



Report of the Trustees and **Financial Statements**

For the year ended **31 March 2022**

Front cover: Tigist joined a CAFOD supported Women's Empowerment program in Ethiopia. Since completing the training and starting a business, she feels that her opinions are listened to more and her husband respects her as a businessperson. She uses the profits from her business to clothe and educate her children, and provide the whole family with three meals a day.

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Neil Thorns	Director of Advocacy, Communications, Campaigns and Education
Jan Wilkinson*	Director of Finance, Information and Infrastructure

**Responsible for the Board of Trustees, RemCo, Strategy and Performance Committee, Finance Legal Audit and Risk committees respectively.*

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Joint letter Christine Allen and Bishop John Arnold



Christine Allen
CAFOD Director

The work outlined in this report is a witness of the Catholic community in action. Here in England and Wales, people stand for compassion, seek solidarity and justice. Parishes and schools continue to stand alongside our local partners who are responding to need around the world despite the many challenges.

As church buildings began to re-open, people took time to readjust to face-to-face worship. Many school schedules remained interrupted. In this context it would have been difficult for the Catholic community to find space for CAFOD. Yet they did. At the beginning of the year we had concerns about CAFOD's financial sustainability because of the continuing impacts of COVID. However, everyone worked together and we ended the year positively. The generosity of the Catholic community enabled CAFOD to give out more than £27million in grants, as well as work with more than 300 organisations in over 43 countries. You will read examples of dedication and commitment from those local experts throughout this report.

The UK hosted the G7 and COP26 global climate negotiations in 2021. The Catholic community joined with others demanding urgent action on climate justice, vaccine access and a sustainable recovery. The outcomes of the negotiations were not all we had hoped for, but the message to care for our common home was clear! We were proud to enable local experts to have their voices heard and to provide a platform for young supporters.

The need for solidarity and practical help continues and nowhere is this seen more clearly than in the scale and complexity of crises, not all of which are visible in the media. As well as general fundraising, CAFOD ran emergency appeals in response to COVID and for Afghanistan; with an appeal for Ukraine coming at the end of the period covered in this report. The generous response was deeply humbling and this report shows how we have spent those funds.

The effects of the war in Ukraine will be felt for some time across Europe and globally. It is the poorest who will be hit hardest. Huge price rises for essentials such as food and fuel have contributed to millions experiencing severe hunger, a global food crisis. In the context of such need it was very disappointing to see the UK government cutting the aid budget.

At CAFOD we have never been about creating dependency. We help local partners to raise money themselves – almost £3million this year, an important shift in our strategy to increase the capacity of our partners. This partner strength could be seen in Zambia where we exited after three decades. We were sad, but also encouraged, by the testimonies of change and are pleased that so many of our Zambian partners have found ways to sustain their important work.

This year we marked sixty years of CAFOD. The first *Family Fast Days* were so successful that the Catholic Bishops Conference formed CAFOD to manage and distribute the funds raised. We celebrate and honour the commitment of our founding mothers, whose dedication is a living legacy across all that CAFOD does today and particularly our support for women's leadership.

As the Church has had its Synodal process, CAFOD too has deepened its culture of encounter through conversations and listening. CAFOD supports fantastic work and we have a strong bond with those who make it happen. We pay tribute to all who have worked so hard in very challenging circumstances and say thank you to those who have contributed to CAFOD – your time, your voice, your money and your prayers.

We simply could not do it without you.

God bless,

Christine Allen

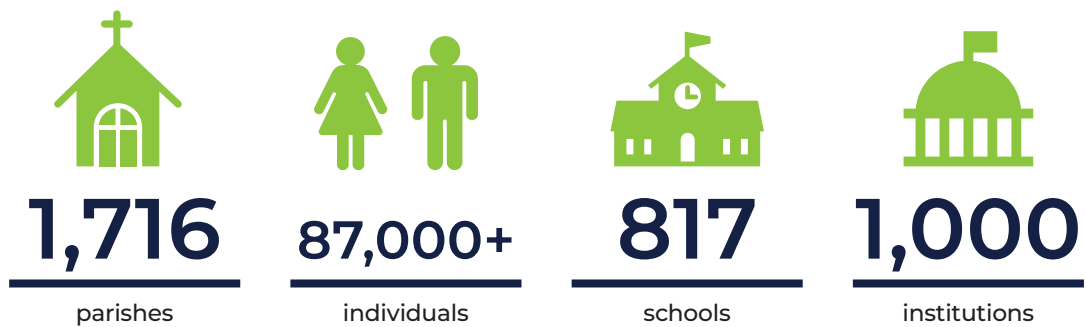
+ John S. Arnold

1. Strategic report

Our Year in Numbers

“Love, overflowing with small gestures of mutual care, is also civic and political, and it makes itself felt in every action that seeks to build a better world.” *Laudato Si' 231*

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



a. In the fiscal year 21/22, **1,716** parishes in England and Wales, over **87,000** individuals, **817** schools and around **1000** organisations gave to CAFOD raising a total of **£35.6 million** in donations and legacies. This included **£11 million** from legacies, **£3.7 million** from *Family Fast Days* (Lent and Harvest), **£2.7 million** for the Ukraine Humanitarian Appeal and over **£1.7 million** for the Afghanistan Crisis Appeal. **16,636** individuals gave to CAFOD for the first time. At Lent, people walked together against global hunger with almost **700,000 km** covered raising **£350,000**.



b. **20,872** campaign actions were taken by supporters. **57,000** children took the *Eyes of the World* campaign action and used their voices to call on the UK government ahead of the COP26 climate summit to show leadership on tackling the climate crisis that is forcing so many communities around the world into poverty. **328** schools have signed up for the *LiveSimply* award.

c. Our messages were heard: There were **484** pieces of media coverage, including **139** mentions in the UK national media, and parliamentary records. The CAFOD website had over **1.8 million** visitors, **66** per cent of whom were new visitors, an increase of **19** per cent from the previous year. Our posts on Facebook, Instagram, Twitter, LinkedIn and TikTok reached almost **9 million** people with over **1.1 million** views of our videos.



Small acts of love helped make big things happen:

d. In 2021/22, CAFOD partnered with **307** organisations across **43** countries to support the survival and long-term flourishing of vulnerable and excluded individuals and communities, and provided a total of **559** grants and programme payments worth **£27.2 million**.



CAFOD's partners around the world are reaching and working with poor and vulnerable communities

- e. To save lives and relieve suffering, we funded over **130** humanitarian projects worth **£12.5 million**, designed to benefit several million people over their duration. This included work in Mozambique, where CAFOD and our local partner are the only organisations supporting a resettlement camp, dealing with a huge number of issues including food distribution, sanitation, awareness trainings and livelihood support.
- f. A total of **141** projects focused on helping **850,000** people through sustainable livelihoods and / or resilience, including resilience to the effects of climate change, and bringing benefits to millions of people within their wider communities across **25** countries. This includes work in Brazil, where last year over **27,000** families in the Amazon, north-east Brazil and São Paulo received food security assistance and were supported to rebuild their livelihoods after the COVID-19 pandemic and emergency flooding.
- g. We funded **140** projects working towards social justice, challenging the structures and behaviour that drive poverty, vulnerability, inequality, injustice and exclusion. Within that, **44** Peace and Reconciliation projects had the potential to benefit communities across **14** countries. This included work in Sierra Leone last year where **160,000** people were directly supported, **9,000** faith leaders were directly reached and over **2.8 million** individuals were indirectly reached through awareness raising and messaging around social cohesion and preventing environmental degradation.
- h. Around **100,000** individuals were reached through **49** projects designed to strengthen capacity at either the individual, community, or institutional level. Last year this included supporting CAFOD partners to strengthen digital security capacity in Myanmar (Burma) and supporting the Catholic Church in South Sudan to strengthen their safeguarding policies and practices.
- i. In addition, CAFOD supported partners to secure **£2.8 million** institutional funding directly. This strengthens local organisations and supports local experts bringing about positive change in Honduras, Zimbabwe and Syria. Through our strategy, 'Our Common Home', CAFOD remains committed to supporting partners to actively shape their response to crises that affect them.

CAFOD Vision, Mission and Values

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

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

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

Our Values

HOPE / COMPASSION / DIGNITY / SOLIDARITY

CAFOD Values in action



Zarafsahn with her sewing machine

Hope...

...transforms despair, feeds love and fuels our work, including in Afghanistan. "Previously we believed that people could not learn well in adulthood. But my last two years life experience ensured me that this belief is not true." Aged 43, Zarafsahn received training and a sewing start up kit. "I wanted to work and earn money, because my family has nine members with only one worker who had no regular income." Now she and her two daughters sew clothes for the local community, earning an income. Life is hard for many in Afghanistan, but despite the crisis last year and restrictions faced particularly by women, our local partners continue their work. Since the Taliban takeover, the international sanctions regime has restricted the work that CAFOD can support to humanitarian as well as basic human needs provision. Our current projects are focused on vital food security including support to household incomes and to ensuring women and girls are able to participate fully in all our programmes.



Jahanara grows vegetables to provide to support her family

Dignity...

...is intrinsic to every person, regardless of their characteristics. In Bangladesh, Jahanara's family have always been poor and in 2018 she made the difficult decision to leave her sons behind as she sought work in Saudi Arabia as a maid. But she was tricked, and instead was forced to work 19 hours a day in a field, unpaid, and her employer abused her. After a two-year ordeal Jahanara returned to Bangladesh traumatised. "I could do nothing." She was put in touch with CAFOD's partner OKUP who supported her with life skills training and meeting others with similar stories. With the training and some financial support, she is now growing vegetables and can support her sons. "I am happy with my family now. I am aware of my position in society and I dream of living anew." Following research on the government referral mechanism for returnee migrants, particularly survivors of abuse and exploitation, OKUP has been invited by the Government of Bangladesh to draft the official referral guideline for returnee migrant workers.



March for climate justice on the Global Day of Action for the Climate

Compassion...

...draws us near to those in need, compels us to act and to stand together - It is rooted in love and deep respect for people and earth. Lifelong friends Gemma Pacquette, 71 and Erma Richards, 71 travelled in from Kilburn in North London to join fellow CAFOD supporters winding their way through the City of London. Fighting for climate justice, is close to Erma's heart – she discovered a beloved river that she learned to swim in as a child, in St Lucia, has dried up: "I feel very strongly about climate change. I was born in St Lucia. The river where I learnt to swim – I went back home ten years ago, and that river has dried up, its gone! That river meant so much to me. I would love my great grandchildren to be able to swim in rivers, like I did. I want them to be able to have the freedom I had experienced as a child. "I'm hoping and really praying that our government (and other world leaders) will act so that our children, they'll be able to breathe. They'll be able to have a life."



Patchwork wall hanging from St. George's parish in Norwich

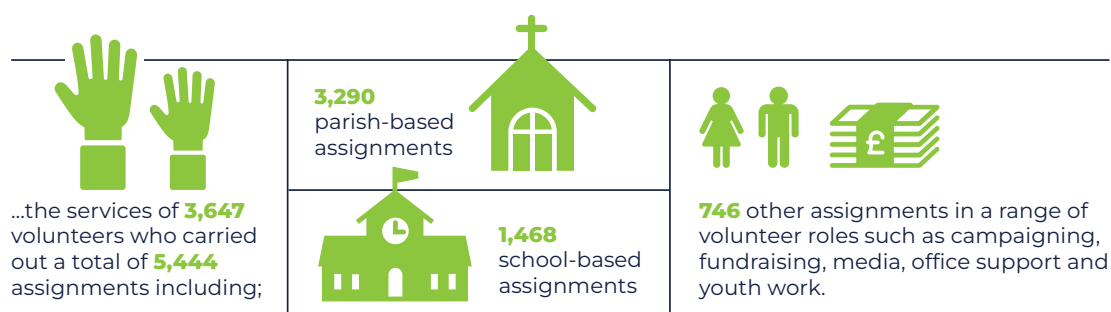
Solidarity...

...is rooted in our belief in community and the preferential option for the poor and oppressed. A women's group in Magdalena Medio, Colombia, recently received a patchwork wall hanging from St. George's parish in Norwich, who supported CAFOD's Hands On peacebuilding project. The wall hanging was designed by young people from the parish Scout groups and Notre Dame High school students and sown by a group of women in St George's parish who all wanted to express their solidarity with the people of Colombia. Gloria, a member of the parish group, said: "We wish our sisters and brothers

in Colombia peace, prayers, love – and more love. We will not forget you.” Receiving the quilt, the women’s group in Colombia said: “The strength that you are transmitting internationally is giving us strength to continue another 50 years. “

Volunteers

CAFOD was born when a team of Catholic women led by Jacquie Stuyt, including Evelyn White, Nora Warmington and Eslpeth Orchard, came together to organise the first Family Fast Day in 1960. They raised an unprecedented amount of money. Two years later, in 1962, the Bishop’s Conference of England and Wales registered CAFOD as an official charity. In our anniversary year we celebrated over 60 years of people sharing their time, through CAFOD, to make the world a better place. A big thank you to every single person who has contributed of their talents so generously over those years!



There are many ways in which volunteers make a difference. Monica is a CAFOD parish volunteer coordinator in Portsmouth. She recalls her mother, then a member of the National Board of Catholic Women, raising £200 for Dominica as part of that very first Fast Day. Today Monica raises funds, including by knitting cardigans and selling jam. “My main aim now is to encourage the young to take over and carry on the work started by the likes of my mother all those years ago.” CAFOD’s Step into the Gap programme is supported by CAFOD volunteer Sister Anne Stewart from the Society of the Holy Child Jesus, who has been a lynchpin and a driving force in supporting young adults to learn, grow and thrive. The programme is a full-time year of volunteering in a UK placement, with immersive and interactive experiences of learning about global justice. In partnership with our UK placements, this offers 18- 30 year olds opportunities to gain experience, develop leadership skills and spend a year in service or others. Enabling them to influence and inspire a generation of younger people and others to make the link between faith and acting for the poorest and most marginalised.

Whether CAFOD volunteers are helping children learn about global justice in school like Innocent from Leeds or sharing hygiene tips with their local communities like Caroline from Liberia, or spreading CAFOD’s calls to action on social media like Jessica, in every country and community CAFOD works in, volunteers of different ages and backgrounds are making a big difference. Last year, inspired by Pope Francis’ invitation to the whole Catholic Church to engage in a process of collective discernment - a synod - we endeavoured to listen closely to our volunteers, bringing together all the Parish Volunteer Coordinators to reflect about the parish community and inform our parish strategy. We also ran several online workshops looking at the synodal process where volunteers and supporters reflected on how they and their parish communities and networks could be involved.

Despite Covid restrictions remaining in place across England and Wales for much of the year, we continued to connect volunteers with each other, international staff and local partners online.



Campaigns volunteers Alex (left) and Innocent (right) pictured here at CAFOD's annual supporter Parliamentary reception, have been very generous with their time for CAFOD. Alex started as a CAFOD social media ambassador, joined the COP26 CAFOD delegation and wrote an article for our supporter magazine. Innocent ran a Parliament in your Parish meeting on behalf of CAFOD, represented CAFOD at a sustainability camp in Portugal in May and continues to speak at events.



Volunteers in Liverpool established the CAFOD Support shop 30 years ago. After raising hundreds of thousands of pounds for CAFOD and providing a presence in the community, the shop closed this year. The volunteers have done wonderful work and we are deeply grateful.



Dominic is a parish volunteer in Wellingborough. Growing up his parents were active with Caritas Goa and he saw first-hand the difference their work made. He appreciates the community spirit social events like soup lunches bring to his parish. "The best thing about volunteering with CAFOD is knowing that what you do has a significant impact on the lives of those living in poverty around the world."



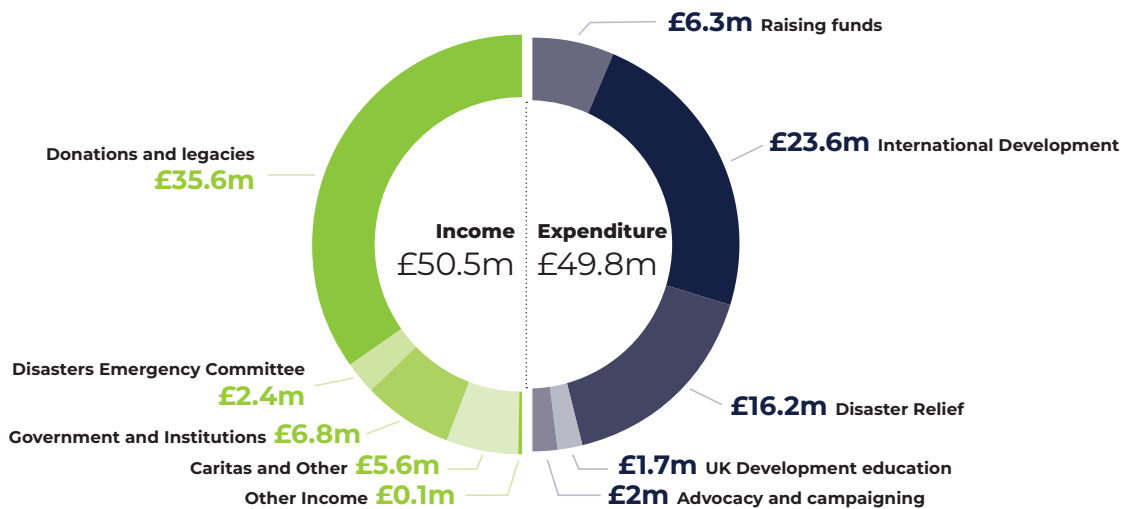
Sister Furaha volunteers in CAFOD's office in Democratic Republic Congo (DRC), remotely supporting partners working on a Mining Protection Project, specifically supporting girls. The presence of Sister Furaha has strengthened the Catholic spirit in the Kinshasa office and the team really appreciates her contribution.

