

A large, stylized, light pink 'C' logo with a textured, watercolor-like appearance, centered on the page. Inside the 'C' is a dark pink circle containing the letters 'CFG' in white.

CFG

**CREATING
A BETTER FUTURE**

Charity Finance Group
Annual Report and Financial Statements
for the year ended 31 March 2020

Registered Company number: 03182826



INSPIRING
FINANCIAL
LEADERSHIP

The purpose of Charity Finance Group (CFG) is to develop a financially confident, dynamic and trustworthy charity sector.

CFG is the charity that inspires a financially confident, dynamic and trustworthy charity sector. We do this by championing best practice, nurturing leadership and influencing policy makers.

Our 1500 member charities, including members from our partners associations, turn to us to develop their finance management knowledge and skills. Collectively, these charities manage around £22bn of funds – that represents around a third of the entire UK charity sector's income.

For more information, please visit:

www.cfg.org.uk



CONTENTS

Vision and purpose, Objects and Aims	4-5
From the Chair and Chief Executive	6
Meeting and reporting on Public Benefit	8
Financials at a glance	9
2019/20 at a glance	10-11
 Report of the Board of Trustees	 12-41
2019/20 Aims – Progress Summary	13
Be the ‘go to body’	14-17
Financial skills for leaders and leadership skills for finance professionals	18-22
Leading by example	23-26
Objectives for 2020/21	27-28
Review of financial position	29-31
Structure, governance and management	32-40
Statement of Trustees’ responsibilities	41
 Financial statements	 42-60
Consolidated statement of financial activities	43
Balance sheets	44
Consolidated statement of cashflows	46
Notes to the financial statements	47-60
 Independent auditor’s report	 60-64
Trustees, officers and advisors	65-71
Board profiles	66-69

VISION AND PURPOSE, OBJECTS AND AIMS

Why we exist

Charity Finance Group is committed to developing a financially confident, dynamic and trustworthy charity sector.

We believe financial confidence and effectiveness enables charities to achieve more for their beneficiaries by making best use of their resources and by making more informed decisions.

In the current economic climate, it's more important than ever to ensure that money is making the biggest impact possible. Our role is to empower charities to do this through championing best practice, nurturing leadership and influencing policy makers.

We equip charities with the knowledge, skills and conditions they need to ensure that every pound works that bit harder, achieving a greater impact for even more beneficiaries.

How we achieve our objects

Our aim is to maximise charities' positive impact on those they serve through improving the effectiveness of financial management.

To achieve this impact our work is focused on achieving three main outcomes:

OUTCOME 1

Well-developed skills, learning, knowledge and practice result in high performing charities

OUTCOME 2

Effective governance and leadership, with finance at the heart of effective decision-making

OUTCOME 3

Charities operate in a supportive environment

Leadership Strategy 2019/20

2019/20 was the final year of a planned three-year strategy with three priorities. These are:



These three priorities intended to:

- strengthen us as a leader and champion in the sector.
- enable leaders in our sector to better understand finance and turn more finance professionals into sector leaders (improving leadership in charities and delivering lasting change), and
- lead by example, sharing CFG's experiences in transforming management and governance systems with our charity finance community.



FROM THE CHAIR AND CHIEF EXECUTIVE

Welcome to the annual report and accounts of CFG for 2019/20

As we wrote this message in early 2021, we could observe that the events of the last two months of the financial year overshadowed everything else that happened at CFG in 2019/20. The unprecedented turbulence that hit with the arrival of the global pandemic in February 2020 looks set to play out throughout the coming financial year and well into 2021/22. But this annual report is an occasion to celebrate our successes before Covid-19 hit, acknowledge where we have not performed as we'd planned, and share the lessons and our plans for the future.

We must acknowledge, too, that publication of this 2019/20 report is much later than we would have liked. With adjusted staff size and schedules, we too have suffered the effects of the pandemic – including with CFG's Director of Finance and Operations being struck down with Covid-19 at a critical time in our audit process. Happily, he has made a full recovery, but it is a reminder of how lean CFG is.

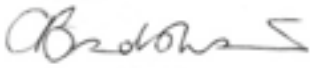
Covid-19 looks set to leave its mark not just on CFG but the whole sector and wider society. It may change the way that things are done permanently, has brought untold financial pressure to all but has also prompted change at an unbelievable pace – much of which we believe will be, with hindsight, welcomed. As Churchill was credited as saying 'never let a good crisis go to waste'.

We believe the significant steps we took in late 2019 put CFG in a strong position to respond rapidly to the crisis in positive and engaging ways; enabling CFG to support members, the wider sector and safeguard our future so that we can continue to serve.

2019/20 also marked a point of significant change for the sector's future operating environment. A landslide victory in the election in December 2019 for the Conservatives saw Boris Johnson deliver the UK's exit from the European Union on 31 January 2020. And one year later the UK/EU Agreement was reached. The details of life beyond Brexit remain, even as we write, yet to be fully determined. So, we yet again are unable to welcome, in our opening comments, the end of uncertainty!

As set out in *last year's report*, 2019/20 was the final year of CFG's 2017-20 leadership strategy. Our decision to move to a rolling approach to strategy was prompted by a belief that greater flexibility is required to respond to a rapidly changing world. Events of 2020 have justified that thinking but the pace of change we anticipated in the autumn of 2019 was outstripped by the emergence of a global pandemic as we ended the financial year. We could never have predicted how prescient those decisions would pan out to be.

As always, we cannot end this introduction without acknowledging the significant support that you, our charity and corporate members, give to CFG. Without your engagement, support and belief CFG would not exist. Huge thanks; we look forward to navigating the uncertain times ahead with you.



Caron Bradshaw
Chief Executive



Gary Forster
Chair of Trustees



MEETING AND REPORTING ON PUBLIC BENEFIT

The Trustees confirm they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'. As volunteers, the Trustees do not receive any private benefit from being on the Board of Charity Finance Group.

As of August 2020, there were 168,033 charities in England and Wales registered with the Charity Commission plus many more exempted or excepted charities. They work across a range of issues providing help to the vulnerable, delivering social change and making the world a better place to live. In order to do their work effectively and achieve the greatest impact for their beneficiaries, they need to be financially well led and managed.

Good financial management and leadership help charities make the best use of their resources, enabling them to better achieve their charitable purposes. This is accepted across the charity sector and by regulators.

Charity Finance Group provides public benefit by carrying out activities to improve financial management and leadership in the charity sector. We deliver a range of training, guidance and support for charity staff and trustees.

We push to improve the operating environment for charities so that they are able to carry out their missions effectively. We inspire different thinking about finance and its importance to charities' work.




By helping charities to improve their financial management and performance, we improve the effectiveness of charities supporting millions of beneficiaries in the UK and around the world. Improving the work of charities and helping their sustainability in a volatile and often unpredictable environment, we can deliver significant public benefit.

The structure of this report allows us to share CFG's activities and achievements during the year against our strategic aims and our plans for 2019/20. We have embedded examples of how CFG meets the public benefit requirement throughout.

“

By helping charities to improve their financial management and performance, we improve the effectiveness of charities supporting millions of beneficiaries in the UK and around the world.

FINANCIALS AT A GLANCE

	Total income (2020)	Total income (2019)	Total expenditure (2020)	Total expenditure (2019)
 <p>Outcome 1: Develop skills, learning, knowledge and practice</p>	999,547 (-8%)	1,081,563 (+2%)	1,084,060 (+2%)	1,065,208 (+1%)
 <p>Outcome 2: Inspiring financial leadership</p>	435,059 (+2%)	426,091 (-9%)	363,290 (+7%)	339,423 (+6%)
 <p>Outcome 3: Encourage a supportive environment</p>	90,437 (-15%)	106,734 (-6%)	350,681 (+21%)	289,160 (-21%)








2019/20 AT A GLANCE

As part of the Innovation and Development fund investment assigned by the Trustees in 2018/19 there was an active and planned reduction of commercial activity in the year, freeing up resource to transform our intelligence, processes and the development of new products and services to better identify the activities that members want (whether inclusive or exclusive of the membership fee). This reduction in activity is reflected in the 'at a glance' figures shown below. It is also worth noting that GDPR compliance has impacted our website traffic.










CORPORATE MEMBERSHIP

	Year 2019/20	Year 2018/19	Difference
 Corporate members	127	110	+17
 New corporate members	16	8	+8
 Exhibitors at events	76	84	-8

EVENTS AND TRAINING







	Year 2019/20	Year 2018/19	Difference
 Total number of events	77	85	-8
 Number of conferences	13	16	-3
 Annual Conference attendees (all)	521	639	-118
 Total number of delegates at CFG events	3,010	3,534	-524
 South West and Wales Conference	61	111	-50
 Northern Conference	54	107	-53
 Midlands Conference	55	86	-31

MEMBERSHIP

	Year 2019/20	Year 2018/19	Difference
 Number of charity members	1,451	1,626	-175
 Number of primary and secondary contacts	5,489	5,572	-83
 Charities joined CFG as members for the first time in 2018/19	118	319	-201
 Midlands	188	179	-9
 Northern	223	243	-20
 South west and Wales	218	216	+2
 London and south east	822	986	-168
 Number of helplines	6	6	-
 Number of SIGs	6	4	+2

We noted the membership growth experienced in recent years had stagnated and started to decline. Analysis of data and member research undertaken showed that a combination of factors led to this reduction; charities being able to access CFG content without remaining in membership, changes in the way CFG billed and recorded membership following introduction of a new CRM and finance system, insufficient focus on supporting all career stages (overly focusing on C suite roles) declining regional engagement/support and financial constraints experienced by member charities.

MEDIA

	Year 2019/20	Year 2018/19	Difference
 Twitter followers	10,700	9,687	+1,013
 Website total page views	273,181	357,165	-83,984
 Website unique page views	211,658	286,464	-77,806
 New service - Number of webinars	17	22	-5
 Total Webinar live attendees	847	517	+330
 Total Webinar replay attendees	320	507	-187

REPORT OF THE BOARD OF TRUSTEES



2019/20 AIMS – PROGRESS SUMMARY

Introduction

In 2018/19, as we approached the final year of our planned three-year strategy, we paused and reflected on progress, successes and where we had fallen short. This reflection highlighted ways in which CFG needed to evolve if it is to continue to keep pace with a changing and volatile operating environment.

Trustees designated £175,000 to an Innovation & Development Fund for use in 2019/20 and 2020/21. The fund enabled CFG to actively reduce the quantity of activities in the year, freeing up resource to transform our intelligence, processes and the development of new products and services to better identify the activities that members want (whether inclusive or exclusive of the membership fee). Using reserves in this way allowed the team to continue to deliver effective support while we restructured and rationalised our offering.

