CHRISTIANS AGAINST POVERTY

England & Wales · Charity number 1097217

Details

Status	Registered
Legal form	Charitable company
Company number	04655175
Registered	2003-04-25
Register	View on the Charity Commission register

Contact

Address	Christians Against Poverty Jubilee House 1 Filey Street Bradford West Yorkshire BD1 5LQ
Phone	01274760720
Email	info@capuk.org
Website	www.capuk.org

Activities

Objects: A) THE RELIEF OF POVERTY FOR PERSONS IN THE UNITED KINGDOM AND ELSEWHERE WHO ARE IN CONDITIONS OF NEED, HARDSHIP OR DISTRESS BY REASON OF THEIR SOCIAL AND OR ECONOMIC CIRCUMSTANCES BY PROVIDING AND PROMOTING THE PROVISIONS OF ADVICE AND OTHER SERVICES AS THE DIRECTORS OF THE CHARITY MAY FROM TIME TO TIME THINK FIT.B) THE ADVANCEMENT OF EDUCATION OF THE PUBLIC IN ALL MATTERS RELATING TO THE MANAGEMENT OF THEIR PERSONAL FINANCES IN THE UNITED KINGDOM AND THE WORD AS THE TRUSTEES MAY FROM TIME TO TIME THINK FIT.C) THE ADVANCEMENT OF THE CHRISTIAN FAITH AND DOCTRINE IN ACCORDANCE WITH THE STATEMENT OF BELIEFS APPEARING IN THE SCHEDULE HERETO IN THE UNITED KINGDOM AND THE WORLD AS THE TRUSTEES MAY FROM TIME TO TIME THINK FIT.

Activities: Christians Against Poverty provides free professional debt help, money education and support groups to members of the public. Services are delivered face-to-face in partnership with local churches, allowing us to provide both practical and emotional support to our clients.

Downloaded from opencharities.uk/ew/1097217

Classification

- **How:** Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Prevention Or Relief Of Poverty, Religious Activities
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** WORLDWIDE
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£14,996,485	£15,451,729	£4,537,948	355
2024-03-31	£19,161,835	£20,015,382	£4,993,192	376
2022-12-31	£14,956,593	£17,236,957	£5,846,737	410
2021-12-31	£15,180,501	£14,742,236	£8,127,102	391
2020-12-31	£15,360,000	£14,246,000	£7,007,000	313

Downloaded from opencharities.uk/ew/1097217

Trustees

Name	Role	Appointed
David Nussbaum	Chair	2025-09-23
Alison Kathleen Padfield		2026-06-01
Andrew James Maskell OBE		2024-11-05
Catherine Nicholas-Vilkaitis		2023-04-18
Folajimi Ayodele Adedoyin		2024-11-05
Jane Kathleen Elizabeth Pleace		2017-11-30
Julian Stanier Mander		2026-06-01
MARK ROBERT SHEARD		2024-11-05
Olufemi Ayolomo Ishola		2024-11-05
ROBIN BRYAN DAVID WILLISON		2023-04-18
Roger Mawle		2023-04-18
Sandra Jane Keene		2024-11-05

Downloaded from opencharities.uk/ew/1097217

CHRISTIANS AGAINST POVERTY

England & Wales - Charity number 1097217

Accounts

christians against poverty

CAP

Ready to respond

Annual report and accounts (April 2024 to March 2025)



Belief in action, on every page

4 Hear from Roger Hattam, Chair of the Board of Trustees

5 Hear from Stewart McCulloch, Chief Executive Officer

6 What you need to know about UK poverty

8 What you need to know about CAP

10 Angela's story

12 Support in action

13 Strategic report

26 Financial review

30 Trustees' report

36 Meet the team
36 Executive team
38 Board of Trustee Directors

40 Auditor's report

44 Financial statements

47 Notes to the financial statements

'I couldn't believe how much these people cared for me. They never left my side. I'm walking my life with God now, surrounded by a new family.'

Sharon, now debt free



This report reflects on a fast-changing and tougher economic environment for the charity and those we serve.

It is within the context of this tougher environment that Stewart McCulloch has served his first financial year as our CEO, leading us through the first steps of significant change.

CAP is a UK-wide church-based movement, designed to reach people most at risk of persistent poverty, always seeking to bring the good news of Jesus alongside practical, often life-saving, help.

During the year we made the bold decision to reshape our strategy and organisational model to respond effectively to the rapid shifts in our environment and the challenges we see ahead. We've continued the multi-year investment in redesigning our core debt service, which allows a more integrated client and church experience.

Our clients always come first, and we took nearly 77 calls each working day from new people reaching out for help. An average of 58 of those calls were from people needing specialist debt services. For them, the journey to transformation began. Incredibly, someone becomes debt free every working hour through our movement.

Because we work face-to-face with people, CAP has a deep understanding of UK poverty – and it gives us genuine legitimacy within the policy arena. In an election year, we led a major campaign to write to prospective parliamentary candidates asking them how they plan to tackle UK poverty. We successfully campaigned for changes to the fees and thresholds for Debt Relief Orders, an increased standard rate of Universal Credit, reduced deductions from benefits payments, and for the tempering of recent welfare reforms.

Financially, we continued to deal with a tough fundraising environment that has kept our income flat for several years. We've exercised firm cost control, including regrettably, the need to reduce our employed workforce as we tightened our strategic focus.

We now believe CAP is financially sustainable and can start to rebuild its reserves. We remain grateful to more than 40,000 individuals and 1,000 churches who faithfully and sacrificially donate to CAP. Thank you, also, to the CAP team and partner churches. Your constant commitment and faithful service remains the bedrock of our impact.

During the year, Lisa Pearce, Joy Blundel and Ema Ojiako retired as Trustees, having served more than 20 years collectively. I'd like to thank them for their service, wisdom and support, in particular Lisa who, during 2023, spent six months as Interim CEO. I have, in turn, been delighted to welcome five new Trustees to restore our board to full strength.

This is my last year as a trusteee. During my nine years of service, CAP has developed and changed significantly, but I've had the privilege of working alongside some amazing Trustees and Executives. It's been an honour to play my part in God's mission through CAP. My time here has given so much back to me in faith, friends and inspiration – more than I can possibly return. My prayer continues to be that CAP remains a significant tool in God's ultimate eternal mission.

But we believe the message of the gospel means there is always hope.

So, together with church partners, we continue to walk with people, support them and share our faith. We continue to bring belief into action. Thank you for walking with us and being part of a movement of change.



Roger Hattam
Chair of the Board of Trustees



'See, I am doing a new thing! Now it springs up; do you not perceive it? I am making a way in the wilderness and streams in the wasteland.'

Isaiah 43:19

Our latest client report, *No time to lose*, paints a troubling picture...

Almost half (49%) of our clients considered suicide as an option to deal with the extreme anxiety and isolation brought on by financial crisis. A staggering 85% of people felt isolated by debt, and 52% were afraid to even leave their homes.

Imagine the daily torment: 82% are worried about opening the post, and 62% are frightened by a knock at the door. This isn't just about finances. It's about lives lived in the shadows.

People we support are unable to afford essential living costs. Half struggle to buy food. Low income and mental health challenges remain the biggest reasons our clients find themselves in unmanageable debt. But help is at hand...

Last year, CAP responded to 15,007 helpline calls and provided specialist support to 8,716 people on their route out of debt. 2,436 individuals reached the incredible milestone of becoming debt free. As a church-based movement, we are uniquely positioned to offer in-depth support and holistic care. Few others can provide help in quite the same way – particularly to people living on very low incomes, and facing other vulnerabilities who really need direct support.

This report marks the end of my first full financial year as CEO. Just like people we serve, we've experienced the 'wilderness' recently – with challenges including the Covid pandemic, cost of living crisis and their knock-on effects.

But the wilderness is a powerful, positive concept in the Bible. This year, I've seen CAP become more dependent on God, more accepting of his guidance, and our faith has deepened as we trust we are being led to a better place.

So we go forward with a renewed sense of momentum, a rebuilt leadership team and a new strategy to meet the challenges ahead.

We are blessed with tens of thousands of extremely generous, loyal supporters, who have stayed committed in a challenging economic environment. We've maintained our income and, with great care, we've taken £2 million in costs out of the organisation since I joined. £0.8 million of this has already been used by inflation and payroll tax increases, but the net savings have been enough to rebalance our finances and allow us to begin rebuilding our cash reserves.

Today we have a leaner, simpler and more agile organisation fully focused on our partner churches and our clients. I believe we're more ready to face the challenges and opportunities ahead than we have been for some years.

Above all, my confidence for the future comes from one thing... Our church-based movement has incredible people. Thousands go into the mission field each day, in the strength of our Lord and with their eyes fixed on the cross. They perform wonders, healing and everyday miracles, and they see lives transformed. It is my greatest honour to be one of them.

Finally, my thanks to our amazing Chair Roger Hattam who is in his last year on CAP's board. Roger has built an incredible legacy here; his wisdom, faith and keen mind will be greatly missed.



Stewart McCulloch
Chief Executive Officer



What you need to know about UK poverty

A UK poverty crisis

Right now, people across the UK are experiencing a poverty crisis. They feel trapped, desolate and abandoned.

Poverty is a complex, multi-dimensional and intersectional problem with no single cause or solution. At CAP, we talk about the drivers of poverty rather than one root cause. We've identified seven areas that contribute to the persistence of poverty in the UK.

Seven drivers of poverty

1. **Lack of financial resilience** is a major driver of poverty. A lack of savings, limited financial literacy, unemployment, and sudden life events or income shocks leave people vulnerable and unable to recover from setbacks.

2. **Material deprivation** goes hand-in-hand with financial resilience. The rising cost of essentials like food, energy, and housing pushes many people into debt, while low-quality housing adds to the hardship.

3. **Pay, skills, and progression** issues mean climbing out of poverty is hard. Low-paid and insecure jobs, limited access to education or training, and few opportunities for advancement all keep people trapped in cycles of low income.

4. **Psycho-social and health factors**, including poor mental health, addiction, trauma, and the long-term effects of living under constant stress, further compound the challenges above.

5. **Relational resilience** also plays a role. Poverty isolates people from supportive networks. Family circumstances, community fragmentation, or even cultural views around money and debt can leave individuals without the relationships needed to navigate hardship.

6. **Systemic inequality** limits people's opportunity, through discrimination, the poverty premium, unequal economic growth, and a lack of intergenerational fairness.

7. **Design and delivery of public services** plays a part too. Digital exclusion, inadequate welfare systems, austerity measures, and underfunded services often fail those most in need, removing the very support that could help lift them out of poverty.

About Christians Against Poverty

14.2
million people in the UK live in poverty[1]

11.8
million people can't afford life's essentials[2]

8.1
million people need debt advice[3]

[1] **Households Below Average Income, Department for Work and Pensions, 2023/4**

[2] ***Deficit budgets: the cost to stay alive*, CAP, 2024**

[3] ***Debt Need Survey*, Money and Pension Service, 2023**

About Christians Against Poverty



What you need to know about CAP

CAP's response to UK poverty

We won't tolerate a society where poverty exists. So we take action.