Income and Expenditure summary

This year we were thankful to record total income of £50.5 million, of which a wonderful £35.6 million (70 per cent) came from the unwavering support of the Catholic community in England and Wales; made up of general and emergency appeal donations, including the continuation of our Coronavirus appeal, the Afghanistan appeal and, most recently, our Ukraine appeal. Once again, we were also blessed to receive very generous legacies.

We are so appreciative and respectful of this level of continued support, during another difficult year for all. Our supporters and volunteers have adapted and continued to engage with us and our partners online. Despite the ongoing impact of the pandemic supporters have continued to give so generously and raise funds tirelessly for CAFOD's work.

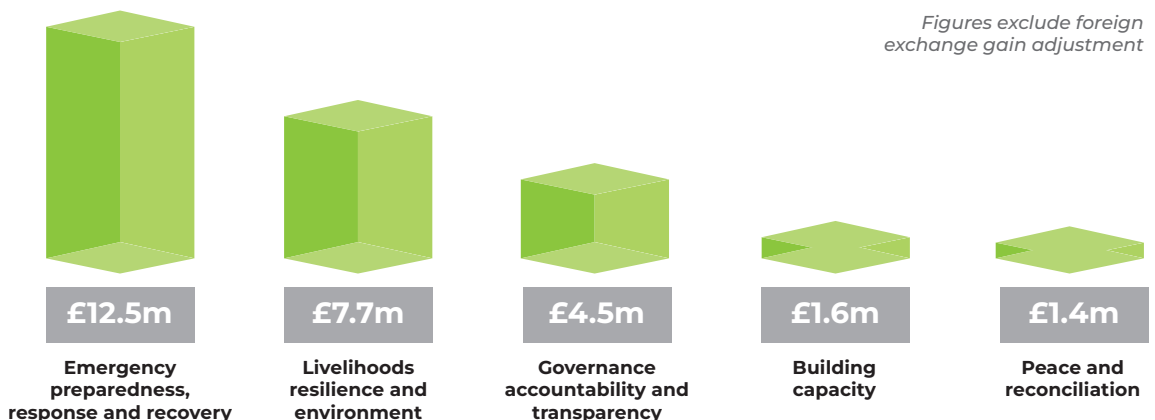
Chart 1: Income / expenditure



We spent £49.8 million in total; with £6.3 million (13 per cent) on raising income and £43.5 million (87 per cent) on delivery of our mission through charitable activities. Both these figures include allocated support, administration and governance costs of £5.1 million (10 per cent of our total spending).

These resources entrusted to us allowed us to cover a wide and diverse range of issues, reflecting the contexts in which we operate, the needs identified by our partners, and our analysis of how we can achieve the greatest impact in our programmes. We made 559 grants to partners, including £2.4 million of programme payments made by CAFOD in direct support of partners for programme activities and, with foreign exchange adjustments, this totalled £27.2 million, covering these main themes:

Chart 2: grant making



CAFOD works in partnership with local experts

The value of partnership, present throughout Catholic Social Teaching, is central to CAFOD's work. We rely on and respect the expertise and knowledge of local organisations. Because they are part of their communities, they are best placed to listen and work with communities and respond to needs. Through our partnership model and grant-making criteria we ensure that vital aid and funds reach those who need it the most and helps strengthen local organisations for the future.

The majority of CAFOD's charitable work is carried out by making grants to partner organisations, 559 totalling £27.2 million last year, including programme payments. Grants are usually made within mutually agreed strategies. Before grants are made, project proposals are subject to formal assessment and approval. All projects are systematically monitored for the duration of their existence, and bigger projects are subject to a final formal evaluation review.

CAFOD works with a wide range of partners of different sizes and capabilities. Last year we financially supported 307 partners. Around two thirds are Catholic, some are faith-based of other denominations and some are secular, but we all share a commitment to transforming the lives of the poorest and supporting the earth to thrive. CAFOD is committed to supporting partners to grow their own technical capacity and to share their learning with others, so that together we can make a bigger, long-lasting impact.

Last year this included...

- Financially supporting 12 partners in DR Congo to boost their internet connectivity to facilitate their remote working during the COVID 19 pandemic. Even when circumstances were difficult, the most vulnerable communities could continue to be served.
- Connecting partners in-country to learn and work together more closely in Bangladesh. Partners shared techniques on seed savings, two partners developed a joint project on environmental justice and Caritas Bangladesh staff have signed up for permaculture training run by another CAFOD partner.
- Learning across borders. Partners in Peru and Colombia shared learning on complaints handling knowledge, so that concerns raised by communities are welcomed and addressed.
- Joining with other charities in the UK to increase the profile of indigenous rights violations in Brazil through the creation of the APIB (Association of Brazil's indigenous peoples) UK solidarity group, alongside Greenpeace, Survival International, and Brazil Matters.
- Building partner capacity including in the DR Congo, where we supported partners delivering a £3.6 million programme focused on Youth and Women engagement Towards Democracy and Peace. The CAFOD team provided advice and support in the financial management of this complex programme, assisting with the review of financial policies and guidelines and supported partners in recruiting finance staff.
- Supporting Church partners in Latin America to lead efforts to create the Ecclesial Conference for the Amazon, CEAMA, to carry forward the aspirations and recommendations arising from the Amazonian Synod. This regional initiative is playing a fundamental role in trail-blazing new paths for the Church, based on integral ecology.

Focus on Partner Direct Funding

In Our Common Home, we have clear ambitions on supporting the agency of our partners. We supported 6 partners to apply directly for funding from institutional donors. Last year, in a really difficult funding environment, three partner direct funding applications were

successful, generating over £2.8M for our partners' work; money which might in the past have passed through CAFOD as income:

- A partner in Honduras secured a three-year grant worth over \$2 million USD strengthening avocado, vegetable and honey value chains with 900 producers and improving food security for 400 vulnerable producers. CAFOD continues to be involved in the review and planning of the project.
- Based on our credentials in policy and campaigning, we were approached with a funding opportunity in the area of partner-led international collaboration on debt justice. A CAFOD partner in Zimbabwe was successful in securing USD 200,000 towards amplifying voices from Southern Africa, asking multi-national banks to cancel the debt they hold and towards change in a UK law that perpetuates debt in the region.
- CAFOD supported partners in Syria to directly access funding from the European Union. The project, implemented by a consortium of three organisations, including two local organisations, focuses on women's rights and protection issues within host and internally displaced communities with a budget of €1,000,000.

*Elders meet
with Isacko Jirma
Molu, Director
of Caritas
Marsabit, Kenya.*

The total grants made to partners last year was £27.2 million. This partner direct funding secured the equivalent of an additional 10 per cent of that figure for partner contracted work, which also helps to strengthen the local organisations and support local experts bringing about positive change in their communities.



Network, Membership and Standards

CAFOD is a member of a number of organisations that help us to collaborate, learn and deliver our work more effectively. Among others, these include the British Overseas Network of Development Agencies BOND, the START Network, the Disasters Emergency Committee DEC and DEC Cymru, CIDSE and the Climate Coalition and Stop Climate Chaos Wales. We are a member of Caritas Internationalis, a global Catholic Church network with a presence in 165 countries. In the most dangerous countries, distant regions and marginalised communities, the local Church is often a trusted and steady presence, able to help many who are truly in need and many of CAFOD's partners are part of the Caritas family.

As a charity registered in England, CAFOD is regulated by and accountable to a number of bodies, including the Catholic Bishops' Conference of England and Wales, Companies House, the Charity Commission and of course we have to comply with local and international laws. As a Catholic agency we also comply with Canon Law, the law of the Catholic Church.

As an organisation, we have chosen to sign or support some external standards and measures of accountability. Below are some of the most significant ones:

- CAFOD abides by the **Caritas Internationalis** management standards. They safeguard our professional competence and efficacy in serving our neighbours based on good practices and accepted global principles within the humanitarian and international development community.
- We are a signatory of the **Core Humanitarian Standards**, placing communities and people affected by crisis at the centre of humanitarian action. We are regularly audited against nine commitments, which we use to demonstrate and improve the quality and effectiveness of our work.
- CAFOD is signed up to the **Grand Bargain**, an agreement among humanitarian donors and organizations to get more means into the hands of people in need and to improve the effectiveness and efficiency of humanitarian work.
- In the UK we are also bound by the Fundraising Code of Practice which aims to ensure that fundraising is respectful, open, honest and accountable to the public.

CAFOD upholds values and high standards of organisational, professional and personal conduct, outlined in our Code of Conduct which all representatives must sign. We welcome feedback and complaints. Should our values and commitments ever not be upheld to the standard expected, we want to be informed. There is clear information available on the CAFOD website that explains how to raise concerns, including anonymously.

*The rebuilt bridge,
Sierra Leone*



A celebration of over 30 years of CAFOD's work in Zambia – Working together for long-term flourishing

Reflection by Mwila Mulumbi, CAFOD Programme manager

Communities celebrating with song and dance, years of partnership with CAFOD



For over 30 years, CAFOD worked with more than 34 partners across Zambia and reached extremely poor households, especially women and vulnerable smallholder farmers, people living with HIV and with disabilities, orphans, survivors of gender-based violence and the elderly. After over three decades of partnership with the Church in Zambia, CAFOD decided to close its country programme in March 2022. This decision was part of a larger global review process made in line with our strategic framework, Our Common Home, and in response to our rapidly changing world. In this time Zambia had moved from a low-income country to a lower-middle income country and as CAFOD's funding situation changed, priority shifted to more fragile and conflict affected states.

In 1989, CAFOD representatives visited Zambia and observed negative trends in the economy and the emerging of HIV/AIDS. In the early 1990s, in a context of worsening economy, widespread malnutrition, droughts and floods, in dialogue with the Zambian Church it was agreed that CAFOD could make valuable contributions to the HIV/AIDS situation which had worsened rapidly. CAFOD provided grants to partners to support different aspects of HIV/AIDS ranging from healthcare facilities and provision, youth training, women empowerment, emergency and livelihoods programmes among other areas. Over a decade, CAFOD's efforts continued to expand and CAFOD became known and recognised for championing a more holistic response to HIV/AIDS with its partners. By 2012, 82.2 per cent of Zambians living with HIV had improved quality of life.

CAFOD is committed to strengthening local community structures and the capacities of partners. Capacity strengthening support was provided to partners in Zambia in disability mainstreaming, advocacy, resource mobilisation, safeguarding, financial management, and monitoring and evaluation systems among other areas. At the time of CAFOD's exit, about 40 per cent of the partners were able to secure funding by other donors, diversifying their income. A further 40 per cent of partners developed social enterprises to support continuity of existing projects. As a result, some projects such as the support group clinics for mental health care run by St. Francis will continue.

Despite the hard decision to exit CAFOD's partnerships in Zambia, there was a commitment to exit in a dignified and responsible way and to celebrate the successes

of the last three decades. At 'celebration ceremonies' CAFOD colleagues met and heard testimonies from many people of how their lives had significantly changed. Many came along with their 20-25 years old children, some born with HIV, and who from birth had benefited from CAFOD's holistic support and had gone on to become successful. There were middle-aged women and men who in their 20s had received livestock through a livestock pass-on scheme and over the years had significantly multiplied and generated income from their livestock and had come out of poverty. Through this and other resilience livelihoods work, Colleagues estimate that they reached 735,000 people in the last 10 years alone. There were communities, who were provided with skills, knowledge and advocacy capacity to defend their human rights, particularly the rights of people with disabilities. Through sustained advocacy they contributed to the enactment of the Mental Health Bill in April 2019. There were testimonies from households on how gender justice and equality interventions had deconstructed harmful cultural practices in their homes. Colleagues met communities supported with water, sanitation and hygiene support, estimating that in the more recent projects alone, 27,000 people had access to clean and safe water with CAFOD support. Over the last couple of years, CAFOD provided COVID-19 support to the Zambian Church, estimating a reach of more than 2 million Zambians.

As they said farewell to partners, the one question that lingered CAFOD colleagues' minds was whether all the support that went into different programmes over three decades had created the desired change? Their answer is yes. It was not always easy but through the generous donations, prayers and acts of solidarity from the Catholic community from England and Wales, CAFOD has left behind a legacy for many generations.



UK Aid Match

UK Aid Match is a programme funded by the UK government's Foreign, Commonwealth and Development Office. By matching contributions made during an appeal – for every £1 donated, the government also contributes £1 up to an agreed target – it allows British taxpayers to have a say in how UK foreign aid is spent, helping to double the good that donations to CAFOD achieve and providing an opportunity to engage with international development issues.

In 2018, CAFOD's Lent Appeal secured £4.3million of Match Funds to run projects in Eritrea, Zambia and Zimbabwe. The aim was to build community resilience to climatic shocks, improving food security, caring practices for vulnerable groups, and sanitation and hygiene practices, to enhance the nutritional status of rural communities. After three years, the project concluded in September 2021 and we are delighted that overall, 299,842 people benefited from the scheme, tripling the number of households meeting standards on food access and food diversity.

Thanks to the kindness and generosity of CAFOD supporters and the UK government, led by the help of the hardworking Sisters and staff at Mtora Mission Hospital in, there is now additional shelter for expectant mothers in Gokwe, Zimbabwe. It opened in July 2021 and provides a safe place for women to come when they are nearing their due date. The hospital now has a ward for pregnant mothers with lots of well-spaced beds and solar lights. Two thirds of the mothers involved in this project have also been supported to breastfeed their babies.

Similar stories of hope have been playing out across Zimbabwe, Zambia and Eritrea in the past three years thanks to CAFOD supporters. Acts of kindness during Lent 2018, acted out time and again in parishes, schools and homes up and down the country, added up to something big.

Over the last financial year, coronavirus continued to impact the programme. Activities had to be postponed, cancelled, or adapted to ensure that they could be carried out safely and in compliance with national restrictions. In addition, the programme delivered emergency support to mitigate both the immediate health risks to people and communities as well as the unintended outcomes of lockdown restrictions, such as severe

food shortages. Despite these challenges, the achievements of our Caritas partners in all three countries have been truly impressive. Here are just some of the ways the generosity of CAFOD supporters and the UK Aid Match scheme made a difference:

- **1,417** community health workers were trained to treat and care for people suffering from or at risk of acute malnutrition in their communities.
- **188,674** people were taught skills and techniques for caring for people at risk from malnutrition – including how to handle food safely and cook nutritious meals for children and vulnerable family members.
- **51,753** gained access to safe, clean water to drink and wash with, from piped water, community boreholes and communal taps.
- **245,080** people took part in hygiene awareness programmes to learn about waterborne diseases and how to combat them. In the first year alone, **1,000** households had built their own tippy taps for easy and effective hand washing.

When CAFOD receives funding from institutions such as the Foreign, Commonwealth and Development Office FCDO, there are stringent administrative requirements, accounting for funds and evidencing work undertaken. Following the final evaluation, we received feedback from Mannion Daniels (who are the management agent for Match Funding on behalf of the FCDO). Their report highlighted how CAFOD “used an adaptive management approach, enabling effective action to be taken to ensure project continuation in the face of these challenges, and to maximise opportunities to accelerate progress, such as the mobilisation around WASH [water, sanitation and hygiene] practices caused by COVID-19 responses”. CAFOD colleagues are really proud that the project scored an A overall. Mannion Daniels highlighted that “the project significantly exceeded its beneficiary reach,” scoring an A+ at outcome level.” Outcomes are evidence that the interventions undertaken by the projects have actually made a difference. This achievement was all the more impressive given the difficult operating environment in which the project was conducted.

UK Aid Match fund money paid for three shelters for expectant mothers at the Mtora Mission Hospital in Gokwe, Zimbabwe.



Making progress towards our commitments

CAFOD's work builds on 60 years of organisational history, working for and achieving local and global change together with the Catholic community in England and Wales and our partners across the world. All work is guided by our strategy "Our Common Home" (2020) to deliver against four commitments and key areas of change. These are used as a framework to report back on last year's work in this report.

1. Positive impacts for people, communities and the environment

Against the backdrop of the global Coronavirus pandemic, we achieved the aims that we had set ourselves: To continue CAFOD's full range of work with adaptations and to support partners in their advocacy for healthcare and vaccines; to maintain support in protracted crisis and be able to respond to new emergencies if needed; and to embed greater environmental stewardship and gender justice in CAFOD's ways of working.

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

CAFOD supports local experts to help some of the most difficult-to-reach people in Africa, Asia, Latin America, Middle East and now again in Europe. Local needs and contexts determine the shape of our international programmes. Our distinctive approach is found in how we do what we do: investing in local agency, partnership and capacity, in women's empowerment, intergenerational dialogue, regeneration of the environment and systemic structural change: 'Doing with', not 'doing to'.

Last year CAFOD supported partners to deliver project work worth £7.7 million focusing on livelihoods, resilience and the environment and £1.4 million on peace and reconciliation work. These funds facilitated local partners to keep working within their communities, many impacted by increased violence and economic and social instability as well as continued coronavirus restrictions. Despite these challenges, partners adjusted their work to continue to reach out to those who suffered the most.