We set out to invest in our business model, data and intelligence, workforce skills and ways of working to make CFG more nimble and resilient, to better meet members' needs

and put CFG's income-generating activities on a more resilient, longer term, footing; ensuring sustainability of delivery for the sector, whatever the changes in the operating environment. Little did we know how timely that investment would turn out to be.

During the year a number of unexpected capacity issues arose; two staff relocated overseas, four team members started maternity leave and the Director of Customer and Business Support left for pastures new. In a small team, this reduced capacity significantly. Nonetheless, we were able to maintain most of our planned activities and continued our planned consolidation of our offering. Additionally, we took the opportunity of these staffing changes to consider the structure of the organisation. The depth of required change during the year to create the desired greater resilience and agility was deeper than anticipated but staff showed great flexibility, creativity and insight, which enabled CFG to respond at pace when the pandemic emerged towards the end of the financial year.



The depth of required change during the year to create the desired greater resilience and agility was deeper than anticipated but staff showed great flexibility, creativity and insight, which enabled CFG to respond at pace when the pandemic emerged towards the end of the financial year.



BE THE GO-TO BODY

WHAT WE SET OUT TO DO	WHAT WE DID	UNDERSTANDING THE DIFFERENCES BETWEEN THE TWO AND APPLYING WHAT WE LEARNED
<p>Be the go-to body: To strengthen ourselves as a leader and champion in the sector</p>	<ul style="list-style-type: none"> • Caron Bradshaw, CEO, was appointed to the SORP Committee. • We led on the charity sector's response to HM Treasury in the lead-up to the spring Budget. • We amplified the voice of our membership and sector across all our communications channels. 	<p>We examined this strategic goal and concluded that overall good progress had been made and this continues to be central to our charitable objects.</p> <p>It will be carried forward in our rolling strategy and we will embed within it our work to be an example of how social change organisations are run; in how we employ staff, how we collaborate with our peers, engage with all stakeholders and seek to improve the operating environment for social change organisations.</p>
IN MORE DETAIL		
<p>We will undertake greater analysis of our membership and the wider sector in order to better target our content and engagement, and tailor our messages to our audiences and become need-led in our product and service development.</p>	<ul style="list-style-type: none"> • Undertook market research with Research By Design. • Reviewed our Special Interest Groups offering and undertook a series of workshops with stakeholders. • Developed a content strategy. 	<p>The absence of a single membership lead reduced our ability to drive our membership strategy. Research showed members were no longer as clear about the full range of member benefits as so much CFG content and support is open to non-members. A single senior membership resource will be recruited and greater clarity on the full range of benefits, enhanced relationships, tailored support/communities and a refreshed USP are priorities in 2020/21.</p>

<p>We will continue to build a more proactive approach to policy, led by evidence and member insight and making greater use of research to underpin and drive campaigning.</p>	<ul style="list-style-type: none"> • Developed a policy matrix. • Developed a stakeholder management tool. • Appointed a sector specialist (which turned out not to be the right role). • Reintroduced regional engagement forums. • Undertook following campaigns; Gift Aid Awareness, Fraud Awareness. 	<p>There is significant demand for CFG policy output. The balance in internal resources had shifted over time from policy to engagement and marketing activities, reducing policy capacity. This needed to be addressed. We identified a new role, the sector specialist, intended to drive content and be self-financing. However once appointed the reflections and knowledge of the post appointee together with wider reviews identified this was not the right solution, the role was discontinued and plans to rebalance our resources to more communications, public affairs and policy/campaigning were put in place.</p>
<p>We will reposition our benchmarking tool, Finance Count, as an inclusive member benefit, driving up participation and boosting CFG's own research and intelligence for the benefit of the wider sector and members.</p>	<ul style="list-style-type: none"> • Relaunched Finance Count as a member benefit which resulted in nearly 100 participants. • Provided individual benchmarking reports. 	<p>It is clear that removing the cost barrier drove up participation. There is also rich data which we can glean from the benchmarking for use by members and in our policy work. However, the Covid-19 pandemic and reduced capacity curtailed additional work to fully analyse and publish further reports. It is also clear that the time required to participate and the capacity of CFG to make the most use of the content and support participants to draw the greatest insights is not currently viable. We are reviewing whether we are able to continue with this member benefit in this form.</p>
<p>We will launch services to support members with their recruitment needs.</p>	<ul style="list-style-type: none"> • Developed a service and package of possible products ready for launch in Spring 2020 but did not launch. We have, however, partnered with Third Sector to share with members the latest job opportunities and support members' recruitment activities. 	<p>The emergence of the pandemic meant that launching services to support members with their recruitment needs was no longer appropriate. We believe there is a continuing need for these services and the work will be paused until a more appropriate time.</p>
<p>We will review how we support small charities and community accountants.</p>	<ul style="list-style-type: none"> • Commenced work on reviewing support for small charities and community accountants but this stalled. 	<p>We were unable to get very far with this review due to capacity. Following our review of skills and structure needed going forward, this area has been carried forward to the newly created post of Head of Membership and Marketing.</p>

STRATEGIC PRIORITY 1 BE THE 'GO TO' BODY

To position ourselves as the 'go-to' body, it is essential that we understand our membership, the dynamics of the wider sector and keep abreast of shifting policy – while helping our members to do the same.

Surveying the charity landscape

CFG is uniquely positioned to offer original insights and data and in spring 2020 conducted the 'Finance Count' in partnership with Agenda Consulting and Crowe UK. More organisations than ever took part and charity finance professionals were able to use scorecards to compare financial management information with their peers and explore ways to increase efficiency and improve performance. By providing benchmarking tools and analysis, CFG will continue to help members and other organisations reduce costs, improve inefficiencies, and support them in making the right decisions in an increasingly complex and fast-moving operating environment.

Strengthening the sector

Influencing and shaping government policy is at the heart of CFG's advocacy work, as is making sense of the political and legislative landscape on behalf of our members. In 2019 and 2020 the UK saw enormous political shifts, the most notable being Brexit and the 2019 General Election. Helping our members prepare for Brexit and the possibility of a 'no deal' was the focus of work undertaken throughout 2019 and early 2020. We carried out a follow-up Brexit member survey and a significant portion of respondents told us they had made little or no preparations. The results were shared with the Office for Civil Society and Department for Exiting the EU and we urged MPs to do all they could to prevent a 'no deal' Brexit.

Other notable policy work included the preparation of a joint sector letter to the Chancellor in advance of the one-year Spending Review. This, and other submissions since, included a number of 'key asks' that if implemented would improve the operating environment for our members and the sector as a whole. We also responded in detail to the Charity Tax Commission's report in July 2019 and supported this work through public commentary in sector press and our own communications channels. Through our advocacy work we will continue to carve a path to policy-makers and government, with the aim of shaping and improving the operating environment for the non-profit sector.



FINANCIAL SKILLS FOR LEADERS AND LEADERSHIP SKILLS FOR FINANCE PROFESSIONALS

WHAT WE SET OUT TO DO	WHAT WE DID	UNDERSTANDING THE DIFFERENCES BETWEEN THE TWO AND APPLYING WHAT WE LEARNED
<p>Financial skills for leaders and leadership skills for finance professionals: enable leaders in our sector to better understand finance and turn more finance professionals into sector leaders. The priority is to improve the standard of leadership in public benefit entities and deliver lasting change.</p>	<ul style="list-style-type: none"> Feedback from the sector indicates that we have been largely successful in shifting the narrative from technical skills to the importance of leadership. Our flagship Inspiring Financial Leadership training, delivered in partnership with the Centre of Charity Effectiveness and Sayer Vincent, has become a renowned contributor to this. We have had less cut through with non-financial professionals. 	<p><i>Providing finance skills for non-finance professionals and leadership skills for finance professionals</i> did not articulate fully what we are trying to achieve.</p> <p>Firstly, non-finance professionals are not always aware of the relevance of what CFG offers to them. Secondly, that finance professionals can see 'leadership' as something attached to a title or qualification. Therefore, we have flexed the wording of this strategic goal for 2020/21 to 'Promote and support financial leadership at all levels'.</p>

IN MORE DETAIL

<p>We will develop a segmented programme of ‘Leadership Lectures’.</p> <p>We will explore how we can support the transition from Finance Director to C Suite (chief operational) roles, including through our mentoring scheme.</p> <p>The Mentoring programme will be expanded to include mentoring aimed at the full range of careers – from most senior to junior finance professionals.</p>	<ul style="list-style-type: none"> • Although we participated in leadership lectures undertaken by other organisations, such as NCVO’s leadership 2020, CFG did not develop its own programme. • We explored CFG’s role in supporting the transition from finance director to C Suite roles through member research and a workshop with CFG’s Large Charity Special Interest Group steering committee. • We matched 10 mentoring pairs, seven of which were peer-to-peer. One networking event was held and one half-day training session for the participants. Monthly mentoring motivation sessions were also held. 	<p>The focus on C-suite roles and leadership continues to be welcomed but member research and work on our special interest group reviews identified that unmet demand exists with a wider range of roles, particularly in larger organisations.</p> <p>We will aim to focus more on how we support finance professionals throughout their career in 2020/21. Capacity challenges slowed progress in this area.</p> <p>A review of the special interest groups includes recommendations for the team to implement regarding content, audience and ‘pitch’.</p> <p>As a result of one-year of learning, we shifted our mentoring programme towards a peer to peer offering.</p>
<p>We will focus on bringing our existing relevant content to trustees.</p>	<ul style="list-style-type: none"> • We delivered a range of content and training which was applicable for trustees, and improved our marketing to ensure where content is applicable for trustees that this is highlighted. 	<p>CFG continues to find levels of engagement by CFG member trustees low and will reflect on the best way to engage with trustees.</p>
<p>Support other non-finance leaders by exploring partnerships with relevant bodies.</p>	<ul style="list-style-type: none"> • Discussions with a number of external potential partners did not result in new activities. CFG has continued to support other organisations through speaking at their events and at individual charity internal leadership away days. 	<p>Capacity and financial constraints for third parties appeared to impede progress. However, the learning from member research and a new senior resource should enable future partnerships to be explored.</p>
<p>CFG promotes and supports the development of financial leadership skills to individuals working within the charity sector irrespective of their background or career stage.</p>	<ul style="list-style-type: none"> • A range of training courses are available for finance professionals transferring in from other sectors, for those starting out in the first charity finance roles and for those more advanced. Additionally, a range of leadership and coaching training as well as networking activities seek to support financial leadership skills. 	<p>During our consolidation year and as a result of a series of engagements with our members it became clear that for many the pendulum had moved too far towards the C suite and senior leadership. Many of our senior leaders, particularly those working in the largest charities felt that CFG ought to be developing more content for earlier career stages and to support a wider range of roles.</p>

STRATEGIC PRIORITY 2 FINANCIAL SKILLS FOR LEADERS AND LEADERSHIP SKILLS FOR FINANCE PROFESSIONALS

At the core of CFG's work is the ambition to support members in their professional development throughout their careers. By creating opportunities to accelerate their technical and leadership skills, and by creating a community that is encouraged to share and build upon its experience, CFG is well-placed to achieve its vision.