We are a church-based movement with thousands of local workers in hundreds of partner churches across the UK, supported by tens of thousands of generous Christians. Our agile, lean, and expert Support Hub has a distinctive calling to equip local churches. These churches' amazing workers come alongside people going through the toughest financial storms, to transform their lives.

This is our movement of Christians who are against poverty. Each day we serve thousands of people in the deepest financial crisis or vulnerability.

Our purpose and vision

Our strategic purpose is to inspire and equip churches across the UK to help people out of debt and poverty and see them become followers of Jesus.

Our vision to fulfil our purpose has three parts:

1. **Transformed lives.** We want to see people across the UK released from poverty, living with faith in Jesus and hope for the future.

2. **Thriving churches.** We want to see churches that have become the beating heart of their communities, actively serving them and bringing the hope of Jesus.

3. **An end to UK poverty.** We want to see a hope-filled society, free from poverty, with churches united to improve the lives of those facing debt and financial hardship.

Our prayer is that when someone is experiencing financial crisis or vulnerability, there will be a church in their community to offer steadfast support, restore financial resilience, and show the fullness of life that Jesus offers.

Our charitable aims

The Trustees have given due consideration to the Charity Commission's guidance and believe CAP meets the public benefit requirements. Everything we do is framed by our four charitable aims and objectives:

1. The relief of poverty for persons in the United Kingdom and elsewhere who are in conditions of need, hardship or distress by reason of their social and/or economic circumstances, by providing and promoting advice and other services.

2. The advancement of education of the public in all matters relating to the management of their personal finances.

3. The advancement of the Christian faith.

4. Raising awareness of debt, poverty and its causes in the UK and inspiring churches and individuals to partner with us.



‘Society is not set up for people like me. But CAP is.’

Angela, now debt free

Angela’s story

Angela was in her 30s when her degenerative sight condition rapidly worsened and she went blind.

It was tough. Angela was forced to give up work, and while Personal Independence Payments (PIP) helped, it didn’t fully replace her lost income. But, as Angela said, ‘You just fight and get on’.

However, when the family was plunged into debt, Angela was floored.

‘We were just about getting by on one wage, but then my husband was made redundant,’ remembers Angela. ‘It hit us hard. The stress was very real.’

The cost of living with a disability, plus the needs of three growing boys, put relentless pressure on the family budget. At one point, Angela feared they’d lose their home.

‘Debt was like a heavy weight around my neck. My boys had a series of special birthdays and we felt so ashamed that we couldn’t afford to get them anything,’ said Angela. ‘I felt we were letting our children down. We couldn’t even buy new school shoes for them.’

Angela’s disability made it even harder to get help. After all, where do you start when you can’t read the bills? Angela needed the kind of support most debt services can’t provide...

But when she got in touch with CAP, Angela finally accessed the bespoke, church-based, whole-person, face-to-face support that made the difference. The first question Angela was asked was: ‘What’s difficult because of your disability, and how can we help?’

Not only did a debt coach from the local church visit Angela at home, he adapted everything to ensure Angela was empowered.

‘From the first meeting, my debt coach, Miles, wanted to understand my needs and the best way to accommodate them,’ said Angela. ‘He made me feel incredibly valued. It felt like we were a team.’

Miles visited Angela at home, so she didn’t need to travel. He provided audio information, and pre-addressed envelopes to send documents back. He even ensured Angela had CAP contacts saved on her phone, so she could call people easily.

‘It meant it was easy for me to reach whoever I needed,’ said Angela. ‘At low points, I’d call and have a bit of a cry. The team was so compassionate and reassuring.

Rather than just focusing on our finances, they really cared. They told us we weren’t alone, even when we felt alone.’

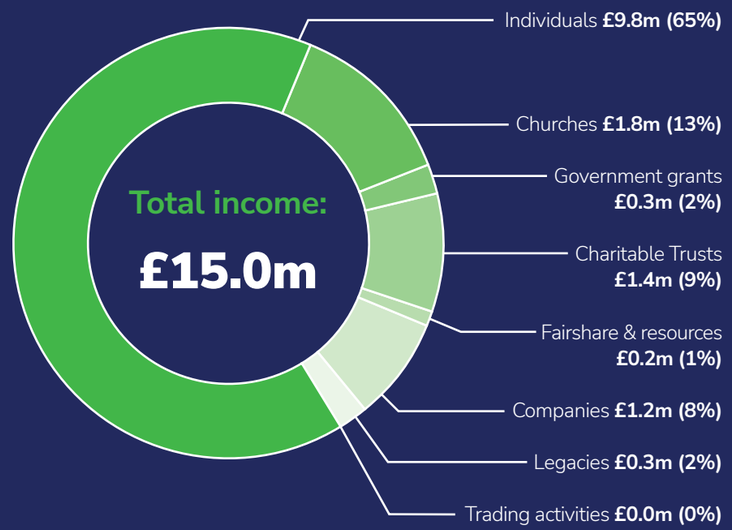
Then, after four and a half years, the family became debt free. ‘It was so joyful to receive that news. I wanted to shout from the rooftops!’ laughs Angela.

Now, Angela says the local debt centre is like her second home. She volunteers as a befriender, visiting people receiving debt help, and finds purpose in sharing what she’s learned. ‘Society is not set up for people with a disability, like me. But CAP is,’ said Angela.

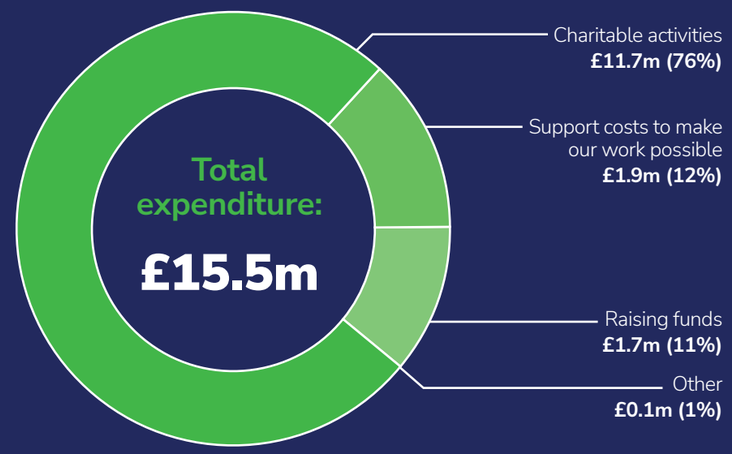


Support in action

Money in



Money out



Strategic report

Since CAP was founded 29 years ago, we've seen great changes not only in the debt help sector, but also in the Church and society as a whole.

Poverty has increased as income growth slowed for those either not in work or in low paid insecure work. Meanwhile, the cost of living has soared, particularly the cost of essentials: energy, food, shelter and clothing. A decade ago, most of our clients became debt free through repayment plans. Today, many can't afford the essentials, let alone debt repayments. Most clients now need Debt Relief Orders to become debt free.

Meanwhile, the proportion of working-age people with disability, sickness and serious mental health issues has grown significantly. Many people we serve have 'multiple vulnerabilities', which means they're affected by more than one issue that makes them susceptible to poverty and debt. The complex needs of today's typical client would have been highly unusual ten years ago.

The debt help sector has also evolved. Creditors and the Government now fund more online and phone-based support, which helps people in straightforward cases of debt crisis. We welcome this. But complex cases need additional support – and at CAP we're seeing more people whose best chance of transformation can only come from the bespoke face-to-face care that isn't provided elsewhere.

Meanwhile, at CAP we have a new CEO and leadership team to shape our response. In the last twelve months, we've responded to the changes faced by our clients and the sector, we've taken what we learned in recent years and we've refreshed our strategy to prepare for what lies ahead.

Today – and going forwards – we have seven clear aims:

1. **Accessible:** By 2030, we want to be accessible to most people suffering from financial vulnerability or crisis. We especially want to reach people who need unique face-to-face relational support to change their circumstances.

2. **Partnering:** We aim to grow our movement's reach by partnering with more churches in or near communities where people experiencing financial vulnerability and crisis are concentrated.

3. **Transformative:** We aim to focus products and services on the immediate, restorative, and longer-term needs of people experiencing financial vulnerability and crisis.

4. **Impactful:** We aim to deliver services that will have greater practical and spiritual impact on people's lives and communities, through a robust theory of change.

5. **Agile and lean:** We want to be agile and lean by design, always working to reduce costs and improve the effectiveness of our services, so we can reach the maximum number of people with our scarce resources.

6. **Advocating:** Alongside the Church, we aim to advocate for the social transformation required in the UK. We want to reduce the inequality and disadvantage experienced by people we serve, and do all we can to ensure the Government, creditors and others play their part.

7. **Resilient:** We aim to be financially sustainable through inspiring fundraising, strong stewardship, a healthy risk appetite, robust risk management, powerful governance and adequate cash reserves.

1. Accessible

Achievements

- Defined the clients we serve more precisely.
- Implemented the FCA consumer duty regime.
- Identified models to serve deprived communities in city, rural and town contexts.

In the last year, we started a collaboration with data science and AI charity, DataKind, to better understand how location and deprivation affects the people we serve. We gathered evidence about where people live who would most benefit from our unique face-to-face service, and made progress to determine the places we should target to best impact people, churches and communities. We also worked with existing and new clients to gather evidence about the benefits of our distinctive approach.

In terms of service delivery, we significantly improved how we reach and serve people in circumstances that make them more vulnerable to poverty. This was supported by an external accessibility audit. We've now updated our communications to explain services more clearly, and ensure people understand our response times for responding to enquiries or contacting creditors. We simplified our consent process, changed things to give people a clearer understanding of their financial situation, and started seeking client input on our helpline hours.

Goals

- Create Regional Development Plans.
- Facilitate local innovation.
- Develop fundraising proposals that support both central and local costs.

Development Plans are in progress, which are less about implementing the organisational strategy, and more about shaping the organisational strategy for the needs of churches and people in each region or nation.

We want to increasingly see local innovation and creativity as partners respond to the needs of their community. In the coming year, we'll seek to encourage these iterative adaptations, as well as sharing learning and good practice.

Already, we're hearing from churches delivering our products and services in fresh, agile ways. For example, a trial with the M:Power lay leadership programme will see a debt centre established in an area of Blackpool where people who need us most are more likely to live. Our aim is to learn from this trial and expand on it.

In future, we want to look at how CAP can support work in our regions, including local fundraising and partnering. We aim to develop funding proposals to support our full service, financing both the charity and its partners.