In Sierra Leone, CAFOD supports partner projects run in Pendembu including the installation of a hand water pump and its protective wall. The bridge leading to the village of Waima Ngeiya had collapsed, so vehicles could not get in or out. CAFOD provided funds to get the bridge re-built so that the drilling trucks could get through and the well began to provide safe water to the village which has a population of 1,200 people. Today, a local technician shared their joy with CAFOD supporters: "As the water is coming out, the people are jubilating. Over 100 years, they have not seen a pump in their community like this one." The video is available on the CAFOD website. The video itself was created following a training session led by CAFOD's communications team in 2021, in which CAFOD's staff in Sierra Leone and those of partner organisations learned how to safely create and share good quality images and videos about our work, which respect the dignity of those featured. This initiative to equip the local team in content gathering established a dialogue and sense of equality between the country office, local partners and CAFOD colleagues in the UK, embodying the culture of encounter that we aim to foster, even in the most remote locations.



Increasingly the protection and regeneration of the environment is incorporated into our international programmes as we respond to the cry of the earth and the cry of the poor. For example, in South Sudan, CAFOD worked with a local partner to design a project that focuses on improving communities' resilience by introducing alternative solutions to deforestation. This included distributing and encouraging communities to use fuel efficient stoves. This has helped reduce the quantities of firewood and charcoal in the short term. If widely adopted this will ease the pressure on forests and woodlands while decreasing the pace of deforestation and soil erosion in the medium to long terms. At the same time, the stoves help to protect women and girls against the risk of sexual and gender-based violence associated with collecting firewood. Whether it is advocating for organic farming laws in Sri Lanka; promoting diverse indigenous seed varieties in Bolivia; or seeking to install solar panels in CAFOD's country offices, human flourishing depends on a caring for our common home.

Many CAFOD partners' lives and work are threatened as they speak out boldly to protect their culture, livelihoods and the environment. Human rights defenders help to keep governments and businesses in check, ensure that models of development put people ahead of profit, and protect our planet. Yet, for their work, they face criminalisation, harassment and violence – even death. Based on our own research, CAFOD published a report on 'Our Common Home: Defending Land, and Environmental human rights defenders in Latin America', co-funded by the European Union. To raise awareness, local launches were held in Latin America. In the UK, we held a CAFOD supporter event on Human Rights Day as well as a launch with MPs. The report highlights patterns of abuse across Bolivia, Brazil, Colombia, Guatemala, Honduras and Peru, often affecting already under-represented groups – indigenous, Afro-descendant and campesino (small-farmer) communities, and women – the most. It shares learning on the different strategies and approaches being used to push for change and recommends ways that the UK and all governments, businesses and investors can protect human rights defenders from the attacks they face, and to tackle the drivers of this abuse.

A school in the Jordan Valley (oPt) saved from demolition through the legal aid work of a CAFOD partner.



Another region where lives are affected by conflict is the Middle East. CAFOD has worked with Christian, Jewish, Muslim and secular partners in the occupied Palestinian territory and Israel for almost 40 years. CAFOD's partners work to provide protection to vulnerable Palestinian communities, to promote youth agency and leadership and to lobby for social and political change to address the causes of conflict. In 2021/22 over 80,000 Palestinians received protection from forced displacement and human

rights violations. A CAFOD Israeli partner that works with Palestinian victims of Israeli offences in the West Bank documented 151 incidents of violence, collected 187 testimonies and filed 99 complaints with the police. A Palestinian partner provided legal aid and services to 6,415 Palestinian families. CAFOD partners continue to demonstrate strength and commitment in their advocacy work to local diplomats and delegations – a tangible impact of CAFOD's previous support and in the UK, CAFOD seeks to contribute to a critical mass pushing the UK government to support the rule of law.

Peacebuilding is an important element of our work as violence continues to disrupt communities. In Colombia, a CAFOD Hands On project in Magdalena Medio reached 7,013 young people as well as their parents, teachers in 34 schools, and members of local authorities. One such group that is standing up to the violence is TamboArte - a youth dance group for young men to come together, share ideas and feelings and to learn to understand one another. Many of these young men received no formal education and without resources and support, they are at great risk of being swept up in the cycle of violence. By celebrating their culture together through traditional dance, they are now on a different path – a path to peace. As the project came to a close, an external evaluation highlighted CAFOD's role in organising peacebuilding knowledge exchanges and



TamboArte – a youth dance group for young men in the Magdalena Medio region of Colombia

supporting monitoring and evaluation and effective implementation. A local partner sent this message to CAFOD staff and volunteers: “To all those who have supported CAFOD, many thanks for standing with us. I would like to thank the CAFOD team for the trust they have given us, for the sense of belonging, for the processes, for putting on your backpack and walking with us on this journey.”

Whether it is an issue of poverty, climate change, inequality or conflict, local aid workers can use the support provided by CAFOD to continue reaching those that are most excluded over long periods of time through help that goes beyond ‘standard’ two- or three-year projects.

Emergencies

Responding to humanitarian emergencies is integral to CAFOD’s work, but the number, scale, and complexity of the crises that our partners encountered last year, was unprecedented. Support from CAFOD supporters and institutional funders such as the DEC, the European Union and CARITAS sister agencies, enabled local experts to support communities in crisis in Afghanistan, Syria, Ethiopia, Sudan, India, Nigeria, DR Congo, Haiti, Yemen, Bangladesh and Lebanon. From March 2022, CAFOD mobilised partners to provide emergency assistance to vulnerable populations inside Ukraine and to those who fled to neighbouring countries as a result of the war.

CAFOD and its partners also continued to respond to smaller scale emergencies that do not register in the UK media, but still have a devastating impact. For example, partners in Lebanon responded to snowstorms that impacted the already worn-out infrastructure of informal settlements, collapsing tents of Syrian refugees and leaving tens of thousands stranded. With our local partners in Mozambique, we were able to provide 1,000 tarpaulins (shelter kits) and bring relief to 1,000 affected families, most (97 per cent) within 72 hours of Cyclone Gombe hitting. CAFOD supported communities affected by the Nyiragongo volcano eruption in DR Congo; the drought in Kenya in the Diocese of Marsabit; and floods in Bahia and Minas Gerais in Brazil.



The House of Peace, Lebanon.

The House of Peace is a grassroots peacebuilding organisation in Lebanon. With CAFOD support they established a 'self-care' hub following the Beirut blasts in 2020 to improve the wellbeing of traumatised frontline workers. The self-care hub provided them with tools to ensure their own wellbeing and created a space for dialogue and for the establishment of networks of support within their organisations.

Afghanistan

A generous £1.7 million was raised by CAFOD supporters for the people of Afghanistan. From this, CAFOD and our partners have provided vital support to over 52,000 individuals so far, including Emergency food packages, cash for food, hygiene kits and winterization support. But the crisis is not over. CAFOD staff have been supporting local partners to build their capacity to respond, whilst also ensuring that CAFOD's response was fully compliant with UK and international financial sanctions that were imposed on Afghanistan and mindful of security concerns. Through joint advocacy with other organisations, we contributed to keeping the plight of the people of Afghanistan in the public eye.



The COVID centre constructed with support from major donors and CAFOD in Masiti, Zambia.

COVID-19

COVID-19 still created debilitating health and socio-economic impacts on communities last year and the global picture remains mixed with inequitable access to or uptake of vaccinations. It was the most vulnerable who suffered the most. Thanks to the generosity of CAFOD supporters we could fund 27 projects across 15 countries, releasing a further £1.32 million in 21/22 for COVID-specific response and recovery projects. Below are just some examples:

- In Zambia, the Zambia Conference of Catholic Bishops took a lead in awareness messages. With CAFOD's support, over 1.5 million people were reached with vaccine messaging and on adherence to safe COVID-19-specific practices.
- In the Democratic Republic of Congo (DRC), 18,512 people, facing the greatest poverty, received emergency support in the form of cash and direct distribution. Over 300,000 people have also been sensitised on Covid-19 prevention.
- In Lima Peru, 94,368 meals were provided by our local Caritas partner via eight community-led food kitchens.
- In Zambia, construction of an isolation facility provided much needed additional capacity. The hospital has been designated as a COVID-19 Treatment/Admission centre by Ministry of Health, and will provide healthcare capacity now, and in the long-term.
- In Bangladesh, 670 people with disabilities were vaccinated following support from a local CAFOD partner.
- In Kenya, solar powered installations from previous CAFOD-funded projects have been useful for the COVID-19 response; including solar powered refrigerators to store COVID 19 vaccines.



Victoria, Bolivia.

Feedback from Victoria, who participated in a CAFOD partner indigenous communities project in Bolivia: *"For me the project has been very good. I didn't know how to grow vegetables at all. Now I have my tent [greenhouse], where I have everything for the family... When the illness came [COVID-19], we couldn't go out to the city to buy anything and at that time these vegetables helped me a lot... Before, I didn't pay much attention to looking at the climate prediction signs... I am teaching my children how to do it, that has been very important."*

CAFOD is committed to support affected communities to help people to survive, rebuild and live with dignity. This support to CAFOD's International programmes could not have happened without the incredibly generous community of England and Wales. Thank you!

COP26

Fossil fuels are part of the problem that fuel the climate crisis which has a disproportionate impact on the poorest around the world. CAFOD has been part of UK and global coalitions advocating for an end to fossil fuel investment for nearly 10 years. The UK hosting the G7 meeting in Truro in July 2021 and the COP26 in November 2021 in Glasgow, offered CAFOD a unique opportunity to influence the global recovery from the pandemic, the cancellation of unfair debt and commitments to mitigate the climate crisis. How the UK government as host of these two meetings responded, was key to tackling the climate crisis, poverty and inequality that affect millions around the world.

In the run-up to these two key meetings hosted by the UK government, we worked hard to amplify the voices of our partners and the communities we work with who are facing the climate crisis. People like Claudelice, whose story you can read on page 21, as well as partners from Colombia who were COP delegates and advocated for the recognition of the role communities play in counteracting the climate emergency. CAFOD is part of a global Catholic movement and closely liaised with the Holy See to influence the debate by world leaders and their advisers. CAFOD's chair of Trustees Bishop John Arnold, as environment lead for the Catholic Bishops Conference England and Wales, observed the climate negotiations first-hand and joined marches, discussions and vigils for greater climate action. We are so grateful to our partners and supporters for raising their voices, demanding action from our leaders on the climate crisis, and for continuing the journey of reclaiming our common home.

G7

The G7 'Group of Seven' Summit took place in Cornwall in June 2021 and brought together government leaders from some of the richest nations. While the leaders of the summit failed to discuss the cancellation of debts and to deliver much of the action around COVID and climate change – CAFOD supporters ensured that these issues were not completely forgotten. This included a group of inspiring young climate campaigners who gathered at the G7 Summit in Carbis Bay and raised awareness through social media and media coverage and the children of St. Mary's, Falmouth. The world of eyes in the picture (above) has about 3000 eyes on it, from almost every Catholic school in Cornwall, Devon and Dorset. One pupil said: "My message to G7 leaders is that the eyes of the world are watching them, so are all the young people, to make sure they make the right decisions."

Later in the year, drawing on the experience of the G7, CAFOD supporters were determined to have their voices heard at COP26 in Glasgow. 'COP' means 'conference of parties', a Climate Change Conference organised by the United Nations where governments and negotiators from across the world discuss how to keep temperature rises below dangerous levels and prevent the climate crisis from causing even worse catastrophes for the world's poorest and most vulnerable people. Thousands of CAFOD supporters campaigned at COP26 to encourage leaders to slow down global warming, provide money they had already pledged to countries on the frontline of the crisis, and to commit to ending the use of fossil fuels.

CAFOD was called to give evidence before the International Development Select Committee to highlight the loopholes in the UK government's fossil fuel policy. The G20 includes all of the G7 nations but also countries such as China, Russia and South Africa. We coordinated a letter and media action to 'consign fossil fuels to history' to G20 leaders from faith leaders in those countries.

We followed up with the CAFOD 'climate babies', children first featured in the Observer newspaper on the eve of the 2009 Copenhagen climate talks, and again ahead of Paris 2015. We asked Maria from Bangladesh, Olomaina from Kenya, and Denislania from Brazil what impact the climate crisis might have on their future and their stories were again published in the Observer newspaper in November 2021. Their experiences show the devastating effects changing weather patterns, increased droughts and floods are having on their daily lives. Working with partners, these children's stories were featured prominently in the Observer ahead of the COP26 meeting. The call from Denislania to the political leaders was clear: "They need to preserve the planet, to look after it."



School children's 'Eyes of the World' art installation sends powerful message to G7 leaders – G7 summit, Cornwall

The groundswell of support for climate action from the Catholic community was amazing! We are grateful to all the volunteers, teachers, parish priests and CAFOD supporters who lent their voices.

- Our online training sessions and events gave our supporters a chance to participate in climate events that they ordinarily would not have been able to attend. For example, linked to the G7 event, we organised a livestream event at Truro Cathedral that over 2,000 people watched.
- 130 parishes organised meetings with MPs in 110 constituencies and these were attended by over 900 parishioners! Meetings with MPs were held in 20 of the 22 dioceses in England and Wales. CAFOD supported the Bishop Conference in producing and sharing a special prayer card and poster in the run up to COP26 with every parish in England and Wales.
- With their school communities, 57,000 children took part in CAFOD's Eyes of the World campaign, raising their voices and calling on the UK government ahead of the COP26 climate to show leadership on tackling the climate.
- Over 550 supporters attended COP26 marches in London and Glasgow. Four young people led the social media posts on CAFOD's Instagram account for 24 hours, sharing quote cards, videos and photos of their time in Glasgow and helping us to reach new audiences.
- During COP26 in Glasgow, CAFOD's media team helped to share the voices and views of our partners overseas including via local regional BBC radio stations. There was also coverage on Spanish-speaking BBC Mundo's Instagram of environmental defenders protecting the River Atrato in Colombia. This profile-raising was an important impact in a country which has one of the highest rates of attacks and killings of human rights defenders in the world.

The 'Eyes of the World' are watching banner UK tour – Oxford



Whilst the G7 and COP26 did not deliver all that was hoped for, 197 countries did sign the Glasgow Climate Pact. The Glasgow Climate Pact is the first COP agreement, or 'cover decision', to explicitly reference fossil fuels. Countries have made progress on some aspects of a plan to tackle climate change, but still have significant work to do. COP26 might have drawn to a close, but we know that the work to care for our common home goes on. We will push for clear, concrete and ambitious 2030 greenhouse gas reductions under the Paris Agreement. CAFOD's focus is on people who are on the frontline of the crisis: those who work to defend our common home and face growing threats every day.

Claudelize Silva dos Santos



Claudelize Silva dos Santos is an Amazon and Human Rights Defender from Nova Ipixuna, Brazil. She has become known for her tireless struggle for justice for her environmentalist brother and sister-in-law who were murdered in 2011 on orders of illegal logging interests. Since then, Claudelize has faced numerous death threats for her brave work to stand up for communities' rights and keep the forest standing.

CAFOD supported Claudelize and other Amazon leaders to attend COP26 so that indigenous and forest communities' voices would be heard during the climate meeting. The pressures faced were dramatically highlighted on day one of the COP, when that night armed men and local ranchers burnt neighbours' homes in Nova Ipixuna and beat people to force them off their lands. Claudelize was soon combining COP advocacy and participation in the March for Climate Justice while remotely coordinating an emergency response. Following the COP, Claudelize travelled to London and St Albans,

sharing experiences with secondary schools and a local Justice and Peace Network. In parliament, Claudelice, CAFOD and Global Witness jointly lobbied MPs to ensure that Human Rights and deforestation were included in Environmental Bill implementation guidance. Reflecting on COP26 to Lords and MPs, Claudelice's message is that future COPs must provide greater recognition of those indigenous and traditional communities who have been the stewards of creation and the climate.

Transforming the humanitarian aid system

In times of crisis, it is local community-based organisations and networks that are the first responders helping people to survive and cope with the impacts of natural disasters and conflict. All too often, there is an inconsistent and inadequate support to local non-governmental organisations (NGOs) for their core costs, including for example maintaining staff health insurance, safety and security systems, administration of safeguarding and other important aspects of sustaining their staff and organisation beyond individual project delivery costs. CAFOD is committed to challenging and changing the global humanitarian aid system so that local civil society groups, rooted in crisis-affected communities, are actively shaping the response to crises that affect them. This is a part of localisation. The past year CAFOD has seen a radical increase in the level of political and technical attention to localisation in the humanitarian system; following critical reflection about racism and colonial legacies in aid at the highest levels of donors, UN agencies and NGOs, in the wake of Black Lives Matter, and a recognition of the central roles played – for better or for worse – by states and local actors in Covid19 response. CAFOD conducted further research in this area last year, and advocacy on this topic is gaining traction with institutional donors. The main policy forum in which 'localisation' policy is reviewed at global level is called the Grand Bargain, where CAFOD was one of the original signatories. At the last Annual Review meeting, four large global donors made statements about adopting new, more generous overheads policies. CAFOD played a lead role in supporting our local partners to influence the humanitarian sector both in the UK and globally to secure these new commitments by donors, UN agencies and INGOs on empowering local civil society in crisis response.