The Inspiring Financial Leadership course

The Inspiring Financial Leadership course run in collaboration with the Centre for Charity Effectiveness and Sayer Vincent is always in high demand and 2019/20 was no exception. Centred on the role of the charity finance professional, drawing on robust leadership research and grounded in the challenges that finance professionals face, this highly interactive course uses a mix of practical experience, research and best practice. Attendees gain the skills and expertise to take them to the next stage of their leadership journey.

In 2020, the remaining three modules were delivered online, due to the impact of Covid-19. Although untested, and despite the fears of the unknown, IFL continued to deliver the final sessions smoothly, utilising an online platform to make sure the level of engagement and interaction continued. When the course finished in May the decision was made to stay digital for the 2020/21 cohort. By hosting the course online and eradicating travel the training and support offered by IFL has opened up to new audiences across the UK who wouldn't have been able to join otherwise.

Delegate Clare Jenkins, Director of Finance and IT, SOS Children's Villages UK, said: "Joining the Inspiring Financial Leadership programme helped me decide what sort of leader I wanted to be – and gave me the tools I needed to achieve it. I'm excited to use what I've learned to help my organisation to grow."

The course was also offered cost-free to those from under-represented groups thanks to a bursary scheme financed jointly by the partners.



The CFG Mentoring Scheme


The CFG Mentoring Scheme has gone from strength-to-strength since its formal launch in October 2019. The programme offers personal one-to-one support focused on specific areas of personal and professional development. With the support of matched peers, members can work towards setting and attaining their professional goals and unlock their potential. It also equips them with the skills they need to be as effective as possible in their roles, today and in the future.

Developed with a Leadership Coach and Business Consultant, the scheme matches mentors with mentees so that they form authentic mentoring relationships. Since its launch, a number of physical 'match-making' and networking events have taken place and following Covid-19 restrictions the scheme moved online. There is now a long waiting list of people keen to join and the plan is to roll out the programme four times per year.

Alongside the mentoring scheme, monthly Mentoring Motivation sessions have been held for the CFG network of mentors, where they explore topics around mentoring and leadership, invite guest speakers, and practise key mentoring skills. Mentor Mark Crowley commented in June 2019:

"The benefits of becoming a mentor are more than just helping someone else in the sector to achieve their goals; it is a hugely rewarding experience that also teaches you a lot. Relationships should be two-way and you will likely end up learning something from your mentee that you didn't already know. It's also a fantastic way of broadening your networks and relationships across the sector."

The aim is to further grow the network of mentors and past mentees.



LEADING BY EXAMPLE

WHAT WE SET OUT TO DO

Leading by example:
Our priority is to lead by example, sharing CFG's experiences in transforming management and governance systems with our charity finance community.

WHAT WE DID

- We have continued to strive for the highest standards of effective management and governance and have shared our successes and failures with our members and the wider sector. For example, Caron Bradshaw presented on CFG's cultural transformation programme at both the London Members' meeting and the Midlands Regional conference.
- On departure of the Director of Customer and Business Support, in line with our approach to review all roles to ensure they offer maximum value for money, past chair, Ian Theodoreson, conducted a review of the finance team to inform the shape and responsibility of the role and formed part of the restructure.

UNDERSTANDING THE DIFFERENCES BETWEEN THE TWO AND APPLYING WHAT WE LEARNED

We examined the progress and continued need for this strategic goal and felt that the CFG team had reached a level of maturity; that the principles identified during a period of focus on this strategic goal had become embedded in CFG's personality, reputation and way of operating. These principles will be subsumed into the concept of being a 'go-to body'.

For 2020/21 and beyond to reflect the importance of our network and CFG's power to convene to our ability to deliver our charitable objectives, 'Use our position to convene powerful network' will become the third strategic goal.

IN MORE DETAIL

<p>We will continue our cultural change programme and share the learning.</p> <p>We will share the learning and experience of developing a new approach to innovation.</p>	<ul style="list-style-type: none"> • The ORA system was amended and simplified for implementation. However, it highlighted deficiencies in our data collection that need to be addressed if the approach is to be effective. • All staff received training on embedding innovation and creativity into day-to-day activities. • Workshops were held to develop a competency framework but progress stalled preventing completion and implementation due to capacity constraints. The project will be recommenced on return of the HR manager from maternity leave. 	<p>There is a real appetite for CFG's learning in this area. Culture has become a draw for recruitment, leading to a broader and more diverse set of applicants. Staff identify culture and ways of working as being a critical part of their employment at CFG.</p> <p>The management of performance within CFG requires us to improve our data collection and use, to be most effective. It is hugely important that we do not allow capacity constraints to reduce our commitment to both continuing this journey and sharing our experiences.</p>
<p>We will recommence the development of a toolkit on risk.</p>	<ul style="list-style-type: none"> • Work was recommenced but then paused once again due to capacity constraints. • We continue to share our thinking with members. 	<p>This continues to be important. Members are interested in CFG's approach to risk and there is appetite for a toolkit when resources allow. Until then we will share our thinking on an ad hoc basis.</p>
<p>We will ensure that our tone of voice matches our behaviours by being data/evidence led, through our own leadership skills and by being bold, speaking out effectively and we will use digital resources more effectively.</p>	<ul style="list-style-type: none"> • We increased our blog and news content on the website and broadened the range of web content to include more updates, briefings, case studies and opinion pieces. In this way, we spoke out more regularly on leadership issues and policy matters. We increased our social media following and strengthened our voice on behalf of members. 	<p>We continue to make progress against this objective, though will need to make further investment of resources in our digital capabilities and content management systems to maximise our efficiency, effectiveness and relevance.</p>
<p>We will explore how our own reporting can become a 'gold standard', including how we use digital resources.</p>	<ul style="list-style-type: none"> • We have not made significant progress. 	<p>The departure of the Director of Customer and Business Support in September 2019 and then subsequent emergence of the pandemic in spring 2020 prevented investment in further improvements.</p>

STRATEGIC PRIORITY 3

LEADING BY EXAMPLE

CFG values bold, honest and open leadership at every level of the organisation. By sharing our own experiences of transforming management and governance systems, and by setting out standards and recognising best practice, we aim to lead by example.

Celebrating success, recognising excellence

Our inaugural Annual Awards recognised charity and corporate members who demonstrated an outstanding commitment to financial leadership in the charity sector. Kindly supported by our members Aberdeen Standard Capital, Blackbaud and Haysmacintyre, the ambition of the awards was to encourage finance professionals and team members to share the excellent and vital work they do for their organisations. Award categories included: Embracing digital in reporting; inspirational trustee award; innovation in the finance team. The Awards also honoured 'Inspiring Financial Leaders'. It is hoped that the Annual Awards will once again run following the Covid-19 pandemic.



Leading best practice at home and abroad

CFG has been invited to the table of two vitally important projects, both of which shape the standards of charity finance practice. In late 2019, CFG applied to be an engagement partner for the development of the new Statements of Recommended Practice (SORP). Caron Bradshaw was also reappointed to the SORP Committee in February 2020, which oversees the rules for financial reporting by charities and works to advise the Charities SORP making body, which is comprised of the charity regulators for England and Wales, Northern Ireland, the Irish Charities Regulator and Scotland.

IFR4NPO

CFG was appointed the UK country champion for the development of International Financial Standards, led by CIPFA and Humentum. The initiative seeks to develop the world's first applicable financial reporting guidance for non-profit organisations. CFG's role in the project as country champion is to encourage engagement with IFR4NPO and the wider sector by holding a series of roundtables with members to respond to the initial consultation. These will be held throughout 2021.

OBJECTIVES FOR 2020/21

Whilst Covid-19 is largely a post-year event, for the purpose of this report it has had a profound impact on the work and activities planned for 2020/21.

Our rolling strategic goals are:

BE THE 'GO TO' BODY

If we are successful; CFG will be the most trusted and respected source of guidance across the UK on strong financial management as well as the governance and broader management issues that determine financial security.

Post-financial year incidents highlighted the importance of culture and the working environment. CFG have confirmed our commitment to equality, diversity and inclusion (EDI) but recognise we have not transparently reported on it to date. We will ensure this is included in future reporting.



PROMOTE AND SUPPORT FINANCIAL LEADERSHIP AT ALL LEVELS

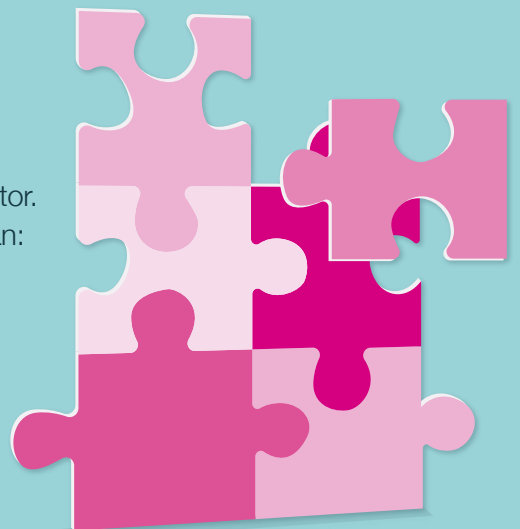
If we are successful; finance professionals will be aware of CFG's offering and will engage to develop their financial leadership skills irrespective of their background or career stage.



USE OUR POSITION TO CONVENE POWERFUL NETWORKS

If we are successful; we will use our position as a membership organisation to bring together different groups within and with the sector. We will connect individuals and organisations together so that they can:

- Support each other's learning and knowledge leading to great social impact
- Position finance at the heart of decision making (driving effective governance and sustainable operations)
- Inform, instigate and shape better policy (regulation and legislation) and enhance public understanding of charities so that charities operate in a supportive environment.



TO SUPPORT THESE STRATEGIC GOALS WE AIM TO

To produce high quality, fresh, relevant content, new activities and services that meet the changing needs of our members and non-members in the sector.

1

By increasing the depth of knowledge, we have on the challenges and issues facing our members working more closely with the members and non-members and increasing our tailored content (to sub-sector and career stage).

Demonstrate our impact on individuals, charities and the sector by collecting and analysing data and providing evidence for our achievements.

