditors	11,533	12,566

Other creditors and accruals include pension contributions of £38,000 (2023: £48,000).

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 2024 planned future commitments under formal multi-year funding cycle approvals amounted to £1.4m; £0.9m due within one year and a further £0.5m due within two years (2023: £1.3m; £0.8m due within one year and a further £0.5m due within two years).

15. Operating lease commitments

At 31 March 2024, the total future minimum lease payments under non-cancellable operating leases in respect of operating leases for land and buildings were:

	2024	2023
	£'000	£'000
Within one year	11	13
In the second to fifth years inclusive	0	0
Later than five years	0	0
Operating lease commitments	11	13

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 gain on these contracts at 31 March 2024 was £120,000 which has been included in debtors and grant expenditure (2023: unrealised loss included in creditors and grant expenditure was £185,000).

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 1.27 and 1.22. At the balance sheet date, a purchase value of USD 7.2 million remained on these contracts representing approximately 36 per cent 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 2024 was 1.26.

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 Group (formerly Fairfield Pension Trustees Limited.))

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

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 221 active members of the Growth Plan (31 March 2023: 201). 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 per cent. The shortfall in assets compared with the value of liabilities was £33 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 Trustee 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 per cent annual increase. Employers will pay ongoing contributions to meet fund expenses, beyond the period of the recovery plan. A 3 per cent per annum increase will apply to future scheme expense contributions. The triennial actuarial valuation results at 30 September 2023 are currently under discussion with the Trustee and the Employer Committee. Any changes in the position are likely to be finalised before December 2024 and any new deficit contributions and/or changes to the ongoing payment of expenses would come into effect from 1 April 2025.

CAFOD's additional deficit contribution amount for the year ending 31 March 2024 was £47,347 and contributions for the following ten months, starting on 1st April 2024, remained fixed at £47,347 per annum, with £39,455 payable for the period to the end of the current recovery plan. CAFOD's ongoing scheme expense contribution, for the year to 31 March 2024 was £54,510 and this sum will increase by 3 per cent 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:

	2024	2023
	£'000	£'000
Provision at start of year	81	129
Payments made during the year	(47)	(48)
Discount rate adjustment	4	0
Provision at end of year	38	81

The Trustees of CAFOD 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 per cent at 31 March 2024 (4.60 per cent at 31 March 2023).

For the year ended 31 March 2025, CAFOD's regular pension contributions for all its pension arrangements are estimated to be £1,704,000.

18. Restricted funds

	Balance Apr-23 £'000	Income £'000	Expend- iture £'000	Gain £'000	Transfers £'000	Balance Mar-24 £'000
Endowment funds:						
Sr. Laura Tanti Foundation	688	0	0	68	0	756
Restricted income funds:						
General donations and legacies	241	3,152	(3,379)	0	0	14
Emergency appeals donations	8,440	7,248	(12,375)	0	0	3,313
Income from charitable activities	(230)	12,148	(11,693)	0	0	225
Investment income	12	21	(12)	0	0	21
Restricted fund movement 2023/24	9,151	22,569	(27,459)	68	0	4,329

	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
Restricted fund movement 2022/23	6,947	41,142	(38,902)	(36)	0	9,151

The Permanent Endowment relates to the Sister Laura Tanti Foundation for which CAFOD has received cumulative donations as at 31 March 2024 of £421,155 (2023: £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. At 31 March 2024 the balances held were for the following purposes:

	2024 £'000	2023 £'000
Africa Programme	349	(664)
Asia, Middle East and Europe Programme	2,996	8,697
Latin America Programme	52	40
General Programme	176	390
Permanent endowment	756	688
Restricted funds	4,329	9,151

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 2024, shown net above, comprises:

	2024	2023
	£'000	£'000
Programme grants in surplus	8,157	13,034
Programme grants in deficit	(3,828)	(3,883)
Restricted funds	4,329	9,151