In order to achieve meaningful change for people, communities and the environment, their voices need to be heard by decision-makers. CAFOD is well placed to open doors for dialogue to take place. Last year this included:

- UK Foreign and Commonwealth Development Office Ministers have met with CAFOD local partners and other global south activists to reflect on ways forward.
- More than 15 CAFOD local partners were supported to speak at over 10 global policy events and 5 meetings to brief British parliamentarians, FCDO officials and British government ministers.
- Under the main global body setting the coordination and operational guidelines for both UN agencies and NGOs on humanitarian response (the 'Inter-Agency Standing Committee'), CAFOD led advocacy which resulted in new research being funded by UNICEF, the UN child protection agency, into how both UN agencies and NGOs provide support to the core overheads costs of local NGOs in their grants and partnerships.
- 5 Grand Bargain country level dialogues on localisation in Colombia, South Sudan, Nigeria, the Philippines and Syria in which 10 CAFOD local partners shaped the agenda and raised their priorities with over 20 senior donor, UN and INGO country programme decision-makers.
- 8 donors, UN agencies and INGOs made statements or commitments about changing their approach to covering the overheads costs of local NGOs.

2. Amplifying local voice, agency and leadership

Promote the leadership, proactive involvement and influence of women in all levels of decision-making to achieve better community engagement and development outcomes, and to celebrate their inherent power.

Our vision is of a world where women are safe and respected and where women and men share equally in shaping their societies. Globally, over 2.7 billion women are legally restricted from having the same choice of jobs as men and gender-based violence is commonplace. Tackling gender inequality is not just an issue for women - everyone suffers when so many people are prevented from realising their full potential. Equality is essential to tackle poverty; both men and women need to be part of the solution. CAFOD was founded by women and we are proud to support the leadership of women in our work, to support national partners organisation in research, analysis and advocacy, to lift up women's voices to have influence in-country and at global levels.

- In Nigeria, more than 2,000 women received training from our partner in women's rights especially focusing on widowhood practices, female genital mutilation and inheritance rights. CAFOD partners supported the elimination of widowhood practices and female genital cutting in four local areas. All communities in this project location now have by-laws with stipulated punishments against perpetrators of violence against women and girls.
- In Sri Lanka, one of CAFOD's partners strengthened the leadership of women activists engaged in women's economic rights' issues at community level and facilitated a network which enhanced women's leadership at national level to advocate for reforms to ensure women's economic rights. Their intervention at national level has already influenced positive changes on issues such as women's land rights, microcredit and women's rights in agriculture. In 2021 the UN special rapporteur on modern forms of slavery visited Sri Lanka, and women activists from CAFOD partner's leadership training programme met with him and presented the issues faced by victims of predatory microcredit systems.
- In Niger, to enable people with disabilities to be among the actors involved in the prevention of the Covid-19 pandemic, women with disabilities were trained in the design and production of masks that meet the standards and recommendations of the Ministry of Health. A total of 20 women were trained, and they will then train other women. 15 women living with disabilities were trained in the making of liquid soap and cleaning products. Whilst only a small project, the impact on these women's lives is profound.
- CAFOD supported two Syrian national NGO partners – one humanitarian focused, the other a women's rights organization – to secure a grant worth over 1 million Euros to support local women's organisations and informal women-led networks in Syria.

Eufracia speaking on a radio programme.



Throughout the pandemic, radio and podcasts have been a vital lifeline for isolated communities to get the information they need to stay safe. In Peru, indigenous women took the lead in broadcasting life-saving information to their communities in local languages. One show, produced for women, by women, was one of several radio programmes created to dispel myths and share accurate information on COVID-19 with

indigenous people living in the Amazon region. Eufracia, speaking from the High Andes on another programme, explained that there are older people in the community who do not speak Spanish. And Lucy from CAFOD's Andes team, adds: "The main issue was that messages weren't reaching indigenous and rural communities and weren't being shared in a way that was accessible to them – in their local languages, as well as with respect for their cultures," Often radio is all that people have in very rural areas so it's a crucial tool for any kind of communication."

CAFOD staff with a group whilst on a monitoring visit of the project.



Supported by CAFOD, local partners in Goma, DR Congo are empowering women to earn a secure and sustainable living. Most of the project participants are women who have been displaced or have lost their husbands or children due to ongoing conflicts and are unable to access loans from banks and face extreme poverty. A Microcredit Project in North Kivu has been so successful that, with the significant savings made by beneficiaries, the project has become

self-sustaining, and many organizations are coming to learn the model from CAFOD's partners. All project participants have been incorporated into the banking system and can now access credits.

3. Creating a culture of encounter for transformative change

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

Small acts of love make big things happen. This was the theme for CAFOD's Lent 2022 appeal. CAFOD supporters were introduced to Lombeh in Sierra Leone, who as a baby was at risk of dying due to malnutrition. With the unceasing determination of her mum and the help of the Handmaid Sisters supported by CAFOD, Lombeh is now thriving. Lombeh's mum trains and advises new mums on child nutrition. The Catholic community responded through prayer, action and raising more than £1.2 million to support CAFOD's work around the globe. 1,432 people – family, friends, parish groups, schools, staff from our Democratic Republic of Congo (DRC) and Nigeria teams and CAFOD Trustee Bishop Stephen Wright – took part in the *Walk Against Hunger* challenge raising over £343,000 so far. Children and young people from 518 schools walked, an amazing 170,844KM! That's equivalent to walking around the world four times!

We also built on the success of online supporter engagement and held a national virtual meeting ahead of Lent for the first time. Sarah Hampel and Sr Frances Orchard (daughters of our founding mother Elspeth Orchard), CAFOD Director Christine Allen, CAFOD Chair of Trustees Bishop John Arnold, and the presidents of National Board of Catholic Women, Union of Catholic Mothers, and the Catholic Women's League reflected on CAFOD's roots in local volunteer activists who saw a need for change and encouraged others to join them. The event was attended by over 350 volunteers and the feedback was very positive.

Given the pandemic, much of our engagement with supporters was online. We had a record 1.8 million website visitors, two thirds of whom were new visitors – up 18 per cent

*Lombeh, left,
and her family*



from the previous year! In addition to this, traffic from our email marketing and social media channels increased 51 per cent in the last year. As a Catholic agency, faith and spirituality are central to CAFOD and important to many of our supporters. Our prayer pages continue to be very popular with 971,573 views (representing 30 per cent of all pages viewed) and during Lent 2022, 6,500 individuals subscribed to receive daily reflection emails. We have had particular success with our new family prayer resources to support people to pray at home with their children (11,236 views throughout 21/22) and our brand-new rosary audio resource, which allows people to pray and reflect with us while on the move (1,800 downloads during September 2021 alone). CAFOD colleagues organised over 214 online events: 14 Masses, 152 online talks with staff and partners and 9 national school assemblies. The school assemblies had 23,232 views – and we know that in several cases one view equalled 30 children and their teacher! We learned that virtual encounters with CAFOD's work and partners can be really effective and are one way in which we can engage younger audiences.

As COVID restrictions eased, we could be increasingly flexible in our engagement with parishes, schools and volunteers, blending the online with the physical, the virtual with the face-to-face. With parish life resuming in all its creativity, our weekly online children's liturgy sessions came to an end in December 2021 after 21 months and 84 online children's liturgies. As always, our Gospel reflections, prayers, songs and activities continue to be hugely popular and supportive for catechists and parents alike. From April 2021 to December 2021, 2,140 people participated in these liturgies with up to 119 people tuning in at any one time.

With schools facing significant challenges due to COVID, we have found new and supportive ways to reach out to school chaplains, teachers and young people. 134 school chaplains choose to receive regular communications from us, and over 200 more receive termly emails. Funded by the British Council, CAFOD provided professional development training for teachers in the UK as part of Connecting Classrooms through Global Learning. Over three years, schools from each of the 19 English dioceses attended at least one of the courses and over 400 schools have taken part through the course of the whole programme. At the end of the three-year project, 1,219 teachers participated in training with CAFOD and 25 new schools have started supporting our work through fundraising.

It is clear that the effects of climate change threaten to undo decades of work to alleviate global poverty. To raise awareness given the public media profile of environmental issues in the run up to COP26 in Glasgow, our focus in Harvest was the Climate Crisis and its effect in the Amazon. Harvest Fast Day saw an increase in parish participation compared to the previous year, with 469 parishes inviting CAFOD speakers and an amazing 1,764 parishes participating. Parishes raised almost £712,000, an impressive amount, given that many parishioners were only starting to return to church. In total, the Catholic community of England and Wales raised £1,106,613 for CAFOD's Climate Crisis Fast Day focus.

Together with the work for COP26 and Harvest appeal, CAFOD supporters are bringing about collective change to tackle the climate crisis through action. In Laudato Si' Pope Francis' invites us to "work with generosity and tenderness in protecting this world which God has entrusted to us". The LiveSimply Award is an opportunity for Catholic communities - parishes, schools, religious orders and chaplaincies - to respond to do just that. The award is earned by communities demonstrating how they have been living simply, in solidarity with people in poverty and sustainably with creation. 328 schools signed up during 2021-2022 to working towards the award, joining schools like Our Lady of Lourdes Catholic Primary School in Birkdale (Archdiocese of Liverpool), the very first school to achieve the award.

Throughout the last 12 months, CAFOD supporters have continued to be as committed as ever. Despite the continued effect of the pandemic and caution around gathering together in person, we have found creative ways of partnering together. In the face of the many challenges, through small, often hidden acts of love, the Catholic community have continued to find ways to bring about our shared vision.

Construction of school in Uganda



Sister Celia's family owned a commercial property in central London for almost a hundred years. When her mother passed away over thirty years ago, Sister Celia gifted her share of the profits from the property to CAFOD. We received a generous share of the rental income for many years and, when the property was sold in 2021, proceeds of the sale went to supporting work with children in Uganda that was so close to Sister Celia's heart and to other essential work of partners around the world.

Leaving a gift in your will to charity is a special way to reach out to future generations, helping CAFOD to commit to communities for the long run, so people can overcome poverty and injustice.



St Edwards parish, Lees in Oldham, Walk against Hunger raising over £2,000. "We were blessed with sunny weather, a great turnout - 77 walkers, from babies in prams to 'almost' 80-year-olds, parishioners and friends of St Edward's and dogs too!"



Benedictine monks from Douai Abbey who took part in walk Against Hunger and raised £1,205. The monks combined their miles, with each one walking every day as far as they are able to as some of them are over 80! They also invited guests, visitors, and parishioners to join them each Saturday during Lent for a walk around the Abbey.



Ka-Yee has been a parish volunteer for four years and is part of a CAFOD group at St Augustine's parish in Milton Keynes in the Diocese of Northampton. She is an artist and has been using her artistic skills to promote CAFOD's World Gifts in her parish.



There has been great support by members of the Welsh parliament and the Ukrainian community for the launch of the Ukraine DEC appeal.



A group of 21 runners and walkers from St Joseph and Holy Family Parish Sale (Shrewsbury Diocese) took part in the Liverpool Fun Run at Christmas. Some of our group have been doing the Fun Run for over 30 years."



Mervyn continues to celebrate his late wife Elsie's life with a Candlelight Fund and their love story is featured in a CAFOD video. "I think there is no better way of honouring the life of a loved one. Elsie would be more than delighted to know that I have set up this Candlelight Fund in her memory – knowing that all the money raised is going to so many deserving causes – causes that were so close to her heart."



St Chad's Catholic Primary School in Croydon have an active and exciting CAFOD club. "We try to raise awareness in our school community and in our parish about our global neighbours who need our help, support, and love. We do this by leading assemblies to our school about the termly CAFOD projects we take on. We want to try and help our global neighbours, we are all part of God's family, and all families take care of each other. "Demonstrating their commitment to building a better world, the children of the CAFOD Club attended the CAFOD supporters' parliamentary event where they shared their CAFOD Club song, expressing their desire for: "A world that is more fair, where we can all share, everyone's welcome here."

4. Our ecological conversion to transform ourselves

We must look at how we do things, why they are done and whether they are the best way to provide value for money and efficiency in a dignified and inclusive way. We believe that through our own organisational transformation we can live out the commitments set out in 'Our Common Home' in ways that might influence and inspire others to action.

We have reflected on how our International Programmes can best contribute to achieving the vision, mission, and commitments of Our Common Home. The resulting changes to ways of working will simplify the necessary due diligence checks and change our ways of delivering programmes, keeping people, relationships and local partners at the heart of CAFOD's work. We call this the Integral Ecology Programme model. The approach and key processes have been agreed. As part of refocusing our work within the Our Common Home strategy, we took the hard decision to exit some of our partners and programmes including Niger and Zambia in 2022. This is to help ensure impact through deeper focus on the root causes of problems facing the communities that we support in a rapidly changing world. As we begin to pilot our Integral Ecology Programme model, we are focused on building on the best of what we already do and doing things differently as we seek to contribute to a new economic model and political order that enables all people, communities, and the environment to flourish.

The need for effective digital workspaces, communication solutions and information sharing across all areas of our work to enhance our relationships and partnerships has continued to grow. The rapid pace of change in technological solutions and the cybersecurity landscape has provided both challenges and new opportunities. Last year we incorporated new digital payment methods and security checks, to deal with the growth in online giving and changing external regulations.

Our international programmes meet the highest quality standards, minimising the risk of harm and fraud. The Taliban takeover in Afghanistan and the war in Ukraine in particular required flexible responses by CAFOD teams to ensure adequate checks and due diligence support for new partners and projects both in those countries and in neighbouring countries. Across all programmes, colleagues undertook 583 screenings against sanctions lists, were involved in 17 audits and supported 27 partner financial health check verifications.

The global situation of coronavirus continued to impact our ability to travel internationally. Whilst this creates some challenges, it provided useful insights in how relationships and due diligence requirements can be supported remotely, saving cost, time and carbon emissions. We undertook a learning review to determine how we can embed a more permanent change to our travel culture to achieve our commitment to keep international flight numbers below 50 per cent of pre-pandemic (2019/20) levels. This is part of a CAFOD-wide approach to exemplifying environmental stewardship that covers our own operations, programmes and work with the Catholic community.

Throughout the year, CAFOD colleagues worked together to evolve ways of working in focused and pragmatic ways, translating the Our Common Home strategy into meaningful action and practical steps.

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

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

Minimising the risk of abuse or exploitation within CAFOD programmes

We have a particular concern to ensure children, young people and vulnerable adults are safeguarded and recognise we have a special duty of care and respect towards them.

The vulnerability of many participants in our international activities heightens the need to ensure our programmes are safe and that participants, partners and staff know how to reduce risk and respond if problems arise. Over the past year CAFOD has provided a wide range of support to partners on safeguarding and safe and dignified programming in the form of training, policy development and review, sharing tools, and funding specific initiatives to strengthen local capacity. This has minimised the risk of abuse or exploitation within our programmes and has emphasised that all engagement with communities is undertaken in a safe and dignified manner. Last year...

- 147 staff attended safeguarding training and over 20 partner organizations were trained on CAFOD's approach to Safe, Accessible, Dignified and Inclusive programming. We developed guidelines to help CAFOD teams apply safeguarding to their online activities with children and volunteers.
- CAFOD has a clear commitment to a safe recruitment policy and is a member of the Interagency Misconduct Disclosure Scheme.
- CAFOD was rated 'fully compliant' in the Safeguarding standard in a recent Caritas Internationalis Management Standards Assessment with an overall score of 4.80 out of 5.
- A partner in South Sudan was provided with CAFOD accompaniment and technical support to develop their safeguarding policy, supported by a local priest. The policy has subsequently been adopted by the national Caritas and is being rolled out at Diocesan Caritas levels.
- With Caritas safeguarding colleagues in the US, Ireland and Australia, we developed a basic package of policy templates and guidance for partners new to safeguarding. It includes information relevant to Catholic organisations and has been much appreciated.

- We actively participate in safeguarding networks. During the Ukraine crisis we've seen how effective this can be to share information about safeguarding risks, coordinate resources and to develop strategies to ensure that all agencies do their utmost to prevent the sexual exploitation and abuse of people fleeing war.

Steps towards becoming an anti-racist organisation

CAFOD acknowledges that racism is part of society and is committed to the journey to become an anti-racist organisation.

Over the last year we celebrated the diversity of all our people and took steps in addressing issues that had been identified in the prior year. Actions taken last year included

- The creation of the CAFOD People, Culture and Change Group, led by a newly appointed director, responsible for supporting staff to flourish, engage, collaborate and serve. Teams in this Group are leading our staff Safe Working and Inclusion Programme of activities.
- The creation and embedding of an anti-racism action plan, which commits the CAFOD Executive on taking forward four key streams of work, including 'Safe Working and Inclusion; Local leadership and Decolonization of aid; reviewing and updating anti-racist external communications and driving engagement with our diverse Catholic community in England and Wales.
- Continued engagement and commitment by the BAME UK staff network, a group of colleagues of Black, Asian and Minority Ethnic background who provide peer support and have given their time to dialogue with and provide feedback to the CAFOD Executive Team and CAFOD Trustees.
- The roll-out of mandatory Dignity and Behaviour workshops for all CAFOD staff.
- The introduction of a new CAFOD recruitment policy which introduced 'anonymous' recruitment and a stronger commitment to panel diversity to reduce bias.
- A commitment to gather and monitor equality data and respond to inequities that the data reveals.
- The appointment of a lead Trustee for Racial Justice, Equity, Diversity and Inclusion, to accompany and challenge CAFOD and the CAFOD Board of Trustees as we take steps towards creating a more engaged, inclusive and effective organisation.