2. Partnering

Achievements

Over the last financial year, we established the following new centres:

Service	New centres
Debt centres	14
Job clubs	13
Life skills groups	29
Money coaching	132
Total	**188**

The scale of our church-based movement is:

Movement size			
	Coaches	Centres	Churches
Money coaching	1,675	452	504
Debt centres	428	250	649
Job clubs	230	69	102
Life skills groups	364	121	163
All services*	**2,697**	**892**	**1,045**

*373 duplicates removed, where a church has more than one service. These figures also exclude volunteers who accompany our debt coaches to offer friendship and support to people. Including them would increase the total number of local CAP workers to more than 3,000.

We continue to develop the Church and Community Transformation (CCT) pilot. Fifteen churches have been supported to develop a biblically-inspired integral mission approach to being present in their community. A further ten churches are hoping to join the programme.

In addition, we're working with the Gather Movement on a similar project in York. Nine out of fifteen participating churches completed the first phase of the pilot, and a further ten churches are expected to sign up.

Goals

- Establish powerful new regional plans, with increasing ownership by local workers, targeting the most financially vulnerable people.
- Launch the following:

Region	Sub-region/ Nation	Debt centres	Job clubs	Life skills groups
Devolved nations	Scotland	2	1	0
	Northern Ireland	1	2	2
	Wales	0	0	2
North		6	1	1
Midlands, East and London	Midlands and East	5	3	2
	London	1	3	3
South	South East	2	7	7
	South West	2	1	3

(We have restructured our teams to develop expertise in seeking out and responding to new prospective relationships.)

3. Transformative

Achievements

- Launched an integrated product and services team.
- Introduced a new governance framework for investment programmes.
- New regional organisational design.

If our aim is to deliver immediate, restorative and longer-term impact for our clients, how must we organise ourselves? That was the question we started the year with.

In response, we launched an integrated products and services team, bringing together expertise from different parts of the charity to think through how our products and services can work together. This team is playing a critical role in helping us prioritise the right investments, making sure time, effort and scarce resources are spent solving real problems and maximising our impact.

We significantly cut waiting times for households needing insolvency support. Clients experiencing delays in our service have reduced by 40%, the lowest point since we started using our current service model. This means people accessing insolvency support through CAP now get a much more responsive and supportive service. This achievement provides an excellent foundation as we build on our new regional hubs. Improvements were also clear in November 2024, when our service standards reached record highs and CAP met all our internal standards and FCA 'Consumer Duty' goals.

Alongside this, we introduced a new governance process to ensure our change initiatives align with our strategic aims. Now, our integrated product and services team has delegated authority, and anyone within the organisation can bring an idea into the governance process.

Initiatives which have been started through this process include:

- **Development of centre-led money guidance:** Some local centres want to provide more immediate support to clients. We're developing a model to give options for centres to increase their impact, such as drop-in style sessions where clients can come for immediate guidance and support.

- **Scottish prisons trial:** Through contacts made by our partner churches in Edinburgh, we were able to see debt help services run in a local prison. We are trialling the expansion of this through other churches and prisons in Scotland. This will bring practical help and the hope of the gospel, and build missional and discipleship pathways so churches can be bold in going into places they might not otherwise venture.

- **Benefits coaching trial:** This trial builds on our existing relationship with Turn2Us (who provide the benefits calculator accessible through our website). We will provide training and support to partner churches, so they can use a benefits tool in one-to-one coaching situations. Churches will be able to help people potentially increase their income, by accessing benefits they are entitled to but currently aren't claiming.

Meanwhile, as we move to a regional structure, we brought service teams together from across the charity and aligned them to serve church partners in a local area. These service delivery teams are at the heart of our Support Hub. We believe this new model will transform the relationships and support we provide to churches.

Goals

- Create a financial resilience coaching framework.
- Continue to integrate products and services.

We plan to create a financial resilience coaching framework to unite our coaching products around a single customer experience. At the same time, churches will still have the flexibility to offer courses that stand alone (such as job clubs, life skills groups and money coaching groups) to support people with employability and financial capability.

This framework will help churches reach into their communities to help people who are vulnerable to, or experiencing, financial crisis.

We are continuing to develop our new, agile technology platform, looking to bring all our debt advice and solutions into a single platform.



Strategic report: achievements and performance

4. Impactful

Achievements

- Developed an integrated Theory of Change (ToC).
- Transformed the collation of data for our annual client survey.

We long to see the steadfast presence of a local church, ready to walk alongside people during the toughest financial storms. So, as a fundamental part of our strategic review, we developed a Theory of Change to achieve this mission.

We looked at existing products and services and envisioned the impact we wish to have as a holistic organisation. The ToC is how we'll get there. It lays out the problems we see, the activities we'll undertake, and the outputs, outcomes and impacts we're seeking to achieve.

Goals

- Broaden our impact measures in line with our mission.
- Align our impact data to our Theory of Change.
- Develop a single framework for impact data across our integrated products and services.
- Enable this through smart use of technology.

As we implement the ToC, we'll start to think differently about how we evaluate our impact, beyond our traditional methods. We want to articulate our impact in terms of transformed lives (through both spiritual and non-spiritual outcomes), thriving churches (through our partner church outcomes), with a heart to see an end to UK poverty (via achieving our mission).

This year, we will transform the way we collect data for our annual client report. To bring new impact measures to life, we'll align the data we capture to our ToC and bring all our client feedback mechanisms into a simplified single journey. It means, in years to come, we will have a better understanding of the full impact of our movement and CAP's mission.

We are also working towards a framework that would apply to all our direct-to-client services, learning from other charities who work in a similar field to us.

Finally, we're dreaming of how our technology can become an enabler for the movement, as we think about making it easier for churches and supporters to partner with us.

Groups we seek to serve	Activities CAP does with the Church	Outputs CAP delivers to these groups	Outcomes CAP creates for these groups	Impacts these groups fulfil themselves
Individuals who need help - alleviation of financial vulnerability and crisis	Delivering debt help and coaching services with partner churches to people. Building local community awareness and connection. Catalysing evangelism and discipleship. Integrating with the church's broader mission to communities (CCT).	Debt help and coaching services that are available to those we serve, and meet their needs.	People we serve take the steps towards becoming more financially resilient. People we serve experience spiritual, personal, social and financial transformation, experiencing relief from the causes and effects of financial vulnerability and crisis.	People we serve are able to remain financially resilient. That they continue in a positive relationship with others, self, money and we pray with God.
Partner churches - inspiring and equipping to reach and serve those in need in their communities		Sustainable and fruitful partnerships with churches and groups of churches.	Congregations and leaders are reaching out to give practical help and the hope of the gospel to their communities, growing in compassion, discipleship and evangelism.	Churches are transformed by engaging with their communities and more fully reflect them.
Communities served - bringing hope into deprived communities		Community referrals to use services. Community engagement with our services and the Church.	The community sees and engages with the church as a beacon of hope.	People who have been helped, help others in their community.
The Church - motivating Christians to take action on poverty	Inspiring churches to raise awareness and generate support for our movement and for action on poverty. Advocating with church leaders to national leaders for social justice for people we serve.	Church engagement and movement building across the UK church.	Christians supporting CAP and acting on our campaigns.	The Church becomes known as a key player in the fight against poverty.
Society - motivating national leaders to take action on poverty		Advocacy on key policy issues and public square engagement.	National leaders, public and media engaging with the issues faced by people we serve.	Poverty and inequality becomes a national priority leading to real change.

5. Agile and lean

Achievements

- Launched pilot of our new debt help technology platform.
- Cost reduction achieved to become sustainable for the future.
- Lean process re-engineering underway.
- Agile approach to fundraising appeals.
- Refreshed our organisational values.
- Launched new learning management system (LMS) to meet training needs across all CAP workers.

We're becoming an agile organisation. This year we achieved the cost reduction we identified to enable us to become a sustainable organisation for the future. Our new organisational design has 'agile and lean' as its guiding principles and our new technology platform (currently in pilot) means we can increase capacity without having to increase headcount. The new LMS system will enable us to train and develop our workers in an agile way to prevent the need for additional resources in this area as we grow.

During any period of change, organisational values can connect us to the heart of what we're all about. We refreshed our organisational values this year, aligning around five core values which we brought to life with imagery, phrases, a biblical framework and behaviours.

Goals

- Bed in the new organisational design.
- Refresh key performance indicators and metrics in line with our Theory of Change.
- Roll out our new technology platform.
- Develop the new platform to bring all regions and all nations onto it.
- Explore wider, appropriate use of AI to bring agility and lean ways of working across the movement.

Over the next year, we'll bed in our new organisation design and embed our strategy and Theory of Change. KPIs and metrics will be refreshed to align with the outcomes and outputs we seek to achieve. In time, this will lead to a refreshed operating system for the charity, which will be agile and lean to help increase our impact and keep costs justifiable and comparable to others in the sector.

We'll re-engineer processes across the end-to-end customer journey. For most of our clients, a Debt Management Plan is no longer suitable, which means we can simplify the process and shift some activity to later in their journey. We will work with industry experts to help us build teams which embrace 'agility', building on the successes of such approaches to things like our Easter appeal.

Our new technology platform will also be fully rolled out over the next year. It includes initiatives we have only been able to dream about previously, such as centre-led client bookings, and new features to build collaboration between local CAP workers, clients and those in our Service Delivery teams.

We will continue to investigate the appropriate use of Artificial Intelligence (AI), as we seek to free up scarce resources for the most impactful work and use technology to reduce administrative burdens.



What does the new CAP look like?

Our Support Hub, made up of Bradford-based and remote staff, is changing structure into smaller, regionally-focused teams, giving us a new, streamlined and client-focused operating platform.

These regionally-focussed teams will provide expertise to local churches, who in turn provide the incredible care CAP is known for. It means we can keep costs low and be more responsive to church partners, and support remains free of charge to the people we serve.

Why are we changing?
There's a growing and urgent need for face-to-face, local, community-based support, particularly targeting people who face high levels of vulnerability. Our restructure means we can respond in a distinctive and targeted way to the specific needs local churches are seeing in their communities.

There are three reasons driving the change:

1. Over the last five years, the issues faced by people we serve have changed significantly. People are more vulnerable to financial crises. People with disabilities are a larger share of the population. More often, people need insolvency solutions rather than a repayment plan.

2. Meanwhile, the debt sector is shifting towards providing online or phone-based help for straightforward cases – and there's less bespoke support for the most complex cases.

3. At the same time, churches are now more active in their communities, providing things like food banks and warm spaces. They're growing too, especially with young people, and there's capacity for local Christians to provide personal, face-to-face support to people who most need help.

6. Advocating

Achievements
During 2024-25, the Policy and Public Affairs team have:

- Worked collaboratively to achieve five policy wins:
  - **a.** Buy Now Pay Later brought under regulation.
  - **b.** Increase Standard Element of Universal Credit.
  - **c.** Reduced debt deductions from 25% to 15%.
  - **d.** Debt Relief Order (DRO) eligibility criteria expanded.
  - **e.** Minimum wage rate working towards becoming a 'real living income'.
- Provided evidence to Government and Parliamentary committees.
- Tabled Parliamentary questions seven times.
- Been mentioned in Parliament 16 times.
- Had 18 influencing meetings.
- Corresponded with MPs 16 times.
- Engaged in 8 joint campaign actions.