3

By simplifying and stream-lining our data, deploying M365 (including teams), improving our operational objectives and KPIs that ensure quality of customer service experience, increase our CRM knowledge and strengthen our data/digital skills.

Improve access to our activities and services across the country ensuring we are a valuable resource wherever you are.

5

By continuing to develop online training and webinars, focusing on digital products and services, rolling out regional engagement forums and exploring other ways of delivering regionally.

Ensuring that we are financially agile, sustainable and resilient and have room to try new things and be creative

7

By rebuilding and adapting our business model to cope with the challenges of Covid-19 and beyond, increasing our tailored offerings (including through partnerships) and fully utilising digital.

2

Maintain our excellent reputation and brand within the sector.

By staying balanced and confident on key issues and expanding awareness of our activities to a larger audience.

4

Be a role model for the sector in everything we do, demonstrating the importance of an inclusive culture, the effectiveness of having a collaborative approach to delivery and ensuring there is consistency between what we say and what we do.

Be transparent about our successes and learnings by examining our aspirations, using external resources (such as the Governance Code, the Home Truths report and the Digital Code), benchmarking our performance against others and setting realistic goals.

6

Attract and retain excellent staff with the knowledge and skills to grow and develop with the organisation continuing to meet its evolving needs. Ensure the internal processes are intuitive and geared towards inspiring innovation and collaboration.

By retaining our focus on culture, organisational development and personal development.

REVIEW OF FINANCIAL POSITION

CFG'S business model

We aim to work in partnership and through collaboration. This means that where others are meeting needs in a cost-effective way CFG will avoid duplication. We will signpost to third parties unless to do so would undermine CFG's ability to meet sector need. Where possible we will work in partnership to deliver our objectives and make best use of our resources. We will only seek to provide products and services that add value (either by positively impacting our beneficiaries or through providing funds to enable impact).

CFG currently earns nearly all income through membership fees, sponsorship and delegate fees, supplemented by modest grant income. We have been delighted to be supported by the Paul Hamlyn Foundation with core funding over five years from 2018. This vote of confidence in the importance of infrastructure in the ecosystem of the sector is hugely appreciated and we are very grateful to the Foundation.

Our funding model is predicated on the fact that corporate partners want to engage with us for two principal purposes; to connect with not-for-profit organisations that may purchase their products and services, and to support the wider sector through sharing their expertise, financially supporting CFG's services provision and hosting our activities. The corporate support subsidises the cost of services to our charity members. Without corporate member support CFG could not effectively deliver to the

sector (without changing our business model). However, CFG is keen to diversify funding to include more grant-funding where appropriate to support our outcomes.

Although Covid-19 only directly impacted the final month of the financial year, its impact will be felt throughout 2020/21 and potentially for much of 2021/22. Our reliance on physical events for income generation, including our annual conference and annual dinner are integral to our success. We have started the process of adapting our business model to make better use of digital and to diversify our products and services.

In light of Covid-19, we were rapidly able to pivot our remaining physical events for March to virtual. The work we had undertaken to that point meant that we were able to do so with little need for additional resource. However, the challenge for the business model over the next two financial years will be monetising the activities delivered digitally. One huge positive of this crisis has been the forced movement to digital delivery which has assisted CFG in addressing some of the sticky challenges of our regional reach and has increased participation by our members.

We do not anticipate radical and permanent change to our business model but will inevitably rely on greater voluntary and grant income over the next two years.

Results for the year

For the financial year 2019/20 the Trustees had planned a deficit for CFG, which totalled at year end a deficit of £203,853; £198,353 if just looking at unrestricted funds (2019: surpluses of £24,811 and £25,274 respectively).

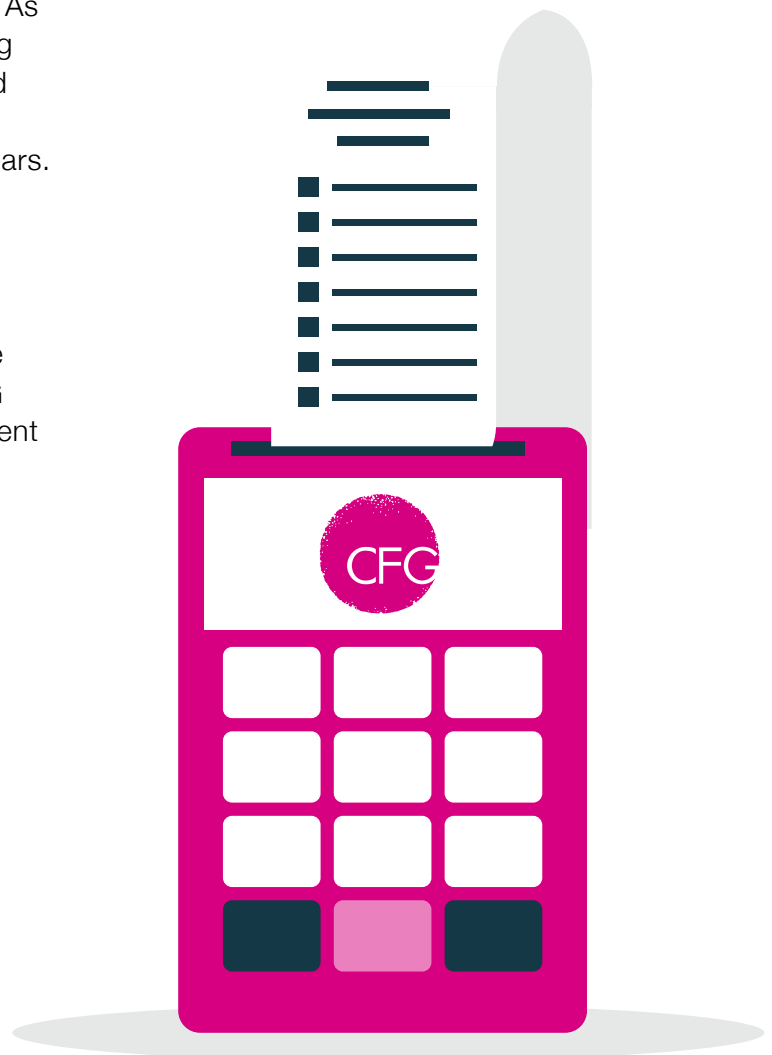
Income was slightly lower in 2019/20, £1,676,464 compared to £1,796,120 in 2018/19. Expenditure, £1,880,317, was higher than the £1,771,309 spent in 2018/19, an increase of 6%, reflecting the work planned for 2019/20 and agreed costs of restructure.

2019/20 was a year of consolidation where we focused on delivering our core activities, delivering them to a high standard. It was accepted at the outset of the year that this would inevitably lead to a reduction in our free reserves over one, two or more years. As well as spending time ensuring that existing processes are improved, the refocus would also enable the teams to plan for new or expanded products or services in future years.

As a result, funds have been spent down from various designated funds in the year, including £122,040 from the Innovation and Development Fund, established by the Board last year. This fund was to help CFG to adapt to the more challenging environment for infrastructure charities, to better meet

members' needs and put CFG's income-generating activities on a more sustainable footing. The fund drew on the reserves that we generated in earlier years, to ensure that CFG can continue to deliver effective support while we restructure and rationalise our offering. This strategy involved planned deficits in both 2019/20 and 2020/21.

Even with the deficit for the year, the use of designated funds has meant that consolidated free reserves have increased to £259,903 from £228,723 in 2018/19. This is still within the reserves target range of £175,000 to £280,000.



Reserves policy

As part of the 2020/21 Budget setting process, CFG's Finance and Audit Committee reviewed CFG's Reserves Policy. It was confirmed that the policy agreed previously was still valid and that CFG maintained free reserves:

- To provide a sustainable and appropriate level of working capital;
- To allow for periods of unexpected drops in planned income;
- To cope with sudden short-term increases in planned expenditure;
- To provide cover for other risks, contingencies or unforeseen events (these would have a low likelihood of occurring but, if they did, would have a significant effect on CFG).

It was agreed that the top end of the free reserve range would increase from £275,000 to £280,000. A new free reserve range of £175,000 to £280,000 was therefore agreed.

Our available free reserves as at 31 March 2020 were £259,903 (2019: £228,723) within the current agreed range. The Board will at times designate funds from free reserves for specific costs that fall outside the normal business as usual expenditure. Any funds received that can only be lawfully used for a specific charitable purpose will be held as restricted funds.

Investment policy

CFG receives income on an annual basis through membership subscriptions, sponsorship, grants and other sources. It plans activities on a rolling three-year basis and budgets to expend all anticipated income, except for retaining a prudent amount in reserves. It has no permanent endowment and provides for capital expenditure within the budget. The only funds of CFG that are not expendable within 12 months of receipt are reserves and any grants or contracts for

activities over a longer period. Consequently, the Board of Trustees does not consider that it is prudent to invest income for the longer-term. Its policy is therefore to retain funds as cash and place them on bank deposit at the best rate obtainable.

As a result, it considers that it is not appropriate for CFG to adopt an ethical investment policy at this time.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

Charity Finance Group (CFG) was incorporated by guarantee on 29 March 1996 and registered in England and Wales, changing its name from the Charity Finance Directors' Group on 20 March 2015, it has been trading as CFG since 2012. We have no share capital and the guarantee is limited to £1 per member. The governing document is the Memorandum and Articles of Association of the company, which

was amended on 6 November 2014 by Group Members' special resolution and on 5 October 2017 following a Company Member Resolution. The Board of Trustees are the directors of the company, and we have one wholly-owned trading subsidiary, CFDG Trading Limited, which carries out all trading activities for CFG. See note 2 to the financial statements.

Board

The Board consists of up to ten Trustees, all able to serve two terms of three years. Up to seven are required to be CFG members, and the Board may appoint three non-member Trustees in order to bring in wider necessary skills and experiences. Member Trustees are elected by their fellow members. The Office Holders are allowed a further period of appointment if they would have less than two years in the role due to their appointment date, subject to a maximum period of service as Trustee of eight years.

Non-member Trustees are appointed after an open recruitment process. The Chair and Officer Holders of the Board are appointed by the Trustees from among their number.

The Board meets four times a year and holds additional strategy planning sessions and away days in order to closely engage with the work CFG delivers.

The Board receive bi-weekly updates on day-to-day activities, new risks and progress against key objectives. This provides the Board with regular and valuable information in order to carry out their duties and responsibilities. Sub-committees and ad hoc task and finish sub-groups of the Board are convened to expedite the execution of duties. Sub-committees, currently; Nominations Committee; Remuneration Committee; and Finance and Audit Committee are governed by their own terms of reference and delegated duties are approved by the full Board. Sub-committees are served by Trustees and co-opted independent appointees. A special Advisor and expert forums/ad hoc working groups provide support and advice to the Board and staff.