Transformation comes through awareness of ourselves in relationship with our neighbours, with our faith and with the earth. CAFOD is committed to deepening those relationships through what we call a Culture of Encounter. The work CAFOD colleagues have and will be doing ties in with Pope Francis' encyclical 'Fratelli Tutti', inviting us to recognise the intrinsic dignity of every human being and to work to promote a culture of encounter. Work underway now will allow us to better understand what anti-racism is and what we can do better. Our focus on anti-racism is not at the exclusion of equity, diversity and inclusion or other forms of discrimination, rather it is a key foundation that should be identified and addressed to allow us to meaningfully advance our mission to create a culture of encounter for transformative change. We are called to address the underlying causes of hurt and damage in our society and within the CAFOD community, looking at the structures and systems that may cause continued disenfranchisement of particular peoples.

The wide reporting of the Ukraine crisis raised comparisons with other existing humanitarian emergencies. We resolutely stand in solidarity with the people of Ukraine. Our partners are working tirelessly to support those impacted by the conflict. But it is sad to see that there are too many examples of crises and acute suffering around the world that simply go unreported. We will challenge ourselves to do all we can and continue to respond to humanitarian crises in Afghanistan, Ethiopia, Nigeria, South Sudan, Syria, Yemen, including those crises which may be hidden from public view.

Our plans for the future

“The fallow ground of the poor would yield much food, but it is swept away through injustice” (Proverbs 13:23, ESV)

CAFOD’s work is aligned to make further progress against our commitments in Our Common Home. We will support our partners to deliver programmes internationally that make a difference to the lives of some of the most vulnerable and marginalised people and communities.

The way we grow and distribute food is broken. There needs to be a shift in the focus of our advocacy efforts towards food and food systems. People go hungry while the planet suffers, and the climate crisis makes the situation even worse. Pope Francis urges us to tackle the causes, not just the symptoms, of hunger. The issues of food and land are a lens through which we will continue CAFOD’s environmental focus in a way that continues to seek benefit for those poorest in our world. We will invite CAFOD supporters to help, by looking after creation when we support people; by challenging those in power to change the way the world grows and distributes food; and by praying for our sisters and brothers facing hunger.

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

- engage with CAFOD partners to mitigate some of the worst effects of cyclical food insecurity and to enhance food sovereignty. This includes work on land rights, early warning systems, collective insurance policies, biodiversity initiatives, agro-ecology and forestry.
- support the protection and flourishing of the most vulnerable and excluded through effective peacebuilding, governance and human rights initiatives.
- enhance reach to the poorest communities and the decolonisation of aid through supporting the capacity and leadership of local actors through investment in local leadership, technical capacity and resource allocation and management.

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

- establish a global food advocacy programme which enables joined up national and international advocacy work, for example at the COP27 in Egypt. We will continue to work with key partners to make progress on preventing human rights abuses and environmental harms through national and international advocacy work.
- continue to advocate for breaking down barriers within the current international aid systems. In our work we will promote and enable local partners’ access to funding, influence and decision-making power.
- support the unique advocacy role of the Church in Africa in building peace and mediating conflicts and modelling environmentally sustainable use of natural resources, mitigation, and adaptation to the impacts of climate change.

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

- continue our efforts to utilise digital opportunities for relationship building and participation.

- address issues of racial justice in our communications with the Catholic community.
- continue to look for opportunities to engage with younger and diverse groups that make up our Catholic community in England and Wales.
- enable supporters to see how CAFOD and our partners are responding to hunger crises around the world, are supporting communities as they work to put food on the table tomorrow and are addressing the causes of hunger longer term.

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

- continue to ensure that all who interact with CAFOD find our ways of working safe and inclusive and are treated with dignity. Strengthening our data and insight so that we can better monitor the impact of our efforts.
- take further steps to become an anti-racist organisation.
- continue to ensure a joined-up approach with the external parties we work with so as to certify that each part of the supply chain is reviewed with consideration to the risks of modern slavery.
- continue to manage the data of supporters effectively and continue to lay the foundations for safeguarding partner and community information.

To ensure CAFOD's continued organisational health, we will...

- further adapt to post-pandemic ways of working, ensuring that CAFOD's administrative infrastructure is fit for purpose, supported by information technology and sound governance. We will continue to support the well-being and safety of staff, volunteers and partners as we especially recognise the continued impact of the pandemic.
- ensure we remain compliant with relevant standards and regulations. We will streamline management and reporting on minimum standards across all International Programmes as part of CAFOD's new Integral Ecology Programme Model.
- set careful budgets for expenditure on CAFOD salaries and costs, maximising grant spending through partners, depending on the income available. We will be more agile and flexible in the allocation of our financial resources, to support the implementation of our Integral Ecology Programme approach, that will help us fulfil our mission based and organisational effectiveness objectives, under Our Common Home.

Key risks and uncertainties

Risks are all the factors that could prevent us from delivering our plans or achieving our objectives; they can be financial, political, regulatory or operational. While we strive to limit the impact of risks, we cannot always prevent events from occurring. This is why we ensure that we have sound risk mitigating actions and controls in place to reduce any negative impact. Risk management is incorporated into our planning, organisational decision-making and management procedures. CAFOD Trustees review CAFOD's corporate risk register at least annually, ensuring that significant risks are managed appropriately. We have agreed crisis management protocols in place and any serious incidents are reported to external authorities where required. Serious incidents are reviewed quarterly by Trustees ensuring oversight and learning. CAFOD's principal risks and uncertainties are:

Safeguarding

Risk: The vulnerability of many participants in our international activities heightens the need to ensure our programmes, including work with supporters and volunteers in the

UK, are safe and that participants, partners and staff know how to reduce risk and respond if problems arise., Safeguarding incidents can have a deeply negative impact on people's lives; whether at CAFOD or in the wider Catholic Church. Safeguarding incidents can also negatively affect CAFOD's credibility and the trust of our networks and supporters.

Mitigations: All aspects of our work embody good safeguarding practice, including addressing issues of safe working culture and discrimination and how we keep data safe. This holistic view is being further embedded into our programmatic work, as part of developing the Integral Ecology approach. All CAFOD staff and representatives are aware of our commitments and expectations through our Code of Behaviour, Safeguarding Policy and Complaints Policy, which are reviewed regularly. All staff undergo mandatory training, and some roles require additional vetting under the UK DBS scheme or equivalent checks internationally. CAFOD works to ensure that all our programmes are Safe, Accessible, Dignified and Inclusive, that our partners understand expectations, welcome feedback locally and are able to respond adequately to any cases that may arise. The Board of Trustees receive quarterly reports on safeguarding, with additional review meetings held with the Trustee Safeguarding lead, prompting learning at governance and leadership level.

Programmatic reach and impact

Risk: CAFOD may fail to reach those most vulnerable and excluded and provide quality programmes that support their survival and long-term flourishing, in ways that also help protect and regenerate the environment. Equally, CAFOD'S work could fail to focus on the interconnected causes of the social and environmental crisis, and to influence required system changes from local to global levels.

Mitigations: CAFOD's development and implementation of the Integral Ecology Programme Model (IEPM) will help to ensure that our work is focused on addressing the root causes of the problems faced by the communities and individuals we support, within the particular contexts in which they live. All aspects of programme planning, evaluation and evidencing will be aligned with the fulfilment of the commitments made in Our Common Home strategy. We ensure that CAFOD's Programme Quality Standards are aligned with our Integral Ecology Characteristics and that our Programme Strategies support the survival and flourishing of the most vulnerable and identify how environmental stewardship is addressed throughout the programme, with negative environmental impacts mitigated at all levels. We use KPI reporting under IEPM (with appropriate trustee oversight) to demonstrate our effectiveness and impact. The programmatic management, Partner engagement and community participation confirms that we reach those who are most vulnerable and excluded and support their survival and long-term flourishing in ways that help protect and regenerate the environment.

Local Agency, Voice and Leadership

Risk: CAFOD may fail to strengthen its accountability, or to engage with and listen to the voice of people and communities. Closing civil society space could lead to silencing of our partners. Equally, we must not fail to speak out in true witness to the situations our partners and communities face, and we must ensure that CAFOD systems, practices and culture do not perpetuate post-colonial dynamics in our partnerships and programmes.

Mitigations: We maintain close links between advocacy and programme staff with Country representatives notifying any changes in national government attitudes, using clear decision-making and communications sign-off processes for our advocacy work. We support partners to influence nationally and monitor their own security. We work to influence FCDO and the European Union to press nationally and internationally for change. Under IEPM our Programme Strategies include 'localisation' / local leadership plans. We are focusing on humanitarian aid reform and engaging with our sister agencies (Caritas Europa / Caritas Internationalis / CIDSE) to promote learning and increase our own knowledge. We have good crisis management/reputational management systems in place and ensure the engagement of our Trustees in sensitive areas. In the contexts of closing

civil society space, we have to balance the risks of speaking out with protecting the lives of partners and being able to continue with programmes that deliver vital support. Serious incidents are reported to Trustees.

Adjusting to societal shifts in England and Wales

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

Mitigations: We are more agile and sufficiently resourced to respond to the needs and expectations of younger and more diverse Catholic audiences, to increase awareness, relevance and participation for the longer term. We have refreshed our brand and offering, we are focusing on engaging a younger more diverse audience and have key measures in place to assess progress re agreed income, recruitment and engagement each year. Examples of engagement are webinars, online Masses, Children's Liturgy, school assemblies and social media promotion to reach these audiences. We are placing greater focus on digital income and digital delivery – shifting to a digital first approach, enabled by strengthened capacity to scan supporter digital developments and project manage adoption; testing and learning as we go. We have supporter and income technology strategy groups in place to ensure development prioritisation and that spending matches with areas of income potential. Supporter income, feedback, participation and trust are monitored closely by management and CAFOD's Board of Trustees.

Economic uncertainty affecting income and mission delivery due to ongoing impacts of the pandemic and recent conflicts

Risk: There is a risk that our programmes and responses are disrupted leading to additional costs, or other unforeseen impacts of the pandemic and the global effect of the war in Ukraine, and that income is impacted by the ongoing economic uncertainties affecting our supporters and donors.

Mitigations: CAFOD has a fully funded contingency reserve to allow us time to adjust our operations to respond to further economic impacts of the pandemic and to the effects of the Ukrainian conflict on food and fuel supplies (in the UK on income and costs or in our international programmes with partners facing inflation pressures that make our grants worth less). We are constantly monitoring our programmes and working with partners and donors to continue adapting our work, so that we can continue to benefit those that are the most vulnerable, particularly where long-standing problems have been exacerbated by the impact of the pandemic and the recent surge in food and fuel prices.

Environmental impact of CAFOD

Risk: Insufficient action taken on organisational climate and environmental impact and the embedding of new practices, is a failure in delivering Our Common Home and could lead to reputational damage and loss of credibility.

Mitigations: Work is being done on IEPM to embed environmental considerations into our entire programmatic approach, including the use of our Environmental Stewardship Tool to support partners and staff in identifying environmentally beneficial approaches across our programmes. Periodic statutory Environmental Audits are reported publicly. We work to ensure that our partners are better resourced to access and use technology for new ways of working, to optimise the international travel involved in developing and managing programmes. An Environmental Stewardship Group is in place reporting to Executive team and KPI reporting to Trustees demonstrates outcomes in line with the Our Common Home commitments.

Wellbeing

Risk: The pace of change needed to respond to external events and deliver on Our Common Home objectives, whilst complying with regulations, can put strain on our people's and partners' capacity to deliver all that is expected of them. The closing down of civil society space and other external factors could lead to increased stress and low morale in our staff. Should CAFOD fail to address issues related to wellbeing, and ensure a safe and inclusive working culture, there could be a negative impact on individuals' health and morale, potentially leading to reputational issues.

Mitigations: Our corporate wellbeing programme includes support to staff through the Employee Assistance Service and we run occasional well-being related surveys to refine our offering. Managers monitor local workloads and partner security. We provide security advice to some partners and our Security cluster reviews any security incidents. Through our Safe, Accessible and Inclusive Working Culture project we work to build trust through better use of our complaints system and provide awareness training to supporting our managers and staff to become more adaptable. We will maintain focus on a culture of encounter to listen to issues experienced by staff, volunteers and partners and their staff. We aim to maintain the quality of human relationships within CAFOD, while we adjust our ways of working following the pandemic. Progress and challenges are reported regularly to Trustees.

Financial Review

Our total income in 2021-22 was £50.5 million, which was just 3.6 per cent lower than last year, when we benefitted from the exceptional response to our Coronavirus appeal. Our income this year was better than we had anticipated, given the ongoing impact of the pandemic on our supporters and volunteers, including the UK economic uncertainties and the challenging environment for securing institutional funding. We had strong income from all sources, helped by the very generous support we received from our emergency appeals and another substantial year for our legacy income.

As in every other year, the majority of our income comes from enormously generous support from the Catholic community of England and Wales. We received £29.6 million (compared with £30.0 million in 2020-21) in general donations and legacies from supporters. Our legacy income was extremely generous once more at £11.0 million. Our general donations from supporters at £18.6 million, was £0.1 million above last year, which is a very positive result given the impact that the ongoing economic effects of the pandemic and the continued impact that lockdown measures had on our community activities, with parishes still disrupted in their fundraising activities for much of this financial year.

We received another £6.0 million from supporters in 2021-22 for our specific emergency appeals. This included further support to the Coronavirus appeal (£0.9 million) earlier in April through July 2021 with significant amounts for Afghanistan (£1.7 million) and Ukraine (£2.7 million) later in 2021 and up to March 2022. This was in addition to £2.4 million which we received through being a member of the Disasters Emergency Committee (in support of our Coronavirus, Afghanistan and Ukraine responses). This total emergency appeal income, at £8.4 million, was even higher than last year's exceptional total of £7.0 million and is reflected in the increase in our spending on disaster relief in 2021-22.

Our other institutional income, of £12.5 million (compared with £15.3 million in 2020-21), was raised from Caritas and other Catholic agencies £5.6 million (£5.2 million 2020-21), the UK government and other governments £5.1 million (£7.9 million 2020-21) and institutional donors £1.8 million (£2.2 million 2020-21). Income from these sources fell back year on year, with the exception of the support from sister agencies, reflecting the difficult institutional funding environment. Finally, our total income in 2021-22 includes £0.1 million (£0.1 million 2020-21) of other investment and trading income.

In addition to the Coronavirus, Afghanistan and Ukraine appeals, supporter donations to other emergency appeals this year included £0.3m for the 2021 emergency in Haiti, £0.2 million for the crisis in Yemen and £0.1 million for the Emergency food crisis appeal for Africa.

Grants totalling £5.6 million from Caritas, CIDSE and other Catholic agencies were received to support specific international programmes, including several emergency responses that CAFOD is leading on behalf of Caritas Internationalis. Grants from governments and other institutional donors, totalling a further £6.9 million, included £1.3 million from the UK government, of which £0.8 million was for the UK Aid Match Fund programme, £1.8 million from United Nations agencies and £1.2m from the government of Sweden. We also received £0.8 million from the START Network.

We were able to spend £43.5 million on our programmatic activities to support our mission. Over 47 per cent of our total spending was focused on international development and nearly 33 per cent on our disaster relief work. We also spent £6.3 million on raising funds, this year, reflecting a continued commitment 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, bringing the total spending to £49.8 million. Our total expenditure was below our income in 2021-22, with an increase in programmatic reserves in hand for our emergency responses in 2022-23 and the creation of free reserves that are expected to be allocated by Trustees, to release additional funding to respond to the growing food crisis in East Africa and beginning to be felt in other areas badly affected by climate change and economic factors.

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 559 grants to our partners (totalling £27.2 million after foreign currency exchange adjustments), including £2.4 million in direct payments in support of partner programmatic activities. This approach enables us to have a truly global impact. We were able to contribute £17.2 million to support work in 15 countries within Africa; £6.4 million for work in 18 countries across Asia, the Middle East and Europe, and £3.6 million for 10 countries in Latin America and the Caribbean. £0.5 million was spent on grants to support global work including advocacy and UK development education.

Financial Performance

We have continued to receive funding from the UK government arising out of past rounds of the FCDO UK Aid Match programme, though the amounts being received are reducing and the scale of the matching opportunities for UK Aid Match remains capped at £2 million going forwards. No new rounds have been announced. None of our last three Lent appeals has benefitted from matched funding. We continue to pursue other possible funding opportunities with FCDO, including smaller commercial contract awards.

We have been carefully monitoring the residual impact on supporter fundraising of the Coronavirus pandemic and the knock-on effect this has had on the UK economic environment. We have seen no significant financial impact as a direct result of Brexit, though we can no longer access European Community Humanitarian Office (ECHO) funds directly; we are having some limited success in accessing this funding as an implementing partner with some of our European Union based sister Caritas/CIDSE agencies. We continue to work within the best practices for fundraising in the UK introduced by the Fundraising Regulator, and within what are now the UK Data General Data Protection Regulations. This has not significantly impacted our fundraising potential and we have been successful in finding new ways to access new donors, with online engagement and digital fundraising activities, whilst maintaining regulatory compliance. This 'digital first' work has been invaluable in enabling us to launch our major emergency appeals this year in a timely and effective way, when our parish community fundraising platforms have only been partly operative due to lockdown measures and reduced Mass attendance. Despite the challenges our general supporter income has increased slightly from last year.