Goals
In 2025-26, we want to:

- Ensure CAP workers have ownership over influence and movement building, they feel this is part of their remit, and have the skills and resources to take this on.
- Continue to ensure the wider CAP movement, including supporters and local CAP workers, are engaged and involved in policy influencing.
- Respond to policy and public affairs initiatives that most affect our clients, putting the welfare of people who are financially vulnerable or in crisis at the centre of our response.
- Address the critical issue of deficit budgets by advocating for reforms that ensure social security, and ensuring employment opportunities meet basic living standards. Through these efforts, we aim to create a more equitable financial system that supports everyone to achieve stability and dignity.
- Create more opportunities for creditors, including banks and the energy sector, to play their part in funding debt advice for those who are financially vulnerable or in crisis.

Strategic report: achievements and performance

7. Resilient

Achievements
- New strategy, organisation and plans
- Cost and cash control.
- New reserve policy.

This has been a landmark year, defined by decisive action and strategic realignment. We have made significant strides in reshaping our organisation for future success, strengthening our financial stewardship, and reinvigorating our fundraising efforts to ensure long-term impact.

We developed a new strategy to enhance our effectiveness and deliver greater value to people we serve. It required a fundamental redesign of our organisation to create a seamless, end-to-end service model. By breaking down internal silos and realigning our structure, we are now better positioned to deliver a more integrated and responsive experience for our clients and stakeholders.

A disciplined approach to our finances has been paramount. Through a comprehensive review and restructuring, we achieved a significant net cost reduction of £1.2 million compared to April 2024. This was realised primarily through a reduction in employees to create a more efficient and financially-resilient organisation. The reduction in costs has provided a clear pathway to rebuild our cash reserves. More importantly, it allows for reinvestment into new technology and will directly fund an improved client experience in the year ahead. This will take the remainder of 2025 to be fully realised and to become our new normal.

This year also marked the beginning of significant two-year investment in our fundraising processes and team. This renewed focus enabled us to launch several new initiatives, including our successful summer appeal, which led to an increase in income from these campaigns.

Crucially, we began the vital work of building a sustainable long-term pipeline of income. We have already secured new pledges specifically designated to fund the technological upgrades identified in our new strategic plan.

Goals
- Continue to implement our restructuring plans to start restoring our reserves and cash buffer in line with our reserves policy.
- Aim to achieve a net cash surplus from our current cash deficit position of £0.1 million.
- Philanthropy relaunch and enhanced supporter engagement processes.
- Complete a service line cost and funding review to understand our cost drivers and develop stronger funding proposals.
- Ensure services break even and corrective strategies are put in place for those where costs are higher than income.

Our values

Christ-centred
Rooted in faith and fuelled by love

Collaborative
Collective innovation that transforms lives

Compassionate
Driven by justice and moved to action

Joyful
Choosing gratitude and celebrating transformation

Bold
Fearless service and uncompromising effort

Development of our people and culture

Achievements

- Development and implementation of refreshed values framework.
- 'Pathway to Care' employee support resources launched.
- Extensive work on recruitment, rewards, retention and development programs.

Goals

Our people are amazing. Whether they are local CAP workers, or staff who make up our Support Hub, everyone plays a unique part in equipping the local church to help people who are financially vulnerable. We strive to take care of our people while making progress on our strategic goals.

Following our new organisational design, we're strengthening our Engagement team to ensure our people are spiritually strong, supported in their wellbeing at work and connected to our activity in local communities through effective storytelling and intentional communication strategies. We will also extend our support to local CAP workers, ensuring we have effective touch points and the opportunity to build relationships across UK nations.

Recognising the demanding nature of our work, we're proactively cultivating a culture of holistic wellbeing and resilience. We've started building a more attractive 'in office' experience so that our hybrid and office-based staff can experience the known benefits of being together; social connection, belonging, connection to mission and values, team building and effective collaboration.

In 2024 we developed our 'Pathway to Care' resource to create a single space for all Support Hub staff to access information on wellbeing, whether that's related to mental health, disability, neurodiversity or the resources we provide such as the Employee Assistance Programme (EAP). Extending a version of this for our local CAP workers in 2025 will significantly increase our connection points and ensure these teams are resourced to take care of their wellbeing.

We have ambitions to ensure all managers have everything they need to help people thrive. Creating a culture where managers feel confident will provide much needed space for the people teams to deliver more, as we seek to grow as an organisation and incorporate local CAP workers into our strategy. The use of technology and AI is high on our agenda. In part, we want leaner processes but even more, we want to make data-driven decisions and create capacity to serve our people meaningfully and effectively without increasing costs.

We know culture is not static; it must be shaped, nurtured and championed by everyone. Over the coming year, we will continue to embed a culture that reflects our values. One which puts Christ at the centre, champions collaboration, embraces boldness, acts with deep compassion and brings joy even in the midst of challenge.

As we grow, attracting and retaining passionate and skilled individuals is essential. We're refining our recruitment processes to highlight our unique culture and values, ensuring we bring in individuals who are not only talented but also aligned with our mission. Our focus on a compensation and benefits review in the next twelve months aims to ensure fairness and competitiveness.

We will continue to invest in learning and development, offering pathways for personal and professional growth that are accessible to our staff and local CAP workers. Our aim is to ensure everyone feels equipped and inspired, no matter where they are based.

International growth

CAP in the UK continued to support and collaborate with CAP teams in America, Australia, Canada, Ireland and New Zealand*. This includes regular gatherings between the CEOs, Board Chairs, Communications and Technology teams.

In March 2024, CAP Canada hosted a four-day gathering for representatives from the CAP international teams. The main focus was to outline the next steps in the international journey of CAP.

Other international highlights include:

- After officially launching in September 2023, and starting money coaching pilot courses in early 2024, CAP Ireland has continued to see success.
- Since launching 'Sharing Jesus' in 2023, CAP New Zealand's refreshed kaupapa (mission) has continued strongly, with more training held for frontline coaches.
- CAP Canada has continued to build great connections, with more expansion within their Debt Network. They have formed a relationship with the lead church in the Great Commission Collective, with opportunities for more growth and connection.
- CAP Australia continues to see huge success with their Money Mentoring programme, hitting a milestone of 200 active Money Mentors in September 2024. Wonderful stories of impact have been shared, and completion and satisfaction rates are above target.
- CAP America completed filming for the Spanish language version of the CAP Money Course videos in November, and this will be launched in 2025. This will open many opportunities, including with new church networks.

*The affiliate charities are separate organisations. They use the CAP brand and model but do not form part of a group.

Financial review

How we managed the money you gave us

Overview

This financial review provides an overview of CAP UK's financial performance and position for the financial year ended 31 March 2025 (a twelve-month period). Our aim is to offer stakeholders a clear and concise understanding of how financial resources were managed and deployed to achieve our mission, ensure operational efficiency, maintain strong stewardship, and comply with relevant UK charity regulations and Financial Conduct Authority (FCA) requirements for our regulated activities.

The financial year 2024/25 was a period of focused financial discipline and strategic realignment. This is similar to many other charities facing challenges relating to the cost of living crisis, with cost pressures increasing while income plateaued. The in-depth review conducted during 2024/25 has enabled us to make a sensible set of decisions on our costs and to take a realistic view of income in the years to come.

In this twelve-month period ending 31 March 2025, our income totalled £15.0 million and expenditure totalled £15.5 million, which resulted in a deficit of £0.5 million. This represents a marginal improvement during a period of continued investment from the £0.8 million deficit reported in the previous 15-month period (January 2023 - March 2024).

Our commitment to our mission of providing debt help, money coaching, and community support remained unwavering, and our financial discipline allowed us to maximise program impact and enhance administrative efficiency.

Financial highlights

Below is a snapshot of our financial performance, highlighting critical metrics for the current and previous financial periods. Please note that direct percentage comparisons are not provided as the 2024 figures relate to a 15-month period (January 2023 - March 2024), while 2025 figures are for a twelve-month period (April 2024 - March 2025):

Metric	12-month period (year 2025)	15-month period (year 2024)
Income	£15.0m	£19.2m
Expenditure	£15.5m	£20.0m
Deficit	-£0.5m	-£0.8m

Our forecast for 2025/26 is: income of £15.3 million, expenditure of £14.9 million and surplus of £0.4 million.

Fixed Assets	£5.7m	£5.8m
Net Current Assets	£0.4m	£0.9m
Long Term Liabilities	£1.6m	£1.7m
Net Assets	£4.5m	£5.0m

Income

Our total support and revenue for the financial year ending 31 March 2025 totalled £15.0 million. This compares to the previous five years in which income was also consistently near £15 million each year. We have provided unaudited twelve-month equivalents for 2023/24 for easy comparison.

The make-up of the income is:

- **Individual contributions and churches:** Together, these totalled £11.9 million (2023/24: £12.3 million), accounting for approximately 87.2% (2024: 81%) of our total income.
- **Regular income:** Mostly received on a monthly basis, this totalled approximately £8.7 million (2023/24: £9.2 million), representing 58.4% (2023/24: 60%) of total income received. Regular giving from individuals is our most important source of regular income, providing a vital source of stability for the charity.
- **One-off income:** Was £4.3 million (2023/24: £6.1 million) which was from individual donors and philanthropists but also includes:
  - > **Grants from trusts:** We received £1.4 million (2023/24: £1.2 million) from trusts and foundations.
  - > **Government funding:** During the twelve-month period, we received funding of £0.3 million (2023/24: £0.5 million) from the Scottish Government.
  - > **Creditor donations (including Fair Share):** We received £0.2 million (2023/24: £0.2 million) in donations from creditors from Fair Share contributions, where a percentage of amounts disbursed to our clients' creditors through a Debt Management Plan is paid to the charity by creditors to cover our costs incurred supporting the administration of the plan. 100% of payments made by clients through their Debt Management Plan go towards paying off their debts.

Expenditure

In the twelve-month period ending 31 March 2025, our expenditure totalled £15.5 million (2023/24: £16.0 million for twelve months equivalent). We mitigated cost pressures by undertaking a detailed review of all our pay and non-pay expenditure across the organisation.

We implemented actions that had an immediate impact during the year, saving £0.8 million, with increased continued savings into 2025/26 and beyond. To achieve a better balance between income and headcount, we reduced staff numbers by 10% (40 people).

We also achieved further savings by reviewing our non-pay costs. As part of our strategy for identifying expenditure reductions, we continued to focus on three key priorities:

1. Delivering our core debt help service.
2. Continuing to invest in improving our products, services, and technology.
3. Ensuring we invested in raising the funds to deliver our services.