Board Induction and conduct

Trustees sign a code of conduct and complete a register of interests (reviewed annually). Induction support and a Trustee handbook are

provided to new Trustees by the staff team and Chair. The handbook includes a copy of relevant policies, procedures, governance information and role descriptions.

Management

Day-to-day management of CFG is delegated to the CEO. Performance and risk are monitored against strategic objectives. CFG's

average headcount during the year to 31 March 2020 was 22.5, representing 21.4 full-time equivalent roles.

Risk management

CFG's strategic risks are defined as those matters which could inhibit or, if managed appropriately, advance the achievement of our charitable objects as articulated in our outcomes framework. Trustees do not fix whether something is a strategic risk by category or by nature but rather have adopted a dynamic approach which considers the appropriate risk response to a wide range of variables. The major risk elements have been reviewed and systems or procedures have been established to manage them. The Board of Trustees are satisfied that reasonable steps are being taken to limit the probability and the impact of risk.

CFG continues to view active risk management as a day-to-day aspect of running the organisation. Risk is the responsibility of every member of staff and all Trustees. It has been embedded into staff activities, reporting and Board meetings ensuring CFG has the best opportunity to prevent issues arising, minimise risks and maximise opportunities. The senior management team review risk on a regular basis, especially when considering changes to plans or new opportunities. The Trustees review a risk issues log at Finance &

Audit Committee (twice a year) and Board meetings (once a year) in order to monitor the effectiveness of CFG's risk management. Key changes in risk are reported to the Board as required and it is a standing agenda item at every Board meeting.



“

Trustees do not fix whether something is a strategic risk by category or by nature but rather have adopted a dynamic approach which considers the appropriate risk response to a wide range of variables.



Pre-pandemic the majority of risk issues recorded in our risk issues log related to People and Development (specifically around restructure and capacity), Systems, Policies and Procedures (reflecting a focus of the consolidation year) and Financial and Resource Management (reflecting the impact of the restructure and a planned deficit).

From February the most frequently occurring risks arising were in the following categories:

- Financial & Resource Management (in top 3 in 2018/19 TAR)
- Reputation (in top 3 in 2018/19 TAR)
- Governance

Financial & Resources

In common with the whole economy CFG has been hard hit by the pandemic. This is because the impact of the Covid-19 pandemic is likely to be felt for financial year 2020/21 and well into 2021/22. We have been able to capitalise on earlier decisions around structure and technology to ensure delivery of products and services to our members.

As our members (charity and corporate) feel the full impact of the economic consequences

With people and development also being a focus with three new issues logged in top three in 2018/19.

Although 'governance' as a topic featured heavily in the first few months of 2020 as we wrestled with the practical elements of Covid-19, it is unlikely to present a strategic risk throughout the period as we move into a more settled way of working.

The risks we anticipate being of strategic importance for the next financial year are:

of Covid-19 we will have to take steps to reduce expenditure and maximise income.

Our physical resources (such as our office accommodation) and our digital capacity to deliver will feature heavily in our considerations as we focus on delivering our charitable objectives in a challenging operating environment which will be open to further change. The strength of financial skills at both executive and board level gives us confidence that the financial risks can be well managed.



Although 'governance' as a topic featured heavily in the first few months of 2020 as we wrestled with the practical elements of Covid-19, it is unlikely to present a strategic risk throughout the period as we move into a more settled way of working.

Reputation

CFG has played a pivotal role in the run up to year end in relation to Covid-19 and Brexit related policy issues. This will continue into 2020/21 and beyond. This is both a huge opportunity and a risk. CFG's position as a bold and forthright commentator has the potential to bring us into conflict with government, the

regulator and more conservative voices within the sector. We recognise the importance of our reputation to our policy and engagement work and will continue to ensure that we remain balanced, evidence based and brave in the stances we take.

Systems

The importance of having the right systems in place has been cemented by the emergence of the Covid-19 pandemic. CFG's early investments in these areas have positioned us well but further investments will be necessary

to respond to the demands of remote working and delivery in a digital environment. We are confident we have brought in skills which will enable CFG to respond appropriately, to manage the risks and seize the opportunities.

“

We recognise the importance of our reputation to our policy and engagement work and will continue to ensure that we remain balanced, evidence based and brave in the stances we take.



Financial and resource management: Covid-19 going concern

This report is produced for the performance of the charity up to the 31st March 2020. From that point onwards, the Covid-19 pandemic started to have a major impact on individuals, companies and charities. CFG was not isolated from that. So, even though Covid-19 has had negligible impact on the results in the financial year, the impact it could have on CFG's going concern status is covered now, in this year's report.

CFG's key income lines are membership (charities and corporate entities), our annual conference and our annual fundraising dinner. Our income from membership is currently holding up, but the longer-term impact on charities is yet to be fully felt and could therefore impact this income stream in the future. Both the annual conference and the annual dinner, being face-to-face events, were severely impacted by the virus and the lockdowns that were put in place to help save lives. What these income sources will look like in our new way of delivering events is not yet entirely certain. Various scenarios are being modelled, for example, 20% drop in membership income and/or a 10% drop in general charity sector income, which is the calculation basis for our membership fee.

This impact on our incoming financial resources has been mitigated in 2020/21 through the use of government support (predominantly through the Coronavirus Job Retention Scheme from the UK Government), through generosity from funders and through reducing our spend on different areas, including adapting to deliver our annual conference as a fully digital event. It is a testament to our team at CFG that, even with staff on furlough for large parts of 2020, we have still delivered all the support to the sector that we have and have been a strong voice for the sector.

Current estimates of our net income for the 2020/21 financial year show that we are likely to be running a deficit, which will mean that there will be a further drawdown on reserves. However, pre-pandemic plans included a potential deficit in 2020/21 as part of a spend down of reserves. For the 2019/20 financial year, no changes have been made to the designation made to various funds, but this cannot be ruled out for 2020/21, as the trustees will need to balance having finances available to help weather the Covid-19 storm, with the strategic work that designated funds were due to support.

Running deficits every year is not sustainable, so the Trustees have set an expectation for 2021-22 that we should return, as soon as possible, to a breakeven annual financial position and have stated the following principles for CFG going forward:

- We will continue to trade our way through the global crisis, pivoting services where necessary to continue our support to the sector.
- The Trustees are determined that CFG will continue to avoid redundancies (and at the time of this report, none have been made at CFG as a result of the pandemic, and none are planned).
- We will have transitional decision points in 2021-22 to help manage costs in line with expected income.
- We will continue to make use of government financial support packages, as long as they remain in place.
- We will continue to advocate on behalf of the sector for more support for the vital work charities do.

Therefore, at the time of producing this report, on the basis of current financial information, the Trustees consider it is appropriate for the going concern basis to be adopted in preparing the financial statements in this report.

Our governance around remuneration: how we decide how much to pay our staff

CFG is an accredited Living Wage employer and we are committed to ensuring that we pay our staff fairly and in a way which ensures we attract and retain the right skills to have the greatest impact in delivering our charitable objectives.

In accordance with the Statement of Recommended Practice (SORP) CFG discloses:

- all payments to trustees (no trustees receive 'pay')
- the number of staff in receipt of more than £60,000 and above (in bands of £10,000)
- pensions and other benefits.

CFG has a remuneration committee, which meets annually, is comprised of the CFG Chair, Vice-Chair, Treasurer and one other (who shall be appointed by the Chair), which sets the pay for all staff.

The CEO and Director of Finance and Operations are in attendance for the meeting (leaving for the discussion regarding their remuneration respectively) and no members of the executive are members of the committee.

The main responsibilities of the Committee are to:

- Review the CFG salary banding and make sure amendments as are appropriate to ensure that CFG salaries remain competitive.
- Determine the remuneration package of the Chief Executive.
- Approve the annual percentage increase in the payroll for all staff (which can be zero) taking into account the average RPI for the previous year.
- Approve any consolidated pay awards and staff salary increases outside of the annual review process as recommended from time to time by the Chief Executive.
- Approve any non-consolidated pay awards (bonus) as recommended by the Chief Executive.
- Determine pension arrangements and ensure that contractual terms on termination are fair to the individual and the charity, that poor performance is not rewarded and a duty to mitigate loss is recognised.

For the financial year 2019/20 CFG awarded staff a 3% cost of living uplift in salary. One member of staff, the CEO, earned more than £60,000 per annum being remunerated £96,641 (2019: £95,213). During 2019/20, and prior to the emergence of the pandemic, a Cost of Living (CoL) award of 2% for the 2020/21 financial year, was agreed and announced to staff. This decision was reviewed by the senior team in the light of the potential economic impact of Covid-19. The CEO voluntarily agreed to a reduction in her salary equivalent to the combined CoL for all staff to ensure that this agreement could be honoured and the impact mitigated for the duration of the crisis. This is anticipated to remain in place for the duration of 2020/21.



The objective of the policy is to ensure that the Chief Executive and staff team are provided with appropriate incentives to encourage enhanced performance.

In determining CFG's remuneration policy, the remuneration committee takes into account all factors which are deemed necessary. The objective of the policy is to ensure that the Chief Executive and staff team are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the charity.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other charities ensuring CFG remains sensitive to the broader issues e.g. pay and employment conditions elsewhere.

We aim to recruit, subject to experience, at the entry level within a band, providing scope for development and opportunity to be rewarded for excellence. We do not employ interns without pay and we pay at least the London Living Wage for all our staff.

Delivery of CFG's charitable vision and purpose is primarily dependent on our staff, which is the largest single element of charitable expenditure.

Further information on pension arrangements and on the salary costs for the year with comparisons to the previous year are presented in the notes to the financial statements.

Equality, diversity and inclusion

CFG has an ongoing commitment to ensuring that staff, Trustees and members are not subjected to practices that lead to inequality, lack of diversity or exclusion. In addition to previous steps taken to increase the diversity of our Board and improve access to our products and services (for example through the use of bursaries), during the year we re-examined our recruitment practices to ensure that language and requirements for specific qualifications and experience did not inadvertently create barriers to inclusion. As a result we do not routinely require education to degree level for

all roles. Furthermore, salaries for roles are included in adverts and briefing packs have been amended to ensure inclusive language is used. We have committed to ongoing improvements in all areas of CFG activity.

Significant incidents which occurred post-year end have shone a spotlight on matters of equality, diversity and inclusion. We have committed to ensuring that future reports include our performance against targets and relevant benchmarks where possible.