The war in Ukraine has added to the general post pandemic economic uncertainty and exacerbated immediate inflationary pressure in the UK and globally. We have a fully funded contingency reserve, to cover the eventuality of any significant income shortfall due to the adverse economic environment or other new factors emerging in the future. This, together with careful management of our costs in 2021-22, gave us the flexibility to cope with general income being maintained, rather than growing, as we had hoped, given

the additional resources allocated to fundraising. In the event, we experienced no overall income downturn, as appeal income was very strong and contributed (along with cost savings) to increase our unrestricted reserves. (See next section).

Uncertainty remains over a range of issues affecting CAFOD and other UK-based INGOs. Although Sterling ended the year at a relatively good rate to the US dollar, the longer-term depreciation of the pound against the US dollar from a peak in 2014, has reduced the effective value of our Sterling grants to our partners, as they spend in local currencies mostly aligned to the US dollar. This 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 no longer expect to suffer any significant impact of exiting the European Union. We have seen a reduced level of European Union (EU) direct income. In 2020-21 we received only £23,000 (£0.6 million 2020-21: £1.5 million 2019-20), though we expect to be more successful in 2022-23. UK INGOs do remain eligible for some European Union funding instruments. As noted earlier, we have accessed some European Union and ECHO funding, via our sister agencies based in Europe. We have continued to work on diversifying our institutional income sources, with large grants received from other governments and institutions this financial year and opportunities are being pursued with other donors such as Trusts and Foundations. The institutional funding risks and opportunities will continue to be closely watched.

Financial Position and Reserves

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

At 31st March 2022, we held total funds of £23.1 million: £12.1 million general funds, which the Trustees considered to constitute CAFOD's reserves (£9 million held as a stabilisation fund and a further £3.1 million, of which £2.2 million has already been allocated to time bound initiatives that will accelerate progress against Our Common Home objectives, with another £0.9m as yet unallocated reserve); £4.1 million designated by the Trustees for specific purposes; £6.2 million restricted funds in hand; and a permanent endowment fund of £0.7 million.

There are potential risks associated with the assets that CAFOD owns and with potential unforeseen costs, however, the Trustees consider the main financial risk to be a downturn in general income. To manage a sudden downturn in general income, without damaging the long-term commitments we make to our partners, we allow two years to adjust our programmes, reduce other costs or recover income levels. Based upon a possible shortfall of 10-15 per cent in the level of general income and the need for two years to adjust our activities, the Trustees have agreed the level of general funds to be held as a stabilisation fund at 20-30 per cent of the planned annual general income for the coming year, which is a range of £6 million to £9 million.

At 31 March 2022, a stabilisation fund of £9 million is available, together with £3.1 million in allocated (£2.1 million) and unallocated (£0.9 million) reserves, so that our target level of £6 million to £9 million for general funds is met. The Trustees will consider setting aside further reserves to fund specific activities in 2022-23 and the next two to three years, as the total of general funds is expected to exceed £9 million throughout 2022-23. We have planned to have a further surplus of unrestricted income over our planned spending on our grants to partners and other operating costs in 2022-23.

We also held £4.1 million designated funds at the balance sheet date: £4.1 million set aside to fund the fixed assets that are required for our operations and another very small balance already assigned by the Trustees to be spent in the next year on specific activities.

Having reviewed the financial position and future plans for the charity, the Trustees have identified no material uncertainties related to events or conditions that cast significant doubt on the charity's ability to continue its activities for the foreseeable future. CAFOD has coped positively with disruption to some normal activities during the coronavirus pandemic and despite the continued short term and longer-term economic challenges,

made worse by the terrible situation in Ukraine, and likely to affect our future funding levels, CAFOD has ensured financial sustainability by undertaking a range of measures to compensate for these difficulties. This includes targeted budget reductions, scenario planning, financial modelling, risk analysis and continued cashflow forecasting and monitoring. CAFOD has proven, in the 'Coronavirus' financial year of 2020-21 and again in 2021-22, 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 also retain the scope to use some of our contingency reserves, as the future longer-term impacts of the global economic situation and the accelerating effects of climate change on the poorest communities unfold. We continue to review and adapt our programme delivery operating model, to implement our Integral Ecology approach and achieve the objectives we have set within the Our Common Home strategy.

Investment Policy

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

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

For 2022-23 we are actively considering opportunities to test the deployment of some limited funds into new forms of social investment, which will support agricultural communities in Africa in the first instance. Our investment policy would be reviewed / updated should this opportunity prove fruitful in terms of developing CAFOD's mission delivery.

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

Sustainable farming with young people in Kambia district, Sierra Leone



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 address the concern of the Catholic community about the needs and problems of developing countries. CAFOD is constituted as a charitable company limited by guarantee (company number 09387398, charity registration number 1160384) and it does not have a share capital. CAFOD's governing document is the Memorandum and Articles of Association. CAFOD's charitable objects are:

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

Board of Trustees

CAFOD is governed by a Board of Trustees which comprises Member Trustees and a wider group of Trustees. Member Trustees are appointed by the existing Member Trustees and their appointment must be ratified by the Standing Committee of the Bishops' Conference of England and Wales. The Member Trustees hold a limited number of reserved powers, including the appointment of all other Trustees and the power to amend CAFOD's governing documents, the Memorandum and Articles of Association. All other powers, including the establishment of specialist committees and general responsibility for the running of CAFOD are vested with the full Board of Trustees. There are four committees: The Strategy and Performance Committee (SPC), Remuneration Committee (RemCo), Finance, Legal, Audit and Risk Committee (FLAR). The Governance Committee was disestablished in March 2022 and replaced with a Lead trustee on Governance. The SPC and FLAR committees are supported by external advisors who offer their time and expertise as volunteers. These are Marian Casey-Maslen, Mgr John Dale, Mike Egan, Audrey Nengare, Maveen Pereira, Alicia Ramos, Peter Samengo-Turner, and John Wroe. We are grateful for their contributions and advice.

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

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

Charity Governance Code

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

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

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

Last year, significant governance events and decisions included:

- Trustees supported the Executive to align CAFOD's work to deliver Our Common Home in a challenging financial environment. Trustees continued to have oversight the delivery of Our Common Home through review of a quarterly Directors' report, key programmatic achievements and concerns, review of strategic milestones and key performance indicators. In line with usual governance arrangements, Trustees maintained close oversight of CAFOD Finances and changes to the way we undertake our International Programme work to ensure longer term sustainability of CAFOD's ability to deliver our mission. Trustees approved a £3.5million strategic spending plan in July 2021 to ensure we spent down available general reserves in a timely way that would prioritise grant funding of partners and provide additional resources to accelerate the achievement of some of the Our Common Home objectives.
- Trustees have oversight of a rolling programme of planned Trustee recruitment every two years, to periodically refresh the CAFOD Board of Trustees in line with good governance. By custom, two Bishop Trustees are nominated by the Catholic Bishops' Conference of England and Wales. Other Trustee vacancies are normally advertised externally or promoted through networks. The appointment process includes a CV, an interview led by Trustees and due diligence checks. Following a Trustee recruitment campaign at the end of the previous financial year, the appointment of Fr. George Sigamoney, from the global Caritas family, to the CAFOD Board of Trustees was finalised. The small governance committee supported the induction of all new Trustees. All Trustees are expected to sign key policies, including the Code of Behaviour and attend mandatory training, including on safeguarding. Work progressed on a more formal approach to Trustee appraisal which was agreed in principle in March 2022. Trustees are supported with development opportunities as they arise. On reflection, it was agreed that instead of a governance committee, it would be more beneficial to have a lead governance trustee. The governance committee was formally disestablished in March 2022 and the chair of this committee was tasked to develop terms of reference for a lead trustee role going forward.

- Trustees approved the refreshed Terms of Reference for the Board of Trustees. This ensures that Board practices are in line with legal expectations, CAFOD's governance document the Memorandum and Articles of Association, insights gained during the last governance review and CAFOD's strategic framework Our Common Home. Trustees agreed to four-year terms of office, renewable once. Mindful of their own contribution to CAFOD's carbon footprint, Trustees agreed to hybrid working in future with half of Board meetings taking place remotely. The Board terms of references also state the expectations of individual Trustees. In recognition of their volunteer role, all Trustees have signed the CAFOD volunteer code of conduct and associated policies.
- Trustees continued to engage with the CAFOD Executive on issues affecting staff, meeting with the UK staff union and with CAFOD colleagues from black, Asian, and minority ethnic backgrounds. Trustees monitor CAFOD's steps towards racial justice within CAFOD as an organisation and in our wider programmatic work. A Trustee lead for Racial Justice, Equity, Diversity and Inclusion was appointment and a term of reference is being drafted.
- Trustees affirmed the protocols for reporting, dealing with and learning from serious incidents and oversaw reporting to the Charity Commission as per CAFOD's agreed protocols. All Trustees, particularly the Security Lead, were actively overseeing the actions CAFOD took in response to the Taliban takeover in Afghanistan, supporting the safety of CAFOD's partners and our in-country CAFOD associate.
- The trust of the Catholic community in CAFOD's integrity and effectiveness is paramount. As coronavirus restrictions eased in the UK, some Trustees were able to take part in events, meeting CAFOD supporters. Trustees monitor CAFOD's reputation carefully and take timely action when needed.

Engagement with employees and volunteers

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

Together with the Executive Team, Trustees seek to raise awareness on organisation-wide matters and the vision behind CAFOD's strategic framework Our Common Home. Employees and volunteers receive governance and financial updates systematically through a monthly Staff and Volunteers Briefing, which has been adapted to a webinar format and is recorded for members of staff in different time zones. The CAFOD Director also circulates information on behalf of the Board via email and we have recorded a video message for all staff, thanking them for their hard work and achievements.

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

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

and Minority Ethnic network. Governed by the Whistleblowing policy, Trustees can hear staff concerns when formal CAFOD complaints mechanisms have been exhausted, with clear protocols in place to resolve any matters raised in this way.

Remuneration Policies and Gender Pay-gap report

CAFOD staff and Trustees carefully consider their responsibility as stewards of the resources entrusted to us. All employees should be treated with dignity and respect which is why we are a Living Wage employer. Our remuneration packages reflect the skills and experience required in particular roles. The Board of Trustees is responsible for setting the remuneration levels for CAFOD Executive Team members. The CAFOD Executive Team is responsible for setting the remuneration of the CAFOD workforce. However, CAFOD is committed to ensuring that there is a clear relationship between the remuneration policy of the Director and that of CAFOD's whole workforce. For our UK / International pay scales, the ratio is set at 5:1 although this report shows a ratio of 3.4:1, driven by the Executive's Director voluntary pay cut during the challenging conditions CAFOD faced during the pandemic. Our remuneration review process is designed to ensure we remain within these parameters. Salary scales are reviewed annually, adjusted if appropriate and published to all staff.

In line with UK government requirements, we track and report on our gender pay gap annually. For April 2022, our gender pay gap was 4.73 per cent (mean) and 6.05 per cent (median) which was below the national average of 17.3 per cent (median). This reflects the increase in male staff at the lower salary levels now standing at 32 per cent compared with 21 per cent last year and an increase of female staff at the Upper level, with female staff now accounting for 53 per cent of that part of our workforce compared with 48 per cent last year. We are not complacent and continue to examine ways in which we can close the gap further. The full gender pay report which includes details of the proportion of women and men in each of the pay quartiles is available on our website.

Statement in relation to Section 172 of the Companies Act 2006

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

- a) The likely consequences of any decision in the long term – In the financial year 2021/22, we have discussed the change process now being undertaken in the International Programme, with special attention to maintaining an approach that is sustainable, impactful and cost-efficient in the long term. Trustees review quarterly performance reports to help inform decision-making and evidence progress against the new strategy. Trustees approved a strategic spending plan to utilise available general reserves to help accelerate the achievement of some of the Our Common Home objectives.
- b) The interests of the charity's employees – See the previous three sections for more details on how we have approached engagement with staff as part of our annual schedule, as well as more targeted engagement around Diversity and Inclusion.
- c) The need to foster the charity's business relationships with suppliers, customers and others – Partnership is an integral part of CAFOD's operating model, built on relationships of mutual respect that always aspire to be more equitable and to foster local agency. As Trustees, it is crucial for us that these relationships are also transparent and accountable. We are continuing to update our procurement procedures to respond fully to the requirements of the Modern Slavery Act and to ensure excellent stewardship

of our resources. All our fundraisers, volunteers and any fundraising contractors working with us comply with our Fundraising Promise (see Statement on Fundraising for more details). In Our Common Home, we commit to ensuring that our campaigns and education resources reach a younger, more diverse supporter base and examples can be found in this report.

- d) The impact of the charity's operations on the community and the environment – Our strategic framework Our Common Home recognises the interconnected crises of the cry of the poor and the cry of the earth. We are committed to our Safe, Accessible, Dignified and Inclusive approach across all of CAFOD's activities. This commitment is embodied in three specific Trustee roles, Safeguarding Lead, Security Lead and Racial Justice, Equity, Diversity and Inclusion Lead, whose responsibility is to follow the development and/or review of any relevant policies. They are also informed of any incidents on record and accompany management staff in the handling of these cases. As outlined in our Environmental Policy, we are supportive of a permanent reduction of travel and we are following in detail the embedding of an environmental lens across our programmes. More details of CAFOD's carbon footprint and environmental impact can be found in our Statement on Streamlined Energy and Carbon Reporting in this report, as well as other examples throughout the Strategic Report.
- e) Maintaining a reputation for high standards of business conduct – As Trustees, we strive to model the commitments made under Our Common Home, codified in the CAFOD Code of Conduct which all Trustees sign, and stay accountable to everyone in the organisation and the communities we serve. We make declarations of interests systematically and the Finance, Legal, Audit and Risk Committee reviews annually the policies concerning the ethical aspects of our work, namely Fraud and Loss, Anti-Money Laundering, Anti-Bribery, Counter-Terrorism and Conflict of Interest, as well as Data Protection bi-annually. The committee also keeps oversight of internal audit processes to provide assurance in our internal control environment, through the Annual Internal Audit Report.
- f) The need to act fairly as between members of the charity – This criterion is only indirectly applicable to CAFOD. As Trustees we are not remunerated for our time and we do not hold shares as would be the case for a company. Although Member Trustees hold additional governance responsibilities, the entire Board works equally and collectively to ensure that the charity is run for the advancement of its charitable purpose and in the best interest of those who benefit from its work.

Statement of Safeguarding

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

Our Safeguarding Policy and the procedures and training that support its implementation provide the framework for preventing and addressing abuses of power that negatively impact our staff or communities we support. In 2021 we updated our Safeguarding Policy to reflect changes in the external environment and learning from its implementation in CAFOD over the past two years. All staff are expected to receive regular training in this area. This year we delivered induction and refresher training to 147 staff so that they understand the revised policy and related codes of behaviour and feel confident, equipped to support our partners and able to report any safeguarding concerns.

We continued to evaluate our approach to safeguarding using both internal and external resources. This included the development of guidelines to help teams apply

safeguarding to their online activities with children and volunteers, strengthening CAFOD's safe recruitment policy and implementing the Interagency Misconduct Disclosure Scheme. We were pleased to be assessed as fully compliant with the Caritas Internationalis Management Standard on Safeguarding. This is an important step for CAFOD in demonstrating our commitment to safeguarding in all aspects of our work and contributing to the confederation's mission to protect and promote the human dignity of every person.

As an organisation working primarily through partnership, we expect our partners to share our commitment to safeguarding and to have in place measures to prevent and respond to all types of abuse and exploitation. Over the past year CAFOD has provided a wide range of support to partner organisations on safeguarding and safe and dignified programming in the form of training, policy development and review, sharing tools, and funding specific initiatives to strengthen local capacity. This has reduced the risk of abuse or exploitation within our programmes and has emphasised that all engagement with communities is undertaken in a safe and dignified manner.

We have enabled CAFOD managers to monitor partner progress towards meeting safeguarding standards through key performance indicators (KPIs) and we have seen improvements across all the regions in which we work. These KPIs are overseen by the Trustee Strategy and Performance Committee. Twice a year, all safeguarding cases are reviewed by the CAFOD Safeguarding lead trustee.

We are committed to a zero-tolerance approach to misconduct that breaches our policies, including abuse, exploitation, intimidation and other acts. 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 three safeguarding reports involving individuals associated with CAFOD or our partner organisations. The outcome of these reports is outlined below.

Description	2021/22
Total safeguarding allegations	3
CAFOD representative	1
Partner representative	2
Allegations investigated	3
Open cases	1
Closed cases	2
Allegation type	
Sexual exploitation and abuse	67%
Other safeguarding policy violation	33%
Outcome (closed cases)	
Substantiated	0/2 (0%)
Action taken	
Termination of engagement/contract non-renewal	
Other disciplinary corrective action	
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, such as providing access to specialised support where appropriate. We are committed to being openly accountable for our work and to reporting serious breaches of our code of conduct and safeguarding policy to donors and the Charity Commission.

We routinely review each case to identify any gaps in safeguarding policy or practice that led to the breach and ensure that these are addressed and additional safeguarding measures applied where necessary. We are committed to improving safeguarding practices that contribute to preventing exploitation or abuse of the people and communities we work with.