Our expenses are strategically allocated across our core functions to maximise mission impact:

- **Program services:** £11.7 million (2023/24: £12.6 million), representing approximately 75.7% (2023/24: 78.5%) of total expenses. This shows our continued improvement in delivering core debt help and financial education programs. During the year our service levels continued to improve.
- **Management and general (administrative):** Approximately £1.9 million (2023/24: £2.1 million), representing approximately 12.6% (2023/24: 13.5%) of total expenses. These costs support the overall operations of the charity, including executive oversight, accounting, IT and human resources. We continue to ensure these expenses are managed efficiently. These expenses include our continued investment in technology and the management of our church partnerships, with a staff and volunteer base approximately ten times the size of our direct staff team.
- **Fundraising:** £1.9 million (2023/24: £1.3 million), representing 10.9% (2023/24: 6.5%) of total income. This covers the costs associated with generating contributions. Our fundraising effectiveness remains a key focus.

Cash flow and investments

Reserves policy and management

Each year, the Trustees review our reserves policy and the level of required general free reserves to ensure an appropriate level is held. We aim to maximise the funds we can spend to support our charitable aims. This is balanced against managing short-term financial risk and our obligations as a debt management company under FCA rules (CONC 10.2.5) to hold sufficient free reserves to meet our minimum prudential resources requirement of £42,000.

The Trustees reviewed the reserves policy and set a target level of reserves at three months cash flow for fixed costs less regular income, which for 2025/26 is £1.5 million. The reserves on 31 March 2025 were £4.5 million (2024: £5 million), of which £0.8 million (2024: £0.3 million) is restricted and £3.2 million (2024: £3.7 million) is only realisable by disposing of fixed assets and associated mortgages. Free (unrestricted) reserves at the end of 31March 2025 were -£0.3 million (2024: £0.6 million), which is £1.8 million (2024: £1.2 million) under the minimum reserves set out in our reserves policy.

Total reserves reduced by £0.5 million (and free reserves by £0.9m) in the financial year due to the deficit for the year. The Trustees have taken the decision to allow us to fall below our target reserves temporarily, to allow time to transform the organisation. Investment has been made into developing the fundraising department, along with significant reductions to expenditure, which has enabled a forecast surplus of £400k for 2025/26 rising to £660k in 2026/27 and £1.0m in 2027/28, which restores our reserves to levels required in our policy over the next three years.

We have historically supported CAP's international sister organisations and certain other charities with aligned values and focus. We have paused this program until our reserves are restored. We do not have any ongoing obligations under the program.

Outlook and future prospects

The financial performance in 2024/25 was an improvement on the previous year. But 2024/25 was a challenging period, with increasing demand, increasingly complex client needs, cost pressures and a challenging fundraising environment.

We have taken action that will turn the finances around. This includes implementing a new organisation design in the first quarter of 2025/26. This implementation resulted in £1.2m of annualised net savings including 21 redundancies and as a result we now have an organisation that is fully aligned to our new strategy. These savings have helped fund the £0.3m increase in employers' National Insurance and our intent to continue to pay our talented team in line with the real living wage and industry benchmarks. We are therefore forecasting a small surplus for the 2025/26 financial year.

Looking ahead to the financial year 2025/26, we will continue to bear down on costs while maintaining investment. We're aiming for a realistic increase in costs of circa 3% per year, in line with our inflation and growth assumptions.

We have recruited new leadership and refocused our fundraising teams to continue to excel in our care for our amazing regular donors. We are building our relationships with philanthropists, trusts, foundations, corporates and Government bodies. As a result, we believe it is realistic to aim at achieving steady growth in our revenue, a little above inflation over the next five years.

We are confident our plans are realistic. We believe our financial position will continue to improve not only in the next financial year, but also in the medium term, as we restore our reserves and maintain investment. We have confidence that our offer to clients, churches and our supporters is truly distinctive. The need for what we do has never been greater. And our effectiveness to deliver is being utterly transformed.

We have the team and strategy to run services in the most challenging conditions. Our experienced Trustees and leadership team has the capability to navigate the increasingly difficult economic environment experienced by the wider charity sector and our clients. We are ready to bring God's mercy to people in great need in this most difficult season.

Principal risks and uncertainties

Overview

The Board of Trustees holds responsibility for ensuring the charity has robust systems of internal control and risk management in place. All directorates perform regular risk assessments that consider both existing and emerging risks. The charity maintains a register of all key risks as part of the risk management strategy, which is regularly reviewed for effectiveness by the Board and the Finance, Audit and Risk Committee. The Committee also receives reports from our external auditors and reviews progress against any recommendations. This strategy has identified the following important potential risks and how they will be mitigated. They are not set out in any priority order.

Strategic risk	Management and mitigation
Cyber and data security We could struggle to recover from a serious cyber security incident, leading to the loss of critical data or significant operational disruption.	We regularly test for external attacks and we keep adapting our cyber security arrangements. We renewed our Cyber Essentials certification in March 2024 and use Two factor authentication. We are currently further strengthening our risk mitigation through a Cyber Security Maturity assessment. We have increased staff awareness of IT security measures, data security and carry out reviews and testing of our business continuity plan.
Safeguarding of vulnerable adults We may see an increase in safeguarding incidents involving frontline staff driven by case complexity, broken budgets, and clients facing heightened challenges due to the cost-of-living crisis.	Safeguarding and whistleblowing policies are regularly reviewed, with refresher training regularly conducted for all staff. Training is in place for partner churches to ensure good safeguarding practice. We commission an external safeguarding audit every three years from an organisation that specialises in safeguarding in the faith sector. We have a dedicated Safeguarding Lead to ensure a continued focus in this area.
Reputation and church community We need to be vigilant for issues that may affect our reputation in a way that leads to adverse publicity, breakdowns in strategic relationships or regulatory concerns.	Recent negative media coverage of the charity sector has led to greater interest and focus. Ongoing mitigation against reputational risk comes from continuing to build our brand and reputation publicly, including developing and maintaining key relationships within the media, credit industry, Government and Christian sectors. We have ensured our key people have undertaken crisis public relations training and have contracted with Jersey Road (specialists) to support during difficult periods. Crisis communication plans are in place.
Impact We strive to ensure we monitor and evaluate the impact of our services.	We continually measure outcomes for our clients and publish them regularly, including through our annual client report. We conduct regular client surveys to measure the ongoing impact of our services over time. We have a strategic dashboard used by the Executive Team and Board to track key performance indicators and our impact. The new 'moments of faith' measures quantify the faith impact of our work. We have developed an Integrated Theory of Change.
Compliance We need to be diligent to meet the compliance expectations set by our regulators to ensure we can continue to operate.	We have dedicated professionals working in central functions as well as within our divisions to ensure that we understand our legal and regulatory obligations and are compliant across all our activities. Our policies and procedures are applied to guide decision-making and relevant training is provided to ensure all staff are aware of their responsibilities. Compliance is monitored and reported regularly to the Finance, Audit and Risk Committee of the Board. We hold the Advice Quality Standard which is achieved by an external audit of our advice processes and demonstrates our commitment to best practice and delivering quality advice to our clients. Our operations are fully aligned with the Consumer Duty rules and guidance, ensuring the delivery of good financial outcomes for our Debt Service clients remains a key element of our strategy and plans.
Financial sustainability We meet to grow our net income to cover rising core costs and to ensure we have the reserves to face any significant financial shocks.	We are continuing to enhance our digital presence and trialling new fundraising channels to attract new supporters. We monitor our forecast and actual financial performance continuously and reports are provided quarterly to both the Finance, Audit and Assurance Committee of the Board and the Board of Trustees so that we can take appropriate measures in good time. In 2025/26, we will increase fundraising investment to drive income growth. We're strengthening our major donor fundraising, with a focus on establishing strong foundations and a clear pipeline for growing major donor income. Management and Trustees are exploring ways to start building up reserves.
Safety, security and wellbeing of staff and volunteers We need to recruit, retain and motivate the right calibre of staff and volunteers we need to do our work well.	Our people are our biggest asset. We seek feedback regularly to stay alert to how staff are feeling, and we continue to provide a programme of wellbeing support and flexible ways of working. We continue to monitor the safety and wellbeing of our staff and volunteers. Wellbeing remains a focus with the CAP Pathway to Care being introduced including a full benefits review and the creation of a Neurodiversity Advisory Board. During summer 2025 a full review of the salary structure was carried out to ensure salaries were comparable to external benchmarks. The new salary structure will come into effect in October 2025.

Trustees' report

Trustees' report

Structure, governance and management

The Board of Trustees

The Trustees, who are also Directors of Christians Against Poverty for the purposes of company law, meet several times a year (seven times in the twelve-month period ended 31 March 2025) to review strategy and operational or financial performance, in conjunction with the charity's Chief Executive Officer and other members of the senior management team. These meetings are also attended by two Staff Representatives and a Frontline Representative, so their views can be taken into consideration through the decision-making process.

The Trustees have the authority to appoint as Trustee any person who, by virtue of personal or professional qualification, is able to make a contribution to the pursuit of the charity's objectives or management. When recruiting new Trustees, the existing Trustees will not only look at the person's qualifications but also at their passion and support for the charity's vision and aims, to ensure they can play a full part in managing the charity's growth. Prospective Trustees are interviewed by the Chair and Chief Executive Officer of the charity and will usually attend a board meeting with other Trustees and the Executive team prior to their official appointment. In this way, we can ensure that they are a good fit for the charity and that they are fully aware of their responsibilities as a Trustee.

Finance, Audit and Risk Committee

The Finance, Audit and Risk Committee is responsible for monitoring the integrity of the charity's financial reporting, compliance with the requirements set by the Financial Conduct Authority, and internal controls. This includes reviewing the annual report and accounts, and the effectiveness of external audit services.

The committee also reviews the charity's risk management process, top strategic and operational risks, and adequacy of internal controls and mitigations.

Trustee term of duty

A Trustee is expected to serve for a maximum of three terms of three years each, after which time up to two Trustees at any given time may serve as 'history carriers': Trustees who can pass on their experience of the culture and ethos of the charity to newer board members. Further Trustee training is carried out on an ongoing basis, making use of the Charity Commission website and other charity publications.

Although our governing document does not require retirement by rotation, it is the board's practice to appoint a Trustee with the expectation that they shall serve for an initial period of three years, after which time their role is reviewed to ensure that they are still a good fit for the charity. They then have the opportunity to serve for two further terms of three years (nine years in total) or retire.

Indemnity

The charity purchased and maintained Trustee Liability Insurance throughout the financial year in respect of itself and its Trustees.