Fundraising

As the Charity Finance Group undertakes no direct fundraising with the public, it was not registered with the Fundraising Regulator in 2019/20. No complaints regarding any fundraising activities with stakeholders have been received. However, given the Covid-19 pandemic requiring CFG to seek funding for the public the decision was taken to register in summer 2020.



“

CFG has an ongoing commitment to ensuring that staff, Trustees and members are not subjected to practices that lead to inequality, lack of diversity or exclusion.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the strategic report, the report of the Board of Trustees and the Financial Statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the income and expenditure of the group for that period.

In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies

Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The trustees have confirmed that, so far as they are aware, there is no relevant audit information of the charitable company's auditors are unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Appointment of auditors

Mazars LLP were appointed during the year as our auditors for the fourth year and they will be proposed for reappointment in the coming year.



Gary Forster
Chair of Trustees
25 March 2021

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020



Consolidated statement of financial activities

For the year ended 31 March 2020
(incorporating the income and expenditure account)

		2020			2019
	Notes	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		£	£	£	£
INCOME FROM:					
Donations and legacies		28,830	-	28,830	50,832
Charitable activities					
Develop skills, learning, knowledge & practice		999,547	-	999,547	1,081,563
Inspire financial leadership		435,059	-	435,059	426,091
Encourage a supportive environment		90,437	-	90,437	106,734
Other trading activities					
Fundraising events		118,212	-	118,212	127,795
Investments		4,230	-	4,230	2,339
Other		149	-	149	766
TOTAL INCOME		1,676,464	-	1,676,464	1,796,120
EXPENDITURE ON:					
Raising funds		82,286	-	82,286	77,518
Charitable activities					
Develop skills, learning, knowledge & practice		1,079,660	4,400	1,084,060	1,065,208
Inspire financial leadership		363,290	-	363,290	339,423
Encourage a supportive environment		349,581	1,100	350,681	289,160
TOTAL EXPENDITURE	3	1,874,817	5,500	1,880,317	1,771,309
NET (INCOME/EXPENDITURE)		(198,353)	(5,500)	(203,853)	24,811
TOTAL FUNDS BROUGHT FORWARD AT 1 APRIL		711,686	12,546	724,232	699,421
TOTAL FUNDS CARRIED FORWARD AT 31 MARCH		513,333	7,046	520,379	724,232

There are no recognised gains or losses other than those in the statement of financial activities. Therefore, no statement of total recognised gains or losses has been prepared.

For Companies House purposes, total income is £1,502,082 (2019: £1,617,214) and total expenditure is £1,705,925 (2019: £1,592,403), which is total income and expenditure as shown above, both net of gifts in kind of £174,382 (2019: £178,906). All the above amounts relate to continuing activities.

For the charity, total income is £1,707,397 (2019: £1,768,263) and total expenditure is £1,887,933 (2019: 1,768,805)

Balance sheets

As at 31 March 2020 | Company no: 3182826

		2020		2019	
	Notes	Group Funds	Charity Funds	Group Funds	Charity Funds
		£	£	£	£
FIXED ASSETS					
Intangible assets	6	115,729	115,729	161,917	161,917
Tangible assets	6	4,876	4,876	12,367	12,367
Investments	7	-	10,000	-	10,000
		120,605	130,605	174,284	184,284
CURRENT ASSETS					
Debtors	8	377,765	245,229	816,448	576,495
Short term deposits		640,132	640,132	335,901	335,901
Cash at bank and in hand		425,949	294,637	530,331	404,927
		1,443,846	1,179,998	1,682,680	1,317,323
LIABILITIES					
Creditors: amounts falling due within one year	9	(1,044,072)	(793,663)	(1,132,732)	(804,131)
Net Current assets		399,774	386,335	549,948	513,192
Total assets less current liabilities		520,379	516,940	724,232	697,476
Funds	10				
Unrestricted funds:					
Free reserves		259,903	256,464	228,723	201,967
Designated funds					
Fixed asset reserve		120,605	120,605	174,284	174,284
ICT development		-	-	40,155	40,155
Inspiring financial leadership		27,890	27,890	15,445	15,445
Business improvements		12,019	12,019	23,079	23,079
Market research		16,241	16,241	30,000	30,000
Qualification training contracts		23,715	23,715	25,000	25,000
Innovation and development		52,960	52,960	175,000	175,000
Restricted funds					
Small charities programme		7,046	7,046	12,546	12,546
		520,379	516,940	724,232	697,476

The charity generated a deficit of £203,853 for the year ended 31 March 2020 (2019: a surplus of £24,811). The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The notes on pages 46 to 59 form part of these accounts. The accounts were approved and authorised for issue by the Board of Trustees on 25 March 2021 and signed on their behalf by:

 **Gary Forster**
Chair

 **Avtar Boparai**
Chair of Finance & Audit Committee

Consolidated Statement of Cash Flows at 31 March 2020

Company no: 3182826

	2020		2019	
	£	£	£	£
Cash Flows from Operating Activities				
Net Income	(203,853)		24,811	
Adjustments for:				
Depreciation	61,263		59,266	
Loss on disposal of fixed asset	-		-	
Interest Expense	4,230		2,339	
Trade and Other Receivables	438,683		(668,305)	
Trade and Other Payables	(88,660)		808,570	
Cash Flows generated from Operations		211,663		226,681
Interest paid		(4,230)		(2,339)
Net Cash Flow from Operating Activities		207,433		224,342
Cash Flows from Investing Activities				
Purchase of IT Systems/Equipment	(7,584)		(29,795)	
Proceeds on disposal of equipment	-		-	
		(7,584)		(29,795)
Net Increase in Cash		199,849		194,547

	At 1 April 2019	Cash Flows	At 31 March 2020
Cash at bank	530,331	(104,382)	425,949
Cash on deposit	335,901	304,231	640,132
	866,232	199,849	1,066,081

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

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) (effective 1 January 2019) – (Charities SORP (FRS 102)) and the Companies Act 2006.

The Charity Finance Group meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The principal accounting policies of the Group are set out below:

Consolidation

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the charity and of its subsidiary undertaking, namely CFDG Trading Limited. The results of the subsidiary are consolidated on a line-by-line basis.

The charity has availed itself of paragraph 3(3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities. No separate SOFA or income and expenditure account has been presented for the charity alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of CFG.

Recognition of income

All income (including grants) is accounted for as soon as CFG has entitlement to the income, there is certainty of receipt and the amount is quantifiable.

Donated facilities

Donated facilities, as described in note 4b below, are included at the value to CFG i.e., the value CFG would have paid in the open market. Although SORP 2019 recommends that the value of donated facilities is included in voluntary income, they are included under the relevant category of income for charitable activities because CFG considers this gives a fairer presentation.

Members' subscriptions and events & conferences and deferred income

Subscriptions and events income are accounted for in the year to which they apply. Subscription income received during the year that relates to a subsequent financial accounting period is carried forward as a creditor in the balance sheet and shown as deferred subscriptions income. It is accrued in line with the benefits received.

Pensions

Contributions to our defined contribution group personal pension scheme are charged to revenue according to the period to which they relate.

Expenditure

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing CFG to the expenditure. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of the resources. Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity. Overheads and other salaries are allocated between expenses headings based on time spent.

The cost of the Annual Fundraising Dinner covers direct expenditure on the dinner together with the appropriate allocation of staff and support costs.

Charitable activities include expenditure associated with the operation of CFG and the provision of our services.

Operating leases

Rentals paid under operating leases are charged to expenditure on a straight-line basis over the terms of the leases. In accordance with UITF Abstract 28 operating lease incentives and SSAP 21, the rent-free period incentive on the lease of 15/18 White Lion Street, London, N1 9PG, has been spread over the term to the first break in the lease i.e., three years.

Going concern

Free unrestricted reserves of CFG at the year-end amount to £259,903. After consideration of the current strategic plan to 2020/21 and with an aligned three-year budget agreed, the Trustees consider there is a reasonable expectation that the CFG group has adequate resources to continue in operational existence for the foreseeable future. The Trustees are also satisfied with the controls in place for monitoring and flexing the budget throughout the years. There are no material uncertainties that would impact on the charity's ability to continue. Accordingly, we continue to adopt the going concern basis in preparing this annual report and financial statements.

Intangible and Tangible Fixed assets

All fixed assets are stated at historical cost less depreciation. Assets with a cost more than £2,000 and which are intended to be of ongoing use to CFG in carrying out its activities are capitalised as fixed assets.

Depreciation/amortisation is charged on all tangible/intangible fixed assets at 25% of cost per annum, so as to write them off over their expected useful lives.

Significant judgements and estimates

No significant judgements or estimates have been required in the production of these accounts.

Investments

The investment in the subsidiary CFDG Trading Limited is valued at cost.

2. Results from the trading activities of the subsidiary

The charity has one wholly owned subsidiary which is incorporated in Great Britain. CFDG Trading Limited was incorporated on 5th February 2009 to raise funds via commercial activities and sponsorship for CFG. CFDG Trading Limited donates taxable profits to CFG under Gift Aid, subject to its working capital requirements being maintained.

	2020	2019
	£	£
CFDG TRADING LIMITED		
Turnover	425,464	461,701
Cost of sales	(150,035)	(151,226)
Gross profit	275,429	310,475
Administrative expenses	(1,990)	1,280
Operating profit	273,439	311,755
Interest receivable	-	-
Profit before tax and Gift Aid distribution	273,439	311,755
Fund balance brought forward	36,755	11,403
Distribution to parent charity	(296,755)	(286,403)
Retained in subsidiary	13,439	36,755
BALANCE SHEET		
Current assets	322,355	575,367
Current liabilities	(308,916)	(538,612)
Net assets	13,439	36,755
Share capital	10,000	10,000
Reserves	3,439	26,755
Total funding	13,439	36,755

3. Expenditure analysis

a) Analysis for total expenditure

	Staff costs	Support costs	Other direct costs	Total 2020	Total 2019
	£	£	£	£	£
RAISING FUNDS	28,772	7,936	45,578	82,286	77,518
Charitable activities					
Develop skills, learning, knowledge & practice	588,654	169,847	325,559	1,084,060	1,065,208
Inspire financial leadership	172,424	50,646	140,220	363,290	339,423
Encourage a supportive environment	225,522	66,229	58,930	350,681	289,160
Total expenditure	1,015,372	294,658	570,287	1,880,317	1,771,309
<i>Total expenditure 2018-19</i>	<i>877,158</i>	<i>320,865</i>	<i>573,286</i>	<i>1,771,309</i>	

Within total expenditure, the “Other direct costs” column includes costs of £174,382 (2019: £178,906) relating to services donated to CFG that were not incurred by CFG (see Note 4b). Had these services not been donated, CFG would have incurred this cost.