Statement on Fundraising

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

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

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

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

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

We deliver most of our fundraising activity directly, with the exception of some payroll giving promotions. The professional payroll giving fundraisers, who act on our behalf, are responsible for responding to invitations by companies to speak to employees about the general benefits of payroll giving. These fundraisers represent a wide range of charities and are not operating only 'on CAFOD's behalf'. They are providing a 'reactive' service to companies and employees. They are instructed to talk specifically about CAFOD only if an employee first mentions CAFOD's name and expresses an interest in supporting us. While the risk of these fundraisers applying pressure to give is very low, there is a system in place where employers are surveyed after each visit, so they can report anything they were unhappy with. No issues or complaints have been communicated to us with regard to payroll giving. The agencies we use have a clear vulnerable people policy and meet the standards outlined in the Fundraising Code of Practice.

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

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

- If it is known or there are reasonable grounds for believing that an individual lacks capacity to make a decision to donate, a donation will not be taken.
- Donations given by someone who lacked capacity at the time of donating will be returned.

We take care not to use images or words that cause unjustifiable distress or offence and try not to cause unreasonable nuisance or disruption. We encourage any feedback from the public and our Trustees regularly review trends in the feedback we receive. We are registered with the Fundraising Regulator, have paid the levy and uphold the code of practice. We continue to develop our policies and practices in line with best practice requirements and our regular detailed return on all fundraising related complaints has been submitted to the Fundraising Regulator for the financial year 2021-22.

The main fundraising activities undertaken by CAFOD for the financial year 2021-22 and the number of items of feedback about each are given below, with the 2020-21 comparative number in [brackets].

A total of 478 [691] 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.

We are pleased to report a 31 per cent decrease in the number of complaints, queries and opinions, we received. This continues to represent a very small proportion of feedback in relation to the fundraising activities we undertook at 0.0035 per cent [0.0022 per cent].

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

Online fundraising: 205 [385]. We received significantly fewer comments and complaints about people's experience of giving online. We have focused on improving the systems and business processes supporting our online fundraising in 21/22 and recognise in an ever-changing online environment that supporter expectations of service will continue to be high. The complaints this year were of a varied nature: the vast majority were about the fulfilment of orders placed online; non-receipt of donation acknowledgements; the clarity of the Gift Aid declaration wording; as well as questions about countries where we do not work and a few about the difficulty seeing text against the background colours we used.

Postal direct mailing: 181 [241]. The majority of these were also related to fulfilment issues, such as late receipt of World Gifts and some missing or damaged items. We continued to experience delivery delays outside of our control, as Royal Mail services were affected by staff shortages, due to the ongoing Coronavirus pandemic. Other complaints related to questions about stewardship, Gift Aid and our levels of administration costs.

The other main fundraising activities to generate feedback were SMS (text giving) 1 [0], and email communications 57 [25]. We received a further 34 [39] items of feedback across the other 12 [9] fundraising channels we use.

Statement on Streamlined Energy and Carbon Reporting (SECR)

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

We are working towards measuring a comprehensive carbon footprint of CAFOD's global operations that would include significantly more than just UK energy and vehicle emissions. This section summarises our legally obligated emissions as required by SECR, and also gives a brief summary of our progress towards measuring and reducing CAFOD's overall carbon footprint.

Emissions reporting for SECR (UK office energy and business travel) for 2021/22²

Emissions source	Scope	Quantity	Unit	Carbon footprint (tCO ₂ e) 2021/22	Carbon footprint (tCO ₂ e) 2020/21
Electricity use, Romero House	2	451,410	KWh	104.3	130.53
Gas use, Romero House	1	64,033	KWh	13	13.9
Electricity use, Volunteer Centres	2	13,025	KWh	3	9.7
Gas use, Volunteer Centres	1	43,755	KWh	8.9	7.85
Business vehicle travel	3	0	vkm	0	3.84
TOTAL		–	–	129.2	177.51

This Carbon footprint for UK office energy was 129.2 tCO₂e and represents a carbon intensity of 0.52 tCO₂e per full time equivalent (FTE) employee at CAFOD in 2021/22. This is reduced from 0.67 tCO₂e FTE in 2020/21, mostly due the decarbonising of the electricity grid. We had no data for our business vehicle travel as staff had not claimed for mileage last year. We expect it would be modest as little business travel happened in this period, similar to the 3 per cent of the previous year's tCO₂e.

The rest of our carbon footprint

The global situation of coronavirus throughout 2021/22 meant a shift to homeworking for the majority of UK-based staff and reduced international travel. In this period, the carbon footprint of our international travel from the UK remained below 50 per cent of pre-pandemic levels. CAFOD is undertaking a learning review into our ways of working to determine how we can embed a more permanent change to our travel culture and behaviour once international travel opens up again. For 2022/23 we plan to report a more comprehensive and robust carbon footprint that will include the carbon emissions from our international flights, as well as UK based rail travel, commercial printing, water and waste.

² All electricity and gas at Romero House, and 8% of the electricity and gas at Volunteer Centres, was purchased from renewable suppliers in 2021/22. However, in compliance with UK government reporting standards, the carbon saving this creates is not included in the standardised carbon footprint reported above.

CAFOD does not own any vehicles in the UK and thus does not purchase any vehicle fuel directly. UK staff and volunteers use their own cars for CAFOD business, and this has been estimated in the table above, based on mileage claims.

These carbon footprints have been calculated using Defra's 2021 greenhouse gas emissions factors, including Well-to-Tank (WTT) emissions. Business travel has been calculated using the factor for "Average car, unknown fuel". Energy use data was collected from energy bills in most cases. For some volunteer centres in shared buildings, separately metered bills were not available and so the energy use was estimated based on the average energy use at the metered volunteer centres, and the number of full-time equivalent staff at each centre.

3. Statement of Trustee's Responsibilities

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

The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and the group as at the end of the financial year of the income and expenditure of the group 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 the group 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 12th July 2022 and signed on their behalf by



The Right Reverend John Arnold,
Chair of Trustees

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

Opinion

We have audited the financial statements of Catholic Agency for Overseas Development ('the charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of 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 trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement [set out on page 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), employment legislations, taxation legislations and anti-fraud, bribery and corruption legislation. We also considered compliance with local legislation for the group's overseas operating segments.

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

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tim Redwood
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

15 December 2022

5. Statement of Financial Activities

(incorporating an income and expenditure account)

for the year ended 31 March 2022

	Note	Unrest- ricted Funds £'000	Rest- ricted Funds £'000	Total Funds 2022 £'000	Unrest- ricted Funds £'000	Rest- ricted Funds £'000	Total Funds 2021 £'000
Income and endowments from:							
Donations and legacies	2	26,765	11,197	37,962	25,753	11,234	36,987
Charitable activities	3	362	12,112	12,474	422	14,871	15,293
Other trading activities		22	-	22	76	-	76
Investments	4	55	21	76	28	20	48
Other income		8	-	8	-	-	-
Total		27,212	23,330	50,542	26,279	26,125	52,404
Expenditure on:							
Raising funds	5	6,137	189	6,326	5,703	126	5,829
Charitable activities:							
International development	5	14,798	8,752	23,550	11,601	13,888	25,489
Disaster relief	5	3,755	12,460	16,215	3,395	10,339	13,734
UK development education	5	1,664	95	1,759	1,631	148	1,779
Advocacy and campaigning	5	1,919	42	1,961	2,087	26	2,113
Total	5	28,273	21,538	49,811	24,417	24,527	48,944
Operating surplus/(deficit)		(1,061)	1,792	731	1,862	1,598	3,460
Net gain on investments	12	-	56	56	-	113	113
Net income / (expenditure)	7	(1,061)	1,848	787	1,862	1,711	3,573
Reconciliation of funds:							
Total funds brought forward	18/19	17,245	5,099	22,344	15,383	3,388	18,771
Total funds carried forward	18/19	16,184	6,947	23,131	17,245	5,099	22,344

CAFOD did not change any of its principal activities during the above financial years and there were no gains and losses other than those included above. Restricted funds above include permanent endowment funds with a current value of £724,254 (see note 12). All of the charity's income and expenditure is derived from continuing operations.

Balance Sheet

as at 31 March 2022

		2022	2021
	Note	£'000	£'000
Fixed assets			
Tangible assets	10	9,382	9,474
Intangible assets	11	271	475
Investments	12	4,190	4,134
		13,843	14,083
Current assets			
Stock		14	14
Debtors	13	4,712	5,133
Short term cash deposits		10,085	8,884
Cash at bank and in hand		7,110	5,066
		21,921	19,097
Current liabilities			
Creditors: amounts falling due within one year	14	(12,504)	(10,363)
Net current assets		9,417	8,734
Total assets less current liabilities		23,260	22,817
Pension scheme liability	17	(129)	(473)
Total assets	20	23,131	22,344
The funds of the charity:			
Endowment funds	18	724	668
Restricted income funds:			
General donations and legacies	18	355	340
Emergency appeals	18	5,903	3,157
Income from charitable activities	18	(41)	914
Interest	18	6	20
Unrestricted funds:			
Designated fixed asset fund	19	4,119	4,415
Designated programme fund	19	10	294
General funds	19	12,055	12,536
Total funds	20	23,131	22,344

The financial statements were approved and authorised for issue by the Trustees on 12th July 2022 and signed on their behalf by:



The Right Reverend John Arnold
Chair of the Trustees



Chris Perry
Honorary Treasurer

Cash Flow Statement

for the year ended 31 March 2022

	Note	2022 £'000	2021 £'000
Cash flows from operating activities			
Net cash generated by operating activities	21	3,414	6,411
Cash flows from investing activities			
Dividends and interest from investments	4	76	48
Proceeds from sale of fixed assets		19	-
Purchase of tangible fixed assets		(264)	(135)
Purchase of intangible fixed assets		-	-
Net cash used in investing activities		(169)	(87)
Change in cash and cash equivalents in the reporting period	22	3,245	6,324
Cash and cash equivalents at the beginning of the reporting period	22	13,950	7,626
Cash and cash equivalents at the end of the reporting period	22	17,195	13,950

Notes to the Financial Statements for the year ended 31 March 2022

1. Accounting policies

(a) Basis of accounting

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and applicable company and charity law in the UK.

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

Accordingly, the Trustees continue to adopt a going concern basis in preparing the financial statements.

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

(b) Income

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

Donations and legacies:

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

Charitable activities:

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

(c) Expenditure

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

Grants and programme payments:

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

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

Activity and support costs:

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

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

Raising funds:

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

Charitable activities:

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

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

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

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

(d) Foreign currency translation

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

(e) Pensions

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

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

(f) Fixed assets*(i) Tangible assets*

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

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

(ii) Intangible assets

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

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

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

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

(g) Investments

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

(h) Cash and cash equivalents

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

(i) Other financial assets and liabilities

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

(j) Fund accounting

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

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

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

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

(k) Operating leases

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

(l) Financial instruments

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

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

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

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

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

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

	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	£'000	£'000	£'000	£'000	£'000	£'000
			2022			2021
General donations from supporters	15,374	3,184	18,558	14,227	4,285	18,512
Legacy income from supporters	10,815	181	10,996	11,348	142	11,490
Emergency donations from supporters	514	5,485	5,999	142	6,250	6,392
Emergency donations via DEC	62	2,347	2,409	36	557	593
Income from donations and legacies	26,765	11,197	37,962	25,753	11,234	36,987

Income from donations includes Emergency donations received from the Disasters Emergency Committee (DEC), a group of 14 leading UK aid charities that come together in time of crisis and Emergency appeal donations from supporters.

3. Income from charitable activities

	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	£'000	£'000	£'000	£'000	£'000	£'000
			2022			2021
			£'000			£'000
Caritas and other Catholic agencies (a)	137	5,479	5,616	116	5,055	5,171
Government grants (b)	157	4,901	5,058	219	7,703	7,922
Institutional and other grants (c)	68	1,732	1,800	87	2,113	2,200
Income from charitable activities	362	12,112	12,474	422	14,871	15,293
(a) Caritas and other Catholic agencies:						
Caritas Australia	24	567	591	9	551	560
Caritas Austria	-	-	-	1	19	20
Caritas Belgium	-	1,167	1,167	-	9	9
Caritas Denmark	5	56	61	1	19	20
Caritas Finland	-	1	1	5	100	105
Caritas Germany	22	71	93	-	-	-
Caritas Internationalis	-	117	117	-	-	-
Caritas Italy	-	-	-	1	154	155
Caritas Japan	-	-	-	-	11	11
Caritas Korea	-	-	-	-	79	79
Caritas Norway	15	479	494	6	773	779
Caritas Portugal	-	-	-	-	18	18
Caritas Spain	2	305	307	2	252	254
Caritas Taiwan	-	-	-	-	8	8
Catholic Relief Services	36	561	597	54	486	540
Development & Peace	-	-	-	-	409	409
Manos Unidas	-	-	-	1	63	64
Misereor	3	166	169	5	332	337
Scottish Catholic International Aid Fund	-	70	70	5	109	114
Sécours Catholique	29	379	408	19	255	274
Trócaire	-	1,506	1,506	-	1,133	1,133
Vastenactie	1	34	35	7	271	278
Others	-	-	-	-	4	4
Caritas and other Catholic agencies:	137	5,479	5,616	116	5,055	5,171

3. Income from charitable activities (continued)

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2022 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2021 £'000
(b) Government grants:						
UK Government, FCDO:						
UK Aid Matched Funding	-	824	824	-	1,312	1,312
Other	31	400	431	42	1,017	1,059
European Union	18	5	23	41	597	638
Global Fund to End Modern Slavery	22	353	375	25	403	428
Government of Guernsey	-	(6)	(6)	-	68	68
Government of Isle of Man	-	48	48	-	50	50
Government of Japan	-	-	-	-	61	61
Government of Jersey	-	380	380	-	112	112
Government of the Netherlands	-	68	68	6	9	15
Government of Sweden	46	1,119	1,165	35	2,059	2,094
United Nations agencies	40	1,652	1,692	70	1,873	1,943
United Nations agencies (goods in kind)	-	58	58	-	142	142
Government grants	157	4,901	5,058	219	7,703	7,922
(c) Institutional and other grants:						
Christian Aid	-	77	77	-	37	37
Denise Coates Foundation	5	(5)	-	(3)	54	51
Islamic Relief Worldwide	-	214	214	-	12	12
Latin America Children's Trust	-	103	103	-	94	94
The Church of Jesus Christ of Latter-day Saints	9	285	294	11	393	404
Norwegian Church Aid	-	-	-	23	-	23
START	37	785	822	54	1,436	1,490
Other	17	273	290	2	87	89
Institutional and other grants	68	1,732	1,800	87	2,113	2,200

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

4. Income from investments

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2022 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2021 £'000
Interest received/receivable	55	-	55	28	-	28
Dividends received/receivable	-	21	21	-	20	20
Income from investments	55	21	76	28	20	48

5. Expenditure

	Grants & programme payments	Activity costs		Support costs		Total 2022
	£'000	staff costs £'000	non-staff costs £'000	staff costs £'000	non-staff costs £'000	£'000
Raising funds	-	3,737	1,809	443	337	6,326
International development	14,841	4,634	1,484	1,474	1,117	23,550
Disaster relief	12,287	2,105	657	663	503	16,215
UK development education	44	1,274	188	144	109	1,759
Advocacy and campaigning	52	1,442	180	163	124	1,961
Charitable activities	27,224	9,455	2,509	2,444	1,853	43,485
Total expenditure 2021/22	27,224	13,192	4,318	2,887	2,190	49,811

	Grants & programme payments	Activity costs		Support costs		Total 2021
	£'000	staff costs £'000	non-staff costs £'000	staff costs £'000	non-staff costs £'000	£'000
Raising funds	-	3,420	1,624	449	336	5,829
International development	17,067	4,405	1,220	1,601	1,196	25,489
Disaster relief	9,383	2,312	662	788	589	13,734
UK development education	18	1,326	132	173	130	1,779
Advocacy and campaigning	62	1,527	187	193	144	2,113
Charitable activities	26,530	9,570	2,201	2,755	2,059	43,115
Total expenditure 2020/21	26,530	12,990	3,825	3,204	2,395	48,944

	2022 £'000	2021 £'000
Information technology	1,921	1,876
HR and organisational development	1,222	1,294
Financial management	682	936
Premises and facilities	710	719
Strategic leadership	156	259
Governance (analysed below)	386	515
Support costs:	5,077	5,599
Senior management	130	219
Legal and professional services	36	56
Internal audit	148	157
External audit	71	83
Board training and meeting costs	1	-
Governance costs:	386	515

6. Grants and programme payments

Grants and programme payments are made up of: 504 grants (2021:505) to third parties totalling £25.329m (2021: £24.475m), plus 55 CAFOD-managed grants (2021: 56) for programme payments made in support of partners for programme activities totalling £2.369m (2021: £1.463m), plus realised and unrealised exchange gains of £0.474m (2021: less realised and unrealised exchange losses of £0.592m).

Details of grants to third parties and partner payments are provided in a Report of Grants for 2021/22 published on CAFOD's website cafod.org.uk.