Structure and management

The charity is constituted as a company limited by guarantee (company number 04655175), formed on 3 February 2003, and is therefore governed by its Memorandum and Articles of Association dated 5 February 2007. The company took over the operations of Christians Against Poverty as constituted under a Declaration of Trust dated 29 August 1996, on 1 June 2003. The day-to-day implementation of the strategic plan, together with the development of strategy, is led by the Chief Executive Officer and senior management team, which consists of members of each area of the charity. The Trustees meet regularly where, in full consultation with the senior management team, the main strategic and directional decisions are taken. Day-to-day operations are delegated to the Chief Executive Officer and senior management team which has, within certain limits, delegated authority. Suitable benchmarks and milestones are agreed to provide a basis on which to measure achievements, with the senior management team reporting progress to the Trustees through various committees.

Monthly management accounts are also used to ensure financial targets are being met. If any significant matters of policy or key decision-making arise during these meetings, these will be referred to the Trustees for approval.

Our fundraising practices

Every person who supports our work is important to us and we believe that giving to CAP should be a positive experience. We strive to maintain the highest standards in supporter care, ensuring that each person is treated as an individual, with fairness and respect. For this reason, CAP voluntarily subscribes to the Fundraising Regulator, which assumed responsibility for regulating all fundraising from July 2016. The regulator investigates and takes action, where appropriate, on issues of public concern.

In previous annual reports, we've only reported on complaints regarding our fundraising practices that were escalated to the Fundraising Regulator. In the interest of openness and transparency, we've chosen to include instances of feedback that we classified internally as complaints. In the twelve-month period ended 31 March 2025, no complaints were received and none required escalation to the Fundraising Regulator.

Most of our fundraising work is carried out by centrally employed staff including an in-house supporter phone team and a dedicated major donor team. Volunteer speakers also attend church services around the UK to inform congregations about the work of CAP, along with fundraising activities. Although CAP has an in-house creative team that prepares supporter materials and appeals, we often work with freelance copywriters and agencies; however, all fundraising appeals are signed off by us.
During the twelve-month period ended 31 March 2025, we attended several exhibitions and festivals and hosted several fundraising dinners. As usual, these activities were carried out by Christians Against Poverty's staff and volunteers.

In-house fundraising training is provided to all volunteers based on the FR Code of Fundraising Practice. We train volunteers for our dinners, exhibitions, and church talks on how to ask for support, including scripts where appropriate. As part of our training, we cover how to interact with supporters and potential supporters face-to-face in a reasonable and fair manner, allowing individuals to make their own informed decisions about whether or not to donate.

We regularly review the financial asks given by CAP Speakers and provide feedback to the speaker when necessary. After every CAP talk, church leaders receive feedback on how the speaker interacted with the congregation. A member of the CAP Fundraising / Events team supervises all volunteers at exhibitions and fundraising dinners. Additionally, we collect feedback from our fundraising dinner attendees and supporters after every fundraising call. Our feedback is collated via Delighted (experience management platform).

We have a vulnerable supporter policy, and all supporter-facing CAP staff and volunteers receive training in how to interact with vulnerable supporters. If a fundraiser suspects a person they are talking to may have vulnerabilities, they must end the conversation immediately.

They should do this politely, without:

- Making a request for a donation
- Asking about the individual's capacity to make a decision
- Asking about the person's vulnerable circumstances

We know that it may be difficult in some situations for fundraisers to decide whether or not someone is in a vulnerable circumstance or lacks capacity. We provide guidelines for fundraisers but our approach is always to err on the side of caution. All CAP staff are also trained in line with our safeguarding policy, to ensure members of the public who are at risk are appropriately protected.

We comply with the United Kingdom General Data Protection Regulation (UK-GDPR), which took effect in 2020.

Salary policy and pay for senior staff

In the year ended 31 March 2025, the Chief Executive's basic annual salary was set at £94,500, an increase from £90,000 set on 1 January 2024. This reflects the need to offer a salary closer to market rates in order to recruit a new CEO. We are committed to making our highest salary no more than five times our lowest paid role. We have a transparent pay structure between these roles, which takes the Real Living Wage as its base and then uses industry benchmarks to ensure each role is graded and paid fairly. Executive pay has further oversight from Trustees.

The Trustees consider that they and the senior management team comprise the key management personnel of the charity, in charge of directing, controlling, running and operating the charity on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in notes 23 and 24 of the accounts.

Employees

The work of CAP relies on the commitment and hard work of its valued staff, both those directly employed at head office and those employed by our partner churches in our centre network.

Full training is given to each member of staff in their specific roles. We are committed to equality in recruiting, training, promotion and career development.

We continually seek to promote from within, alongside seeking external candidates.

The health and wellbeing of our staff is paramount, and we're committed to offering flexible working arrangements and a range of benefits.

Diversity and inclusion

The charity is committed to supporting the employment of disabled people and helping existing staff, as well as anyone with additional support needs, as part of the recruitment process. In addition, we are committed to the retention of employees that become disabled while in our employment. We do this through training, career development, general awareness and support. We're keen to create a culture that reflects and embraces diversity across the organisation.

Directors' engagement with employees

Regular communication with staff through monthly staff meetings and team meetings ensures employees are kept informed of any decisions taken by the senior management team. Staff also receive a quarterly update on the charity's financial position alongside information on how any current economic factors are affecting the performance of the organisation. Both Staff Representatives and a Frontline Representative attend the quarterly Trustee Board meetings so their views can be taken into consideration through the strategic and operational decision-making process.

Volunteers

CAP values the work of its volunteers at our office in Bradford and across the UK. The welfare of those giving up their free time is important to us, and we continue to ensure all policies and procedures are reviewed regularly. This provides the charity with clear boundaries and marks out for volunteers the extent of their remit. There is a dedicated staff member who oversees their work and ensures the wellbeing of our volunteers.

The number of volunteers within our movement is difficult to quantify, but we acknowledge that, without their invaluable contribution, our clients would not receive the help and support they do. The Trustees, therefore, wish to acknowledge the enormous contribution made by employees and volunteers, both at head office and within the CAP network.

Work in Scotland

The Office of the Scottish Charity Regulator requires us to report separately on our work in Scotland. While we do not report our income and expenditure separately for our Scottish activities, the statistics during the period ended 31 March 2025 were as follows:

19	Active debt centres (previous year, 17)
6	Active job clubs (previous year, 7)
5	Active life skills groups (previous year, 4)
137	Adults debt free (previous year, 166)
5	Job club and life skills groups run

In the year ended 31 March 2025, the Scottish Government provided a £271,000 grant to CAP, which has resourced our Scotland Debt Operations team.

Work in Northern Ireland

We also do not report our income and expenditure separately for our Northern Irish activities. The statistics during the period ended 31 March 2025 were as follows:

16	Active debt centres (previous year, 17)
4	Active job clubs (previous year, 4)
12	Active life skills groups (previous year, 11)
69	Adults debt free (previous year, 82)
8	Job club and life skills groups run

Regulatory

Debt counselling and debt management are regulated activities under the Financial Services and Markets Act 2000. The charity is authorised and regulated by the Financial Conduct Authority (FCA) to provide debt counselling and debt management services.

In addition to the above we also hold the Advice Quality Standard mark (AQS). Organisations that hold the standard have demonstrated that they are easily accessible, effectively managed, and employ staff with the skills and knowledge to meet the needs of their clients. As part of achieving the standard, we also satisfied the requirements of the Money and Pensions Service (MaPS) Debt Advice Quality Framework.

Directors, senior staff and advisors

Directors (Trustees)

- Roger Hattam (Chair)
- Jane Pleace
- Roger Mawle
- Robin Willison
- Catherine Nicholas-Vilkaitis (known as Kate Nicholas)
- Mark Sheard (appointed 5 November 2024)
- Femi Ishola (appointed 5 November 2024)
- Andrew Maskell (appointed 5 November 2024)
- Ayo Adedoyin (appointed 5 November 2024)
- Sandie Keene (appointed 5 November 2024)
- Joy Blundell (resigned on 19 August 2024)
- Ema Ojiako (resigned on 27 August 2024)
- Lisa Pearce (resigned on 6 November 2024)
- Matthew Frost (resigned 28 April 2025)

Secretary

- Stephen Bonfield

Leadership team

- Stewart McCulloch (Chief Executive Officer)
- Tim Moger (Chief Agility Officer)
- Hilda Kaponda (Chief Financial Officer)
- Jake Hutton (Chief of Service Delivery)
- Graeme McMeekin (Chief Mission Officer) (appointed 1 December 2024)
- Justine Barnes (Chief People Officer)
- Alex Jones (Director of Fundraising) (to 30 June 2025)
- Claire Cowles (Acting Director of Communications and Digital Engagement) (to 31 March 2025)
- Lyn Weston (Chief Mission Officer) (to 30 August 2024)

Principal and registered office

Jubilee House
1 Filey Street
Bradford
West Yorkshire
BD1 5LQ

Auditor

RSM UK Audit LLP
5th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

Solicitors

Hempsons
The Exchange
Station Parade
Harrogate
HG1 1TS

Bankers

Lloyds Bank PLC
45 Hustlergate
Bradford
West Yorkshire
BD1 1NT

Charity no. UK 1097217
Charity no. Scotland SC038776
Company no. 04655175

Trustees' responsibilities in relation to the financial statements

The charity Trustees (who are also the Directors of Christians Against Poverty for the purposes of company law) are responsible for preparing a Trustees' annual report, strategic report and financial statements in accordance with applicable law and United Kingdom Accounting standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charity for that period. In preparing the financial statements the Trustees are required to:

a. Select suitable accounting policies and then apply them consistently;
b. Observe the methods and principles in the Charities SORP;
c. Make judgements and accounting estimates that are reasonable and prudent;
d. State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
e. 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 maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditor

In so far as the Trustees are aware at the time of approving our Trustees' annual report

- There is no relevant information of which the charity's auditor are unaware, and;
- The Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

A proposal to re-appoint RSM UK Audit LLP as auditor of the charity will be put to the Annual General Meeting.

Strategic report

In accordance with section 414C (11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the company has prepared a Strategic Report, which includes information that would have previously been included in the Trustees' report. The Trustees and Directors' report contains all information required in a Directors' report by the Companies Act 2006. The Trustees authorise both the Strategic Report and the Trustees' report below.

Approval

This report was approved by the board of Trustees on Monday 10 November 2025 and signed on its behalf.



Robin Willison, Trustee Director
Date: Monday 10 November

Our people

Meet the team

Executive team



Stewart McCulloch
Chief Executive Officer

Stewart joined CAP in January 2024 following five years as CEO at Stewardship, an organisation that releases financial support to Christian ministries. During Stewart's time at Stewardship, annual giving increased by 40%. By background, Stewart is a Chartered Accountant and previous roles have included management consultancy, insurance leadership roles in the City of London and Global Insurance Director at VisionFund, the microfinance operation of World Vision.



Jake Hutton
Chief of Service Delivery

Jake joined CAP in 2008, bringing valuable experience from the commercial insurance sector of the finance industry. He began as a Debt Advisor, then took on various management roles within CAP. He spent six months working on a project to strengthen our Debt Operations teams before stepping into the role of Director of Debt Operations.