All amounts are unrestricted with the exception of other direct costs of £4,400 which is restricted to Developing skills, learning, knowledge and practice (2019: £6,941) and £1,100 restricted to Encouraging a supportive environment (2019: £92).

b) Analysis of support costs

	Raising funds	Develop skills, learning, knowledge & practice	Inspire financial leadership	Encourage a supportive environment	Total 2020	Total 2019
	£	£	£	£	£	£
Premises & Office Services	2,915	62,405	18,554	24,287	108,161	99,212
IT & Communications	1,984	42,474	12,628	16,531	73,617	71,671
Human Resources, Recruitment & Training	1,208	25,813	7,823	10,171	45,015	56,103
Financial Costs	(117)	(2,508)	(746)	(976)	(4,347)	23,453
Depreciation	1,651	35,346	10,509	13,757	61,263	59,266
Governance (incl External Audit)	295	6,317	1,878	2,459	10,949	11,161
	7,936	169,847	50,646	66,229	294,658	320,865

All support costs are allocated on the basis of staff time. Staffing support costs have not been analysed as the majority of CFG staff work directly on activities and the amount that can be allocated to support is therefore not material.

4. Net expenditure

	2020	2019
	£	£
Auditor's remuneration		
Audit – current year	7,875	7,615
Non-audit services	2,050	1,150
Depreciation	61,263	59,266
Operating lease premises	75,991	65,124

Operating lease commitments

The minimum payments, which CFG is committed to make in the coming year under operating leases, are as follows:

Group and Charity property	2020	2019
	£	£
Leases which expire:		
Within one year	80,000	80,000
Within one to two years	80,000	80,000
Within two to five years	109,370	189,370
	269,370	349,370

b) Valuation of donated resources

Donated facilities are included at the value to CFG. These are largely made up of meeting and training venues, audio-visual equipment and refreshments.

Group and Charity property	2020	2019
	£	£
Raising funds	-	512
Charitable activities		
Develop skills, learning, knowledge & practice	157,656	171,601
Inspire financial leadership	8,183	180
Encourage a supportive environment	8,543	6,613
Total	174,382	178,906

5. Trustees and employee information

a) Trustee information

No remuneration was paid to or waived by any Trustee during the year (2019: Nil). Expenses of £1,441 for travel and subsistence were reimbursed to four trustees during the year (2019: £3,289, six trustees).

b) Employee information

i) Employee numbers	2020	2019
	No.	No.
Full time equivalent number of staff employed during the year was:	21.4	20.4
Average headcount during the year was:	22.5	21.4

ii) Employee costs	£	£
Salaries	848,062	744,579
Social security	87,280	74,348
Pension	51,879	48,266
Sub-total salaried staff	987,221	867,193
Contractors	3,262	29,918
Holiday pay accruals	3,517	6,407
Other	19,718	2,179
Total employee costs	1,013,718	905,697

Within the above figures, redundancy payments as part of the restructure were made to 2 employees, totalling £22,079 (2019: nil).

iii) The number of employees whose total pay amounted to £60,000 or above for the year is as follows:	2020	2019
	No.	No.
£90,001 – £100,000	1	1
£80,001 – £90,000	1	-

Total pay for this purpose includes gross salary but excludes expenses. Systems are in place for the correct management of expenses.

iv) Benefits

Only one member of staff included in the above bandings for 2020 has benefits accruing under CFG's group pension arrangement. The employer contributions into the group personal pension scheme during the year on behalf of this member of staff amounted to £9,954 (2019: £9,671).

There were nineteen active members of staff in total accruing benefits under the group's personal pension schemes as at 31 March 2020 (2019: nineteen).

c) Remuneration of Key Management Personnel

The total of employee benefits including pension contributions received by Key Management Personnel in 2020 is £330,406 (2019: £301,143). CFG's Board had defined that "key management personnel" would be based on our scheme of delegation where significant control had been delegated to the CEO and others; namely Directors or those making decisions of a significant nature. As a result, the following roles have been included; CEO, Director of Events and Business Development, Director of Policy and Engagement, Director of People and Performance, Director of HR and Director of Customer and Business Support.

d) Pensions

CFG offers an auto-enrolment compliant group personal pension scheme which is currently administered and managed by The Peoples Pension. For previously signed up employees CFG has a group pension scheme which is currently administered and managed by Aegon. New employees are enrolled at an employee contribution rate of 3%. CFG pays twice the percentage that the employee contributes up to a maximum of 10%. The amount of outstanding contributions as at 31 March 2020 was £12,792 (2019: £6,445).

6. Tangible and Intangible fixed assets

– Group and Charity

	Office Furniture (Tangible fixed assets)	Computers (Tangible fixed assets)	Software (Intangible fixed assets)	Total 2020
	£	£	£	£
COST				
As at 1 April 2019	27,522	42,972	210,697	281,191
Additions	-	-	7,584	7,584
As at 31 March 2020	27,522	42,972	218,281	288,775
DEPRECIATION/AMORTISATION				
As at 1 April 2019	(24,586)	(33,541)	(48,780)	(6,907)
Charge for the year	(1,977)	(5,514)	(53,772)	(61,263)
As at 31 March 2020	(26,563)	(39,055)	(102,552)	(168,170)
Net book value				
As at 31 March 2020	959	3,917	115,729	120,605
<i>As at 31 March 2019</i>	<i>2,936</i>	<i>9,431</i>	<i>161,917</i>	<i>174,284</i>

The above fixed assets are used to support all of CFG's activities. As at 31st March 2020, CFDG Trading Ltd had no fixed assets.

7. Investments

	Shares in subsidiary undertaking	Charity
	No.	£
At historic cost:		
At 1 April 2019 and at 31 March 2020	10,000	10,000

Principal Subsidiary Undertakings	Registered in	Percentage of capital held	No. of £1 ordinary shares held
CFDG Trading Limited	England & Wales	100%	10,000

Company No: 06810640

Registered Office: 15-18 White Lion Street, London N1 9PG

8. Debtors

	2020		2019	
	Group	Charity	Group	Charity
	£	£	£	£
Trade debtors	301,586	144,514	681,656	299,494
Other debtors	13,672	13,672	14,890	14,890
Prepayments and accrued income	62,507	61,052	119,902	101,822
Amounts owed by subsidiary	-	25,991	-	160,289
	377,765	245,229	816,448	576,495

All amounts fall due within one year.

9. Creditors

	2020		2019	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	97,512	94,368	103,685	89,837
Deferred income	817,250	540,018	847,470	485,345
Pension contributions outstanding	12,792	12,792	6,445	6,445
Taxation and social security creditors	34,636	34,636	72,319	72,319
Other creditors and accruals	81,882	79,333	102,813	100,464
Amounts owed to subsidiary	-	32,516	-	49,721
	1,044,072	793,663	1,132,732	804,131

All deferred income brought forward at the beginning of the year was released to income during the year (2019: same). All deferred income relates to membership fees and event bookings in advance.

10. Outline Summary of Fund Movements

	Balance b/f 1st April 2019	Income	Expenditure	Transfers between funds	Balance as at 31st March 2020
UNRESTRICTED FUNDS					
Free Reserves	228,723	1,651,961	(1,836,655)	215,874	259,903
DESIGNATED FUNDS					
Fixed Assets Reserves	174,284	-	-	(53,679)	120,605
ICT development	40,155	-	-	(40,155)	-
IFL Training	15,445	24,503	(12,058)	-	27,890
Business Improvements	23,079	-	(11,060)	-	12,019
Market Research	30,000	-	(13,759)	-	16,241
Qualification Training Contracts	25,000	-	(1,285)	-	23,715
Innovation and Development	175,000	-	-	(122,040)	52,960
RESTRICTED FUNDS					
<i>Small Charities Programme</i>	12,546	-	(5,500)	-	7,046
Total expenditure	724,232	1,676,464	(1,880,317)	-	520,379

Free reserves are those reserves that are wholly at the discretion of the trustees to utilise for our charitable objectives.

The **Fixed Asset Reserves** equates to the Net Value of CFG's Fixed assets and therefore cannot be easily converted into cash balances.

The **ICT development** designated fund has been fully utilised in the year on the completion of the project for the CRM, finance system and website.

The **IFL Training** fund ring-fences surpluses made through the IFL course.

Part of the **Business Improvement** fund has been used in year to improve the office environment.

Part of the **Qualification Training Contracts** fund was used to support a staff member undertaking a professional qualification.

The **Innovation and Development** fund was set up to reflect CFG's commitment to its strategy, whereby there was an expectation that reserves would be utilised to invest in new products and services.

The restricted fund for the **Small Charities Programme** relates to the balance of funding given by Esmee Fairbairn Foundation which will be used to support small charities improve their financial capabilities.

11. Capital Commitments

As at 31 March CFG had capital commitments of nil (2019: £40,155) in respect of the development programme.

12. Related party transactions

During the year ending 31 March 2020, the charity charged its subsidiary £159,642 for management fees relating to CFDG Trading Ltd's activities (2019: £147,441). CFDG Trading Ltd donated £296,755 to CFG from its profits (2019: 286,403). There were no other related party transactions.

As at 31 March, the balance due from CFG to CFDG Trading Ltd was £6,525 (2019: £110,568 balance due from CFDG Trading Ltd to CFG).