19. Unrestricted funds

	Balance Apr-23 £'000	Income £'000	Expend- iture £'000	Gain £'000	Transfers £'000	Balance Mar-24 £'000
Designated funds:						
Fixed asset fund	3,815	0	0	0	(98)	3,717
Programme fund	2,285	0	(1,860)	0	(107)	318
General funds:						
Stabilisation fund	7,500	0	0	0	(2,298)	5,202
Unallocated reserve	1,987	25,361	(29,851)	0	2,503	0
Unrestricted fund movement 2023/24	15,587	25,361	(31,711)	0	0	9,237

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

19. Unrestricted funds (continued)

Designated fixed assets fund:

The main asset of CAFOD is Romero House (CAFOD's head office), however, the ownership and 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 £5.5 million – being 50 per cent 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 per cent 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 per cent 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 £5.2 million with £5.5 million held in the value of Romero House (as explained above) reduced by £0.3 million net liabilities.

With the stabilisation fund at £5.2 million, with no further unallocated reserves available, the target level of £6.5 million to £7.5 million for general funds is not being met. Following our reserves policy, the Trustees will establish contingency plans to reduce costs and/or stimulate general income. The Trustees have agreed a plan to rebuild the stabilisation fund back to the £6.5 million lower end of the required range, over the shortest feasible time period.

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	756	0	0	756
Restricted income funds:					
General donations	0	0	14	0	14
Emergency appeals	0	0	3,313	0	3,313
Income from charitable activities	0	0	225	0	225
Interest	0	0	21	0	21
Designated funds:					
Fixed asset fund	3,717	0	0	0	3,717
Programme fund	0	0	318	0	318
General funds:					
Stabilisation fund	5,534	0	(294)	(38)	5,202
Unallocated reserve	0	0	0	0	0
Total net assets at 31st March 2024	9,251	756	3,597	(38)	13,566