Hilda Kaponda
Chief Financial Officer

Hilda trained at what is now PwC and has spent her career mainly in social housing finance leadership roles, exercising her faith-filled compassion. She was Deputy CEO and Finance Director at South Lakes Housing, providing affordable homes across Cumbria. Hilda has also given considerable time volunteering for churches, housing associations and charities to strengthen financial governance.



Tim Moger
Chief Agility Officer

Tim has spent most of his working life leading technology teams in retail, working with companies like Selfridges and ASOS. In 2019 he started mentoring with CAP, and when a role became available Tim was delighted to align his faith and work in one place. Tim is passionate about building teams and enabling technology.





Graeme McMeekin
Chief Mission Officer

Graeme joined CAP in December 2024 after seven years working in Tearfund, latterly as their Head of Church and Supporter Engagement. With a background in both community development and theology, Graeme is passionate about seeing the Christian church be a voice of hope with local communities.



Justine Barnes
Chief People Officer

Justine joined CAP in 2012, bringing experience from charities and the finance world. She began as a Debt Advisor, helping to lift the weight of debt from people, before joining the HR team in 2015. Justine became Head of People and Culture a few years later and now leads the team responsible for caring for CAP staff.

Board of Trustee Directors



Roger Hattam Trustee Director, Chair of the Board of Trustees

Roger joined the CAP Board of Trustees in 2016 and brings management experience from board level positions in the financial services and energy sectors. He is Director of Retail Banking at Triodos Bank.



Jane Pleace Trustee Director

Jane is CEO and Diocesan Secretary in the Diocese of Chester. She directs the Board of Finance, and maintains the ethos and values central to vision, mission, strategy and culture. Formerly Tearfund's Global Fundraising Director, Jane has experience of executive leadership and governance, fundraising, communications and marketing in the charity sector. Previously, she led fundraising teams at World Vision, Oxfam and United Bible Societies.



Kate Nicholas Trustee Director

Kate is a strategy, brand and communications consultant with extensive experience of working with Christian organisations and the NGO sector. Formerly Chief Communications Officer for World Vision International and a national journalist and editor, Kate has more than 30 years of experience working in communications and the media. She is also an authorised preacher in the Church of England as well as a Christian author and broadcaster.



Robin Willison Trustee Director

Robin brings deep strategic, operational, financial and risk management expertise from more than 40 years in financial services, including senior leadership positions in Lloyds Bank and LV=. He's currently Senior Independent Director on the boards of two mutual insurance companies. Robin is an active member of his local community and has been a youth club leader, school governor and Street Pastor. He's part of the leadership team at Welcome Church, Woking, which operates an active and growing CAP ministry.



Roger Mawle Trustee Director

Roger is Chief Digital Officer at Alpha International with responsibility for digital platform development and impact reporting. He has 20+ years of experience in leading operational teams and technology-enabled business change programmes primarily in the media industry, firstly at Deloitte and then at ITV. He first encountered CAP through his local church and was captivated by the vision. He served as a Debt Coach, gaining valuable experience of the inner workings of CAP.



Sandie Keene Trustee Director

Sandie has a professional background in social work and was an Executive Director of Social Services for 10 years, before retiring and operating as a consultant with the Local Government Association. During her career, Sandie was President of the Association of Directors of Adult Social Services, working with the Government on developing legislation and regulation. She has chaired several Safeguarding Boards and is currently a Trustee of four charities, in addition to mentoring aspiring women in leadership and volunteering at a foodbank.



Andrew Maskell Trustee Director

Andrew has served in the Armed Forces for over 25 years. He brings strategic experience of organisational change, operations, leadership and personnel management to support CAP in the delivery of its God-given vision. He is consistently moved and inspired by CAP's impact on individuals, allowing them to rediscover their identity and purpose. He is a member at Winchester Vineyard.



Femi Ishola Trustee Director

Femi is a business and project consultant with a career spanning more than a decade across various industries and sectors. His passion to see people be free from debt and financial illiteracy led him to become a Money Coach. Femi serves as a Trustee on several charity boards and hopes to bring his experience, dedication and solution-based thinking to CAP. He is a member of Christ Church London.



Ayo Adedoyin Trustee Director

Ayo previously served as a leader at Jesus House, a prominent Redeemed Christian Church of God (RCCG) church in London, for over two decades. Now Chief Executive Officer at peace-building charity, PSJ UK, Ayo leads efforts to mobilise African diaspora communities in the UK to address religious persecution, insecurity, and social injustices in sub-Saharan Africa. He also oversees communications and community action at Jesus House.



Mark Sheard Trustee Director

Mark had a long career in marketing communications before transferring his skills and experience to the charity sector. This has given him the opportunity to live out his belief in God's call to work for social justice. He has served as CEO of World Vision UK, and has been a trustee of the Disasters Emergency Committee and a member of the Archbishops' Council. He is a lay leader at St John's with St James parish, West Ealing, and a licensed lay minister. He is also a lay canon of St Edmundsbury Cathedral.



Kiri Adams Staff Representative

Kiri joined CAP in 2016 as an intern. Since then, she's worked in many roles, including Relationship Manager within the External Affairs team, Internal Communications Lead and is now Head of Policy and Public Affairs, leading CAP's advocacy and policy work.



Mat Radbourne Staff Representative

Mat first joined CAP as a Debt Advisor in 2012. He worked in regional teams, then began supporting clients with repaying their debt, and now focuses on our most vulnerable clients as an Enhanced Support Lead. Mat is also Senior Safeguarding Coordinator.



John Hunter Frontline Representative

John is a Debt Centre Manager, working with three local churches to provide debt help to South Ayrshire. Before launching the debt centre in 2021, John was an Operations Director in the pharmaceutical industry.

Lisa Pearce
Finished in role on 6 November 2024

Ema Ojiako
Finished in role on 27 August 2024

Joy Blundell
Finished in role on 19 August 2024

Matthew Frost
Finished role on 28 April 2025

Independent auditor's report to the members of Christians Against Poverty

Opinion

We have audited the financial statements of Christians Against Poverty (the 'charitable company') for the year ended 31 March 2025 which comprise Statement of Financial Activities, Balance Sheet, Statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic 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 the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 35, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are the rules and principles set by the Financial Conduct Authority (FCA) as regulator for the financial services industry in the UK, GDPR and fundraising. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations. In relation to FCA, we inspected compliance documentation including, but not limited to, internal procedures manuals, report from external compliance advisors, risk and breaches registers, regulatory returns and correspondence with the conditions for authorisation, including any restrictions or requirements placed on the firm and other regulatory obligations.

The audit engagement team identified the risk of management override of controls and revenue recognition around the year end as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed in relation to management override of controls included but was not limited to testing journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates. Audit procedures performed in relation to revenue recognition around the year end included but was not limited to testing revenue transactions around the year end to assess if they were recognised in the correct period and confirming income is recognised in accordance with the SORP criteria and any corresponding accrued and deferred amounts have been correctly recorded.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Lucy Robson

Lucy Robson (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
5th Floor
29 Wellington Street
Leeds
LS1 4DL
Date 13/11/25

Financial statements

Statement of Financial Activities for the year ended 31 March 2025

(incorporating an income and expenditure account)

	Note	Unrestricted funds 2025 £'000	Restricted funds 2025 £'000	**Total 2025 £'000**	Unrestricted funds 2024 £'000	Restricted funds 2024 £'000	Total 2024 £'000
		12-month period ended			15-month period ended		
Income from							
Donations and legacies	2	13,243	1,248	**14,491**	17,266	902	18,168
Other trading activities	3	33	-	**33**	67	-	67
Investments		4	-	**4**	6	-	6
Charitable activities	4	198	-	**198**	301	-	301
Other income	5	-	271	**271**	3	617	620
Total income		**13,478**	**1,519**	**14,997**	**17,643**	**1,519**	**19,162**
Expenditure on							
Raising funds		1,901	-	**1,901**	1,620	19	1,639
Charitable activities		12,387	1,041	**13,428**	16,783	1,450	18,233
Other		123	-	**123**	144	-	144
Total expenditure	6	**14,411**	**1,041**	**15,452**	**18,547**	**1,469**	**20,016**
Net (expenditure)/income		(933)	478	**(455)**	(904)	50	(854)
Net movement in funds		**(933)**	**478**	**(455)**	**(904)**	**50**	**(854)**
Reconciliation of funds							
Total funds brought forward		4,733	260	**4,993**	5,637	210	5,847
Total funds carried forward		**3,800**	**738**	**4,538**	**4,733**	**260**	**4,993**

The notes on page 47 to 62 form part of these financial statements.

Balance sheet as at 31 March 2025

	Note	Unrestricted funds 2025 £'000	Restricted funds 2025 £'000	**Total 2025 £'000**	Unrestricted funds 2024 £'000	Restricted funds 2024 £'000	Total 2024 £'000
		12-month period ended			15-month period ended		
Fixed assets							
Intangible fixed assets	10	794	-	**794**	262	-	262
Tangible fixed assets	11	4,916	-	**4,916**	5,530	-	5,530
Total		**5,710**	**-**	**5,710**	**5,792**	**-**	**5,792**
Current assets							
Debtors	12	764	25	**789**	938	-	938
Cash and cash equivalents		98	713	**811**	683	260	943
Total		**862**	**738**	**1,600**	**1,621**	**260**	**1,881**
Creditors: amounts falling due within one year	13	(1,173)	-	**(1,173)**	(984)	-	(984)
Net current assets		**(311)**	**738**	**427**	**637**	**260**	**897**
Total assets less current liabilities		**5,399**	**738**	**6,137**	**6,429**	**260**	**6,689**
Creditors: amounts falling due after one year	15	(1,599)	-	**(1,599)**	(1,696)	-	(1,696)
Net assets		**3,800**	**738**	**4,538**	**4,733**	**260**	**4,993**
Funds							
Restricted funds				**738**			260
Unrestricted funds				**3,800**			4,733
Total funds	**20**			**4,538**			**4,993**

Approved by the Board of Directors and Trustees and authorised for issue on 10 November 2025 and signed on its behalf.



Roger Hattam
Chair of the Board of Trustees

The notes on page 47 to 62 form part of these financial statements.