13. Summary of Assets and Liabilities by Fund

Current Year	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds
	£	£	£	£
Intangible Fixed Assets	-	115,729	-	115,729
Tangible Fixed Assets	-	4,876	-	4,876
Current Assets	1,436,800	-	7,046	1,443,846
Current Liabilities	(1,044,072)	-	-	(1,044,072)
Totals	392,728	120,605	7,046	520,379

Prior Year	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds
	£	£	£	£
Intangible Fixed Assets	-	161,917	-	161,917
Tangible Fixed Assets	-	12,367	-	12,367
Current Assets	1,360,855	308,679	13,146	1,682,680
Current Liabilities	(1,132,132)	-	(600)	(1,132,732)
Totals	228,723	482,963	12,546	724,232

14. Events after the reporting period

i) Adjusting events

There are no adjusting events that took place after the reporting period.

ii) Non-adjusting events

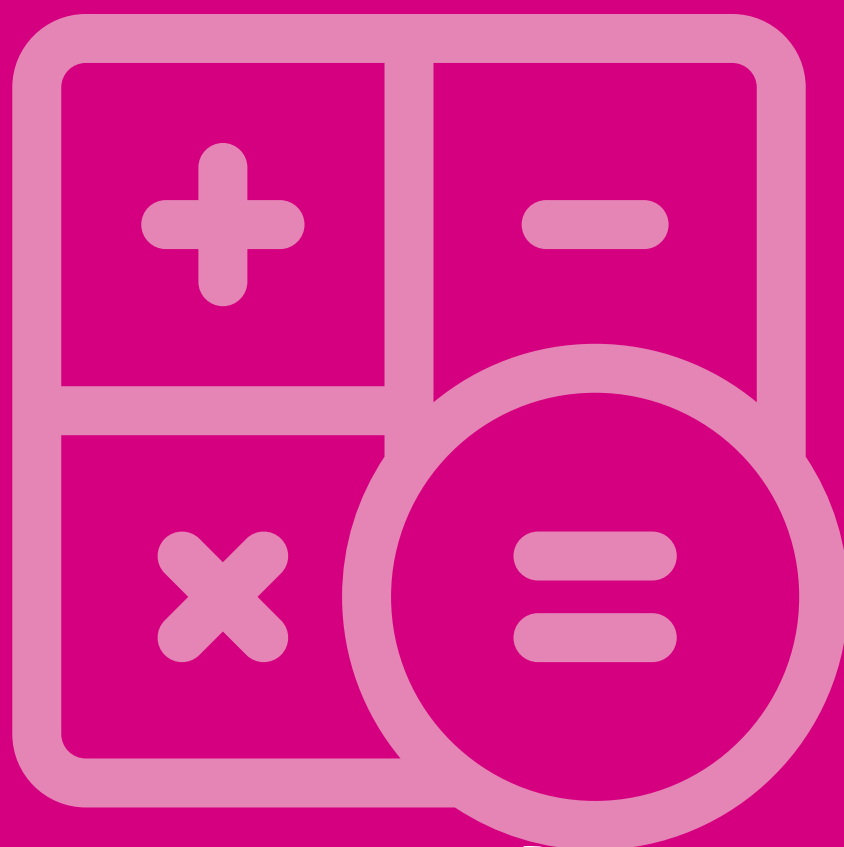
The only non-adjusting event to note for these accounts was the future effect of the global Covid-19 pandemic. This has been discussed in more depth on page 32 of this document and the Board are satisfied that it does not change the going concern basis used to produce these accounts.

15. Comparative statement of financial activities

For the year ended 31 March 2019
(incorporating the income and expenditure account)

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
INCOME FROM:			
Donations and legacies	44,262	-	50,832
Charitable activities			
Develop skills, learning, knowledge & practice	1,081,563	-	1,081,563
Inspire financial leadership	426,091	-	426,091
Encourage a supportive environment	106,734	-	106,734
Other trading activities			
Fundraising events	127,795	-	127,795
Investments	2,339	-	2,339
Other	766	-	766
Total income	1,789,550	6,570	1,796,120
EXPENDITURE ON:			
Raising funds	77,518	-	77,518
Charitable activities			
Develop skills, learning, knowledge & practice	1,058,267	6,941	1,065,208
Inspire financial leadership	339,423	-	339,423
Encourage a supportive environment	289,068	92	289,160
Total expenditure	1,764,276	7,033	1,771,309
NET (EXPENDITURE)/INCOME	25,274	(463)	24,811
TOTAL FUNDS BROUGHT FORWARD AT 1 APRIL	686,412	13,009	699,421
TOTAL FUNDS CARRIED FORWARD AT 31 MARCH	711,686	12,546	724,232

INDEPENDENT AUDITORS REPORT



Opinion

We have audited the financial statements of Charity Finance Group (the 'charity') for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group and of the charity's affairs as at 31 March 2020 and of the group's 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 charity 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 the audit:

- the information given in the Trustees' Report which includes the Directors' 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 Directors' Report included within the Trustees' Report has 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in 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 specific 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 38, 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 charity'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 charity 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.

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.

Use of the audit report

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



Nicola Wakefield (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

2nd Floor,

6 Sutton Plaza,

Sutton Court Road,

Sutton,

SM1 4FS

Date: 28 March 2021

TRUSTEES, OFFICERS AND ADVISORS



BOARD OF TRUSTEES

As at the date of signing of this Annual Report and Financial Statements



Gary Forster, Chair of the Board of Trustees

Gary joined **Publish What You Fund** as CEO in July 2018 after taking a career break to travel with his wife. Before this he was the CEO of the INGO Transaid from 2011 until 2017, having joined the organisation as a volunteer in 2006. With a background in logistics from his time at Procter and Gamble, and qualifications in Public Health from the London School of Hygiene and Tropical Medicine, Gary has spent much of his career designing, implementing and evaluating health programmes throughout sub-Saharan Africa.



Avtar Boparai

Avtar is a Fellow of the ACCA and currently works as Finance Director at **Ambition Institute**.

He joined the CFG Board in October 2019. Before joining the sector, Avtar trained and qualified as an accountant in industry before moving into the not-for-profit sector in 2015. Avtar has a key interest in technology and innovation within finance and enabling the not-for-profit sector to take advantage of these developments.



Liz Fosbury

Liz is COO at the **National Theatre** (NT), having joined as its Finance Director in 2015. She is responsible for the leadership and management of the NT's finances to deliver financial sustainability. This includes helping to drive forward income generation, compliance, operational effectiveness and good business practice. She is also responsible for IT, Health and Safety and Security. Prior to the NT, she was CFOO at Shakespeare's Globe for eight years, and the Director of Finance and Administration at the Royal Albert Hall for six years.



Brigid Janssen

Brigid was Director of Global Communications at Oxfam International and has previously been a board member of a charity for the protection of heritage in her native Canada. Her career has taken her from Ottawa to Paris, Washington and London, first as a journalist, and then providing strategic communications to international organisations, the Bank of Canada and most recently, an industry body to promote responsible mining worldwide. She began consulting as a principle of CounterCurrent Communications in early 2016.



Kevin O'Brien

Kevin is CIMA qualified and joined the CFG Board in December 2018, after serving as an independent member of the Finance & Audit Committee from December 2017. Kevin began his career in the private sector, and has held roles at CLIC Sargent and RSPCA, leading Finance & Corporate Resources as part of the executive leadership teams. He is an independent member of the Finance Committee at The Lullaby Trust.



Arati Patel

A Fellow of the Chartered Association of Certified Accountants, Arati is Director of Finance and Operations at St George's Hospital Charity where she has been since March 2019, and has over 25 years' experience in the charity sector. Arati has sound financial management experience and has contributed to an increase in the financial and property investments portfolio. Arati has also led the change management programme, including CRM systems implementation and digital projects designed to support teams in being increasingly dynamic and effective. Arati is passionate about using her role as a Trustee to not only serve CFG members and further the aims of the charity, but also to use it as a platform to raise awareness of challenges affecting the sector.



Saf Rahbour

Saf joined the CFG Board in September 2019. She is currently Director of Finance & Operations at The Tropical Health and Education Trust (THET). As a CIMA qualified Chartered Management Accountant, Saf has over 15 years' experience working within the non-profit and INGO sector. Her roles have included supporting senior management and board members through strategic leadership and operational support, leading teams during transition phases, and delivering financial management training and guidance to country directors, finance managers and project staff based across Africa, Asia, and MENA regions. Saf is also an independent member of the Audit and Risk Committee at UNICEF UK. She is passionate about championing best practice, especially the essence of inspiring financial leadership, and ensuring the charity sector continues to be dynamic and helping to build a better operating environment for all charities.



Kerry Shea

Kerry is the Finance Director at **Everybody Sport and Recreation**, a charity which encourages individuals to improve their health through participation in recreation. Kerry previously worked for VAST, where she established their very successful Community Accountancy project. As a Chartered Management Accountant she trained in industry, then moved over to the public sector before joining the Voluntary Sector in 2008. Kerry is very passionate about charity finance and believes that finance teams are in a unique position to influence and drive their organisations, and so change the shape of the whole sector.



Stella Smith

Stella is an independent consultant specializing in leadership and strategy in the charity sector. Since setting up her practice in 2006, she has worked with a wide range of organisations, from large household names to small community groups in the UK, Europe and Africa.

Her career started as an English teacher first in Greece and then with VSO in China before going on to work in strategy and change management at RNIB and Centrepont. She has been a trustee with VSO and Chair of Y-Gen, a north London charity focused on developing life skills for young people. She has written numerous articles and guides on charity sector management and is currently a columnist for Third Sector magazine.

Board of Trustees

	From	To	
Nicki Deeson		Nov 19	Chair until 22 Sept 19
Gary Forster			Chair from 23 Sept 19
Avtar Boparai	Sep 19		
Liz Fosbury			
Samantha Husband		Jun 20	
Brigid Janssen			
Kevin O'Brien			Co-opted from Mar to Sep 19; elected from Sep 19
Arati Patel			
Kerry Shea			Deputy Chair from Sep 19
Saf Rahbour	Sep 19		
Stella Smith			
John Tranter		Sep 19	

Finance & Audit Committee

	From	To	
Samantha Husband		Mar 20	Chair to Mar 20
Kerry Shea	Mar 20	Sep 20	Chair from Mar 20 to Sep 20
Avtar Boparai	Jun 20		Chair from Sep 20
Mark Cornish			
Brigid Janssen			
Kevin O'Brien			
Michael Price			

Nominations Committee

	From	To	
Gary Forster			Chair
Kai Adams			
Rosie Chapman			
Arati Patel			

Remuneration Committee

	From	To	
Nicki Deeson		Nov 19	Chair to Nov 19
Liz Fosbury			Chair from Nov 19
Avtar Bopari	Sep 20		
Gary Forster			
Samantha Husband		Mar 20	
Kerry Shea	Mar 20	Nov 20	
Michael Quest	Feb 20		

Chief Executive Officer

Caron Bradshaw

Special Advisor

Pesh Framjee

Auditors

Mazars LLP

6 Sutton Plaza, Sutton Court Road, Sutton, Surrey SM1 4FS

Bankers

Unity Trust Bank PLC

Nine Brindleyplace, 4 Oozells Square, Birmingham B1 2HB

Royal London Asset Management Ltd

55 Gracechurch Street, London EC3V 0UF

Solicitors

Russell-Cooke Solicitors LLP

2 Putney Hill, Putney, London SW15 6AB

Head Office and Registered Office

Charity Finance Group (CFG) – 15-18 White Lion Street, London N1 9PG

Website: **www.cfg.org.uk**

Telephone: 0845 345 3192 | Fax: 0845 345 3193

Registered charity no. 1054914 | Company no. 3182826



Charity Finance Group (CFG)
15-18 White Lion Street
London N1 9PG

www.cfg.org.uk
info@cfg.org.uk

Telephone: 0845 345 3192
Fax: 0845 345 3193

Registered charity no. 1054914
Company no. 3182826