	2022 Number	2022 £'000	2021 Number	2021 £'000
Analysed by activity:				
Capacity strengthening	129	1,571	122	1,666
Emergency preparedness, response and recovery	139	12,501	172	9,173
Governance accountability and transparency	100	4,527	94	3,066
Livelihoods resilience and environment	146	7,707	121	9,384
Peace and reconciliation	45	1,392	52	2,649
	559	27,698	561	25,938
Realised (gains)/ losses on Foreign Currency	-	(269)	-	386
Unrealised (gains) / losses on Foreign Currency contracts	-	(205)	-	206
Total grants and programme payments	559	27,244	561	26,530

	2022 Number	2022 £'000	2021 Number	2021 £'000
Analysed by region				
Africa (a)	298	17,232	276	17,015
Latin America and Caribbean (b)	111	3,617	130	3,152
Asia and Middle East and Europe (c)	115	6,383	112	5,113
Global, policy and education	35	466	43	658
	559	27,698	561	25,938
Realised (gains) / losses on Foreign Currency	-	(269)	-	386
Unrealised (gains) / losses on Foreign Currency contracts	-	(205)	-	206
Total grants and programme payments	559	27,224	561	26,530

See note 16 on Forward foreign currency contracts.

(a) Africa	2022 Number	2022 £'000	2021 Number	2021 £'000
Democratic Republic of Congo	53	4,818	44	2,754
Eritrea	9	521	12	1,184
Ethiopia	3	810	3	1,425
Kenya	28	748	15	591
Liberia	5	100	7	199
Mozambique	9	353	16	796
Niger	5	136	9	322
Nigeria	16	682	20	594
Sierra Leone	23	778	17	484
South Sudan	49	3,557	46	3,953
Sudan	24	1,968	24	1,458
Eswatini	3	70	3	51
Uganda	11	514	7	347
Zambia	15	338	17	471
Zimbabwe	40	1,696	35	2,358
Multi-Country	5	143	1	28
Africa	298	17,232	276	17,015

6. Grants and programme payments (continued)

(b) Latin America & Caribbean	2022	2022	2021	2021
	Number	£'000	Number	£'000
Bolivia	10	304	15	331
Brazil	24	1,199	26	999
Colombia	17	463	20	498
El Salvador	5	169	4	125
Guatemala	9	249	12	322
Haiti	2	250	9	147
Honduras	6	142	-	-
Nicaragua	8	229	10	243
Peru	13	342	15	233
Venezuela	1	30	1	10
Multi-country	16	240	18	244
Latin America and Caribbean	111	3,617	130	3,152

(c) Asia and Middle East and Europe	2022	2022	2021	2021
	Number	£'000	Number	£'000
Afghanistan	13	1,579	7	298
Bangladesh	18	1,227	17	1,038
Cambodia	6	240	9	225
India	4	771	1	40
Indonesia	1	10	2	75
Israel	6	125	5	177
Jordan	-	-	3	123
Lebanon	9	348	13	682
Moldova	1	202	-	-
Myanmar	15	333	12	307
Nepal	2	56	1	20
Pakistan	1	80	-	-
Philippines	1	40	1	40
Poland	1	10	-	-
Sri Lanka	13	286	12	289
Syria	8	472	15	1,302
Ukraine	2	67	-	-
Yemen	1	210	2	200
West Bank and Gaza	9	278	8	208
Multi-country	4	49	4	89
Asia and Middle East and Europe	115	6,383	112	5,113

7. Net expenditure

	2022	2021
	£'000	£'000
Net expenditure is stated after charging/(crediting):		
Depreciation of tangible fixed assets	339	361
Depreciation of Intangible Assets	204	204
(Gain)/loss on sale of tangible fixed assets	(2)	25
Operating leases: land and buildings	295	316
Auditors' remuneration	74	67
Auditors' remuneration:		
Audit of CAFOD		
UK (primary auditor, Crowe UK LLP)	33	32
Overseas (secondary auditors)	38	33
	71	65
Other non-audit services (UK, Crowe UK LLP)	3	2
Auditors' remuneration	74	67

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

	2022	2022	2021	2021
	Employees average full-time equivalent	Employees cost £'000	Employees average full-time equivalent	Employees cost £'000
Raising funds	89	4,180	85	3,869
International development	162	6,108	166	6,006
Disaster relief	73	2,768	82	3,100
UK development education	29	1,418	33	1,499
Advocacy and campaigning	33	1,605	36	1,720
Total	386	16,079	402	16,194
Salaries		13,339		13,469
Employer's social security contributions		1,270		1,258
Employer's pension contributions		1,470		1,467
Total		16,079		16,194

The total average number (by headcount) of employees in the year was 401 (2021: 437).

Included in the above are costs relating to redundancy and compensation for loss of office of £185,510 (2021: £125,808) 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:

	2022 Number	2021 Number
£60,001 - £70,000	7	8
£70,001 - £80,000	4	5
£80,001 - £90,000	1	-
£90,001 - £100,000	-	1

Total remuneration and benefits received during the year by CAFOD's highest paid member of staff was £83,565 (2021: £90,346) salary, £10,312 (2021: £11,255) employer's national insurance and £8,499 (2021: £9,996) employer's pension contribution. This staff person took a voluntary reduction in salary in the context of challenging economic conditions due to COVID-19. The total remuneration and benefits received during the year by the other key management personnel (2 persons) who have delegated responsibility for the Strategy and Performance Committee and the Finance Legal Audit and Risk Committee was £156,308 (2021: £154,411) salary, £19,130 (2021: £18,968) employer's national insurance and £13,414 (2021: £14,643) employer's pension contribution.

Trustees

The Trustees do not receive any remuneration for their services. In the year, CAFOD paid £60 for books for trustees, £3,575 for accommodation for a residential meeting, and £473 to facilitate a culture review day. (2021: CAFOD paid £191 of expenses for training on behalf of one Trustee). One residential meeting was held in this financial year. There are no other related party transactions requiring disclosure within the financial statements.

Volunteers

In addition to employed staff and Trustees, CAFOD relied on the services of 3,497 volunteers (2021: 3,755) who carried out a total of 5,444 assignments (2021: 5,657); 3,230 Parish-based assignments (2021: 3,491), 1,468 school-based assignment (2021: 1,404) and 746 other assignments in a range of volunteer roles such as campaigning, fundraising, media, office support and youth work (2021: 762).

10. Tangible fixed assets

	Leasehold land and buildings £'000	Office equipment £'000	Motor vehicles £'000	Total tangible fixed assets £'000
Cost at 1 April 2021	11,141	500	858	12,499
Additions	-	32	232	264
Disposals	-	-	(267)	(267)
Cost at 31 March 2022	11,141	532	823	12,496
Depreciation at 1 April 2021	1,933	411	681	3,025
Charge for the year	213	42	84	339
On disposals	-	-	(250)	(250)
Depreciation at 31 March 2022	2,146	453	515	3,114
Net book value at 31 March 2022	8,995	79	308	9,382
Net book value at 31 March 2021	9,208	89	177	9,474

Leasehold land and buildings held at 31 March 2022 relates to Romero House (net book value at 31 March 2022: £9.0m – being £8.3m for the land and building and £0.7m for the plant and machinery) which is used as CAFOD's head office.

11. Intangible fixed assets

	Software development £'000	Total Intangible fixed assets £'000
Cost at 1 April 2021	1,018	1,018
Additions	-	-
Cost at 31 March 2022	1,018	1,018
Amortisation at 1 April 2021	543	543
Charge for the year	204	204
Amortisation at 31 March 2022	747	747
Net book value at 31 March 2022	271	271
Net book value at 31 March 2021	475	475

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

12. Investments held as fixed assets

	2022 £'000	2021 £'000
Sterling deposits	3,466	3,466
Permanent endowment fund	724	668
Investments held as fixed assets	4,190	4,134

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:

	£'000
Market value at 1 April 2021	668
Unrealised gains	56
Market value at 31 March 2022	724

	£'000
Market value at 1 April 2020	555
Unrealised gain	113
Market value at 31 March 2021	668

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

	2022 £'000	2021 £'000
Interest receivable	6	3
Taxation recoverable	1,211	1,396
Accrued income	2,579	3,067
Prepayments	566	502
Other debtors	145	165
Forward foreign currency contracts (note 16)	205	-
Debtors	4,712	5,133

Included in accrued income above is an amount of £709,000 (2021: £677,000) relating to legacies. As at 31 March 2022, CAFOD also has entitlement to a number of legacies from estates for which the administration has yet to be finalised. The future income from these legacies is estimated at £7,676,000 (2021: £10,664,000), though we do not expect all of this to be received in the next financial year.

14. Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Programme creditors	10,773	8,440
Taxation and social security	395	489
Other creditors and accruals	1,308	1,200
Interest free loans from supporters	28	28
Forward foreign currency contracts (note 16)	-	206
Creditors	12,504	10,363

Other creditors and accruals include pension contributions of £143,000 (2021: £144,000).

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 2022 planned future commitments under formal multi-year funding cycle approvals amounted to £1.0m; £0.7m due within one year and a further £0.3m due within two years (2021: £1.4m; £1.2m due within one year and a further £0.2m within two years).

15. Operating lease commitments

At 31 March 2022, the total future minimum lease payments under non-cancellable operating leases in respect of operating leases for land and buildings were:

	2022 £'000	2021 £'000
Within one year	13	13
In the second to fifth years inclusive	-	-
Later than five years	-	-
Operating lease commitments	13	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 Dollars 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 2022 was £205,000 which has been included in debtors and grant expenditure (2021: unrealised loss included in creditors and grant expenditure was £206,000).

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 1.32 and 1.41. At the balance sheet date, a purchase value of USD 8.5 million remained on these contracts representing approximately 50% of the estimated currency exposure on project creditors and salary and expense commitments for the coming year. The actual rate of exchange at 31 March 2022 was 1.31.

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 Fairfield Pension Trustees Limited.)

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

One of the schemes that CAFOD participates in is the Pensions Trust's Growth Plan, a multi-employer pension plan which also has some historical guarantees. As at the balance sheet date there were 188 active members of the Growth Plan (31 March 2021: 197). CAFOD intends to continue to offer membership of the Growth Plan (Series 4) to its employees along with the Pensions Trust's Flexible Retirement Plan.

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

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

The triennial actuarial valuation results at 30 September 2020 were finalised during the year ended 31 March 2022 and are the most recent results announced. The valuation of the Plan was performed by a professionally qualified actuary. The market value of the Growth Plan's assets at the valuation date was £799 million and the Plan's technical provisions (i.e. past service liabilities) were £832 million, which is equivalent to a funding level of 96%. The shortfall in assets compared with the value of liabilities was £32 million (£131.5 million at the 2017 valuation).

Two significant factors in the reduced deficit on the Technical Provisions basis were:

- (1) The Trustees of the Growth Plan reversed their 2011 decision to value orphan liabilities on a Buyout basis within the technical provisions calculations and these have been valued on a Technical Provisions basis alongside all other liabilities.
- (2) The Trustees of the Growth Plan decided to exclude future provision for scheme expenses from the calculation of liabilities. Employers will pay ongoing contributions to meet fund expenses, beyond the period of the recovery plan.

The length of the recovery plan was unchanged from the 2017 valuation recovery planning period and still extends to 31 January 2025. Contribution amounts were also adjusted depending on the Actuary's calculations of each employer's relative share of the liabilities. A further change in approach was that deficit contributions were fixed from 1 April 2022, until the end of the recovery plan. There will be no 3% annual increase on deficit contributions. A 3% per annum increase will apply to future scheme expense contributions.

CAFOD's annual additional deficit contribution amount for the year ending 31 March 2022 was £124,622 and contributions for the following two years and ten months, starting on 1st April 2022, were fixed at £47,347 per annum. CAFOD's annual ongoing scheme expense contributions, starting on 1st April 2022 will be £52,922 and this sum will increase by 3% compound per year.

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

	2022	2021
	£'000	£'000
Provision at start of year	473	579
Payments made during the year	(125)	(121)
Release of provision for future deficit liability	(219)	-
Discount rate adjustment	-	15
Provision at end of year	129	473

The Trustees have determined that the appropriate discount rate to apply to the future cash liability is that published by actuaries from time to time for single employer pension schemes. This rate was 2.00% at 31 March 2022 (2.15% at 31 March 2021).

For the year ended 31 March 2023, CAFOD's regular pension contributions for all its pension arrangements are estimated to be £1,225,000.

18. Restricted funds

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

	Balance Apr-20 £'000	Income £'000	Expenditure £'000	Gains / (losses) £'000	Transfers £'000	Balance Mar-21 £'000
Endowment funds:						
Sr. Laura Tanti Foundation	555	-	-	113	-	668
Restricted income funds:						
General donations and legacies	732	4,427	(4,819)	-	-	340
Emergency appeals donations	2,374	6,807	(6,024)	-	-	3,157
Income from charitable activities	(277)	14,871	(13,680)	-	-	914
Investment income	4	20	(4)	-	-	20
Restricted fund movement 2020/21	3,388	26,125	(24,527)	113	-	5,099

The Permanent Endowment relates to the Sister Laura Tanti Foundation for which CAFOD has received cumulative donations as at 31 March 2022 of £421,155 (2021: £421,155) held under trust deeds. The Trustees of CAFOD hold this amount and its income in trust and will apply the income for the benefit of the poor as stipulated.

The balances on restricted funds represent amounts raised for specific purposes less amounts spent on those purposes by the year end. As at 31 March 2022 the balances held were for the following purposes:

	2022 £'000	2021 £'000
Africa Programme	249	1,443
Asia, Middle East, and Europe Programme	3,983	838
Latin America Programme	54	(9)
General Programme	1,937	2,159
Permanent endowment	724	668
Restricted funds	6,947	5,099

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 2022, shown net above, comprises:

	2022 £'000	2021 £'000
Programme grants in surplus	9,172	7,104
Programme grants in deficit	(2,225)	(2,005)
Restricted funds	6,947	5,099

19. Unrestricted funds

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

	Balance Apr-20 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance Mar-21 £'000
Designated funds:					
Fixed asset fund	4,870	-	-	(455)	4,415
Programme fund	527	-	(233)	-	294
General funds:					
Stabilisation fund	9,000	-	-	-	9,000
Unallocated reserve	986	26,279	(24,184)	455	3,536
Movement on unrestricted 2020/21	15,383	26,279	(24,417)	-	17,245

Designated fixed assets fund:

This fund represents unrestricted funds that are not available for current expenditure, as they are tied up in the assets used in day-to-day operation of the charity. The value of the fund held is set at: the net book value at the balance sheet date of unrestricted tangible and intangible fixed assets, less £5.5m – being the amount the Trustees would consider making available by taking a loan mortgaged on Romero House (CAFOD's head office), or otherwise realise the excess value available in the property, if CAFOD needs to utilise these funds. CAFOD would enter into detailed discussions with our bankers, to provide such a loan, should this be required.

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 10% - 15% in the budgeted general income and the need for two years to adjust programmes, the Trustees have established the target level of the Stabilisation fund at 20% - 30% of the planned annual general income for the coming years, which equates to a range of £6 million to £9 million. At the balance sheet date, the Stabilisation fund stood at £9m with £5.5m held in the value of Romero House (as explained above) and £3.5m held in cash deposit investments.

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

20. Analysis of net assets between funds

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

	Fixed assets	Investments	Net current assets	Pension provision	Total net assets
	£'000	£'000	£'000	£'000	£'000
Endowment funds:					
Sr. Laura Tanti Foundation	-	668	-	-	668
Restricted income funds:					
General donations	-	-	340	-	340
Emergency appeals	-	-	3,157	-	3,157
Income from charitable activities	-	-	914	-	914
Interest	-	-	20	-	20
Designated funds:					
Fixed asset fund	4,415	-	-	-	4,415
Programme fund	-	-	294	-	294
General funds:					
Stabilisation fund	5,534	3,466	-	-	9,000
Unallocated reserve	-	-	4,009	(473)	3,536
Total net assets at 31st March 2021	9,949	4,134	8,734	(473)	22,344

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

	2022	2021
	£'000	£'000
Net income	787	3,573
Depreciation	543	565
(Gain)/loss on disposal of fixed assets	(2)	25
Income from investments	(76)	(48)
(Gain)/loss on investments	(56)	(113)
Decrease in debtors	421	178
(Decrease) in pension scheme liability	(344)	(106)
Increase in creditors	2,141	2,337
Net cash provided by operating activities	3,414	6,411

22. Analysis of changes in cash and cash equivalents

	Opening balance	Movement	Closing balance
	£'000	£'000	£'000
Short term cash deposits	8,884	1,201	10,085
Cash at bank and in hand	5,066	2,044	7,110
Cash and cash equivalents	13,950	3,245	17,195



2022 marks 60 years since CAFOD became an official charity following the creation of the first *Family Fast Day* by CAFOD's founding mothers. This prayer was written to give thanks for the role of women's organisations in creating CAFOD and for the support they continue to give.

Loving God,

You created and formed each one of us.
You have drawn us with unfailing kindness
and lavished us with love.
We give you thanks and praise.

For our sisters, the women at the heart
of our beginnings and our work,
we give you thanks and praise.

For the women who respond to the need
for care and compassion
both near and far,
we give you thanks and praise.

For our sisters who act for justice,
stand in solidarity,
speak the truth to power
and reach out with a loving hand,
we give you thanks and praise.

Loving God, source of hope,
we ask you to lift the women who face hardship,
violence, rejection, and isolation.

Send out your spirit on all women this year.
May we remember the wonderful things that they have done,
continue to do,
and will do from this time forward through your grace.

Amen.

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beyond reach**