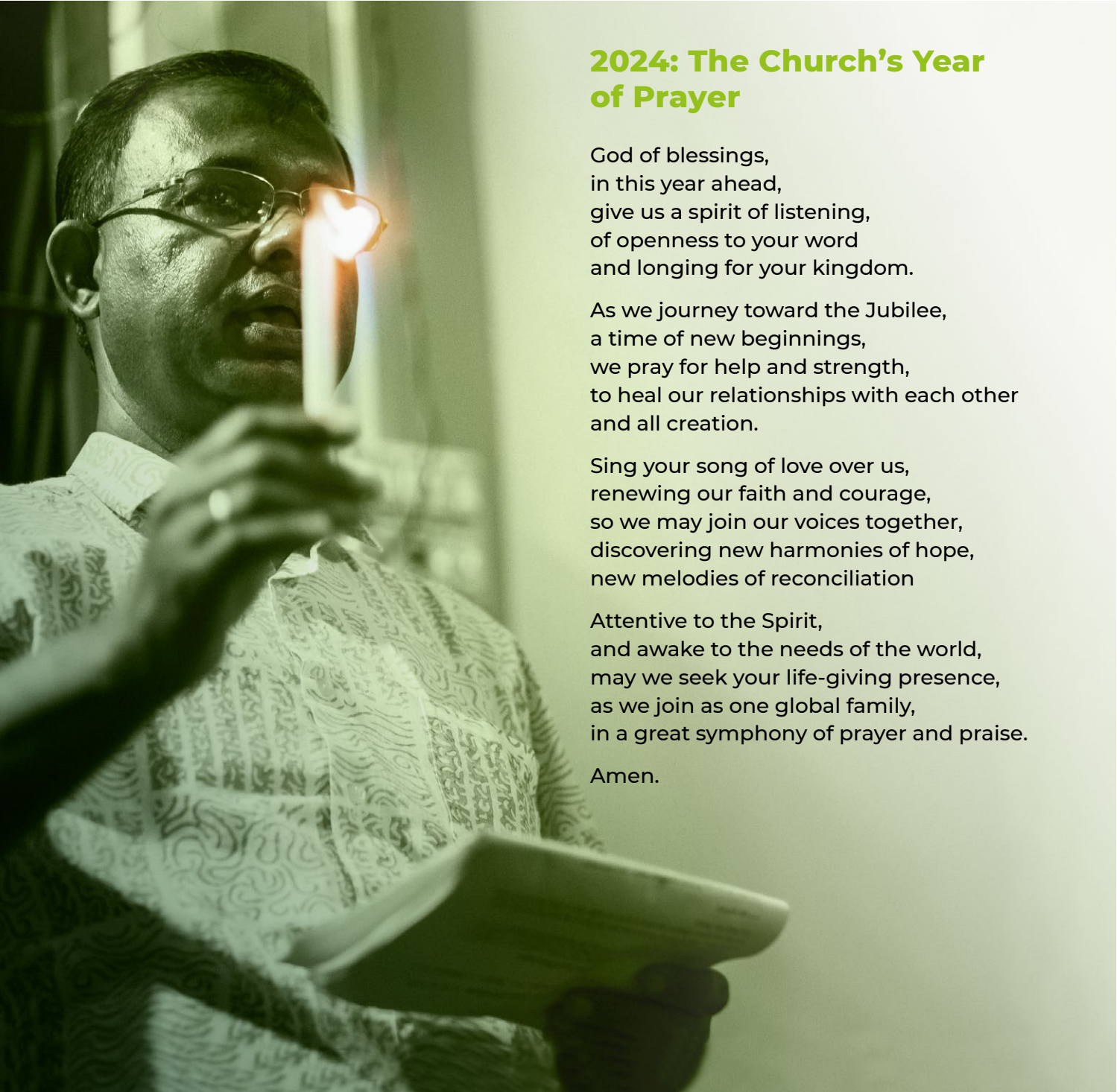
	Fixed assets £'000	Invest- ments £'000	Net current assets £'000	Pension provision £'000	Total net assets £'000
Endowment funds:					
Sr. Laura Tanti Foundation	0	688	0	0	688
Restricted income funds:					
General donations	0	0	241	0	241
Emergency appeals	0	0	8,440	0	8,440
Income from charitable activities	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
Total net assets at 31st March 2023	9,349	2,654	12,816	(81)	24,738

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

	2024	2023
	£'000	£'000
Net (expenditure) / income	(11,172)	1,607
Depreciation	412	561
Loss on disposal of fixed assets	50	0
Income from investments	(488)	(271)
(Gain)/loss on investments	(68)	36
(Increase)/decrease in stock	0	0
Decrease in debtors	37	122
Decrease in pension scheme liability	(43)	(48)
(Decrease)/increase in creditors	(1,033)	62
Net cash (used in)/provided by operating activities	(12,305)	2,069

22. Analysis of changes in cash and cash equivalents

	Opening balance	Movement	Closing balance
	£'000	£'000	£'000
Short term cash deposits	11,586	(7,579)	4,007
Cash at bank and in hand	9,192	(2,636)	6,556
Cash and cash equivalents	20,778	(10,215)	10,563



2024: The Church's Year of Prayer

God of blessings,
in this year ahead,
give us a spirit of listening,
of openness to your word
and longing for your kingdom.

As we journey toward the Jubilee,
a time of new beginnings,
we pray for help and strength,
to heal our relationships with each other
and all creation.

Sing your song of love over us,
renewing our faith and courage,
so we may join our voices together,
discovering new harmonies of hope,
new melodies of reconciliation

Attentive to the Spirit,
and awake to the needs of the world,
may we seek your life-giving presence,
as we join as one global family,
in a great symphony of prayer and praise.

Amen.

In Bangladesh, families gather in the village church to celebrate on the night before Easter Sunday.



Catholic Agency for
Overseas Development

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