Statement of cash flows as at 31 March 2025

	Total	Total
	12-month period ended	15-month period ended
	2025	2024
	£'000	£'000
Cash flows from operating activities		
Net outgoing resources	(455)	(854)
Depreciation on tangible fixed assets	220	280
Impairment of tangible fixed assets	-	20
Amortisation of intangible assets	93	66
Profit/(loss) on sale of assets	96	(7)
Less interest received	(4)	(6)
Add interest paid	123	124
Decrease in debtors	149	147
Increase in creditors	183	108
Net cash flow provided by operating activities	**405**	**(122)**
Cash flows from investment activities		
Proceeds on sale of assets	377	7
Purchase of tangible fixed assets	(79)	(128)
Purchase of intangible fixed assets	(625)	-
Interest received	4	6
Net cash flow used in investing activities	**(323)**	**(115)**
Cash flows from financing activities		
Cash inflows from new borrowing	-	503
Interest paid	(123)	(124)
Repayment of bank loans	(91)	(149)
Net cash flow used in financing activities	**(214)**	**230**
Change in cash and cash equivalents in the year	(132)	(7)
Cash and cash equivalents as at 31 March 2024	943	950
Cash and cash equivalents as at 31 March 2025	**811**	**943**

The notes on page 47 to 62 form part of these financial statements.

Notes to the financial statements for the year ended 31 March 2025

1. Statement of accounting policies

Charity information
Christians Against Poverty is a company limited by guarantee domiciled and incorporated in England and Wales.

The registered office is Jubilee House, 1 Filey Street, Bradford, BD1 5LQ.

Christians Against Poverty meets the definition of a public benefit entity under FRS 102. The charity exists for the benefit of the public through the provision of services to members of the public suffering from problem debt, unemployment and low income, which are detailed in the charity's principal activities.

Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Charities Statement of Recommended Practice, Accounting and Reporting by Charities ("SORP") FRS 102 and the requirements of the Companies Act 2006.

The financial statements have been prepared under the historical cost convention.

The financial statements are presented in sterling which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £'000, except where otherwise indicated.

The charity's principal activities are described in detail on pages 8 to 9 along with the nature of the charity's operations. The company has adopted the following principal accounting policies, which should be read in conjunction with the financial statements set out on pages 44 to 46.

Reporting period
The comparative reporting period is longer than one year and runs from 1 January 2023 to 31 March 2024 and hence the comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

Preparation of the accounts on a going concern basis
The Trustees (who are directors of Christians Against Poverty for the purposes of company law and the Trustees of Christians Against Poverty for the purposes of charity law) have reviewed the charity's financial position, taking into account the levels of reserves and cash, the annual plan and the five-year financial plan, and its systems of financial and risk management.

As a result of their review, the Trustees believe that the charity is well-placed to manage operational and financial risks successfully. The Trustees are addressing financial risks and proving it can survive by taking decisive action. They have significantly cut costs by reducing annual salaries by £1.2 million, effective from July 2025, and are actively managing their debt. This includes finishing a repayment plan for income tax.

At the year end, whilst the charity has a negative net current asset position in respect of unrestricted funds, this is as a result of significant investment in system improvements and operational cost pressures. As aforementioned, following the year end, significant cost savings have been achieved through an organisational restructure, along with increased investment made in our fundraising operations to raise income levels for the future. Accordingly, the Trustees have a reasonable expectation that there are no material uncertainties about the charity's ability to continue in operational existence for the foreseeable future.

The Trustees, therefore, continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Funds held by the charity
Unrestricted funds represent funds received that are available to the Trustees to apply for the general purposes of the charity as set out in the governing document.

Restricted funds represent funds received for a specific purpose as defined by the donor or funder.

Incoming resources
All incoming resources are included in the statement of financial activities when the charity is legally entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy. The following specific policies apply to the categories of income:

1. Statement of accounting policies (continued)

Legacies
Legacy income is recognised when the charity has been notified of entitlement, where receipt is probable and the amount of the legacy is quantifiable.

Government grants
Grant income is recognised when the charity has been notified of entitlement, where receipt is probable and the grant is quantifiable, provided that the terms of the grant do not impose future performance-related conditions. If entitlement is conditional on performance, such as a particular level of service to be delivered, the grant is not recognised until these conditions have been met. Any grants that are received before the revenue recognition criteria are met are recognised in the entity's financial statements as a liability.

Resources expended
All expenditure of the charity is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Irrecoverable VAT is attached to the specific expense incurred.

Costs of generating voluntary income consist of the direct costs of fundraising staff together with quantifiable direct costs. Other support costs are allocated on the basis of headcount.

Charitable activities consist of the direct costs of staff involved in the delivery of activities and services to the charity's beneficiaries. Direct costs are included where quantifiable and all other support costs are allocated on the basis of headcount.

Intangible fixed assets other than goodwill
Intangible assets acquired and developed separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following basis:

Software development	10 years on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited/ charged to the statement of financial activities.

Tangible fixed assets
Fixed assets are measured at cost, net of depreciation and any impairment losses. All fixed assets with an individual value in excess of £500 are capitalised.

Depreciation is calculated to write down the cost or valuation, less estimated residual values of all fixed assets over their expected useful lives. It is calculated at the following rates:

Freehold buildings	2% on cost
Freehold land	Not depreciated
Computer equipment	33 1/3% on cost
Furniture and fittings	25% on written down value
Office equipment	20% on cost
Plant and equipment	10% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited to the statement of financial activities.

Impairment of fixed assets
At each reporting period end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of financial activities.

Debtors
Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

1. Statement of accounting policies (continued)

Cash and equivalents
Cash and cash equivalents includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments
The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets
Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities
Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Taxation
The charity is exempt from tax on income and gains falling within sections 472-489 of the Corporation Tax Act 2011 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its

1. Statement of accounting policies (continued)

charitable objects.

Pensions

The charity operates a defined contribution pension scheme, Christians Against Poverty Stakeholder Pension Plan, and the pension charge represents the amounts payable by the charity to the fund in respect of the period.

Termination benefits

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Operating leases

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

2. Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2025	2025	2025	2024	2024	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Regular supporters	6,003	20	**6,023**	7,494	15	7,509
Individual gifts	2,157	132	**2,289**	2,917	443	3,360
Churches	1,826	3	**1,829**	2,539	7	2,546
Companies	1,190	29	**1,219**	1,272	22	1,294
Charitable Trusts	388	1,019	**1,407**	1,047	411	1,458
Legacies	241	45	**286**	152	4	156
Total	**11,805**	**1,248**	**13,053**	**15,421**	**902**	**16,323**
Gift Aid	1,438	-	**1,438**	1,845	-	1,845
Total Donations	**13,243**	**1,248**	**14,491**	**17,266**	**902**	**18,168**

3. Other trading activities

	2025	2024
	£'000	£'000
Fundraising events	**33**	67
Total	**33**	**67**

The amounts above are all unrestricted income.

4. Charitable activities

	2025	2024
	£'000	£'000
Service Companies	**183**	263
Money coaching resources	**12**	35
Services resources	**3**	3
Total	**198**	**301**

The amounts above are all unrestricted income.

5. Other income

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2025	2025	2025	2024	2024	2024
	£'000		£'000	£'000	£'000	£'000
Government grants	-	271	271	3	**617**	620
Total	**-**	**271**	**271**	**3**	**617**	**620**

The charity received funding from Government departments for the following projects:

		2025	2024
Government department	**Project**	£'000	£'000
The Money and Pensions Service	Covid 19: Maintaining Debt Advice Capacity	**-**	141
The Money and Pensions Service	Administration of Debt Relief Orders	**-**	134
Housing and Social Justice Directorate (Scotland)	Debt Advice Provision Project	**271**	331
Housing and Social Justice Directorate (Scotland)	Social Isolation and Loneliness Winter Funding Package	**-**	8
Department of Work and Pensions	Access to Work	**-**	3

6. Total expenditure

	Direct costs 2025 £'000	Support costs 2025 £'000	Total costs 2025 £'000	Direct costs 2024 £'000	Support costs 2024 £'000	Total costs 2024 £'000
Expenditure on raising funds						
Expenditure on raising donations and legacies	1,688	213	**1,901**	1,486	153	1,639
Total	**1,688**	**213**	**1,901**	**1,486**	**153**	**1,639**
Expenditure on charitable activities						
CAP Debt Centres	10,856	1,631	**12,487**	12,117	1,907	14,024
CAP Job Clubs	110	7	**117**	566	118	684
CAP Life Skills	163	7	**170**	1,088	281	1,369
Client welfare	96	28	**124**	219	38	257
Money coaching	123	7	**130**	452	10	462
International	60	7	**67**	92	10	102
Advocacy and raising awareness	291	42	**333**	1,177	158	1,335
Total	**11,699**	**1,729**	**13,428**	**15,711**	**2,522**	**18,233**
Other costs	123	-	**123**	124	-	124
Imapairment on fixed assets	-	-	**-**	20	-	20
Total resources expended	**13,510**	**1,942**	**15,452**	**17,341**	**2,675**	**20,016**

Support costs and the basis of their allocation are as follows:

	Principal basis of allocation of activities	2025 £'000	2024 £'000
General management and support	Headcount	**238**	420
Financial management	Headcount	**527**	633
Human resources	Headcount	**521**	527
Supporter relations	Headcount	**479**	814
IT	Headcount	**121**	198
Governance	Headcount	**56**	83
Total		**1,942**	**2,675**

7. Analysis of grants given

Included within expenditure on charitable activities are the following amounts in relation to grants given:

	Grants to individuals 2025 £'000	Grants to churches 2025 £'000	Total 2025 £'000	Grants to individuals 2024 £'000	Grants to churches 2024 £'000	Total 2024 £'000
Insolvency fee bursary	57	-	**57**	65	-	65
Increasing debt advice capacity in Scotland	-	30	**30**	-	62	62
Church debt centre bursary	-	-	**-**	-	34	34
Mustard seed bursary	-	13	**13**	-	12	12
Total	**57**	**43**	**100**	**65**	**108**	**173**

During the year CAP was the recipient of some funding from the Scottish Government to increase debt advice capacity in Scotland. Some of this funding was awarded specifically to be given in grants to existing and new Debt Centre church partners to enable them to continue operating.

8. Employee emoluments

	2025 £'000	2024 £'000
Wages and salaries	**9,998**	12,803
Social security costs	**942**	1,165
Pension costs	**820**	1,030
Total	**11,760**	**14,998**

During the year there were £38,695 (2024: £205,736) in redundancy payments.

The number of employees whose emoluments (salaries, wages and benefits in kind) fell within the following bands:

	2025 £'000	2024 £'000
£60,000 - £69,999	**1**	3
£70,000 - £79,999	**2**	3
£80,000 – £89,999	**-**	-
£90,000 – £99,999	**1**	-

The total employee benefits of the key management personnel (members of the Executive team) for the year were £624,104 (period ended 31 March 2024: £796,536).

8. Employee emoluments (continued)

The average monthly headcount was 355 staff (2024: 376) and the average number of full-time equivalent employees (including casual and part-time staff) during the year was:

	2025	2024
Full-time equivalent employees	**313**	339
Total	**313**	**339**

9. Net income for the year

	2025	2024
Is stated after charging	£'000	£'000
Auditor's remuneration		
External audit fees	**43**	36
Advisory services	**22**	25
Depreciation	**220**	280
Amortisation	**93**	66
Operating lease rentals	**62**	81
Impairment of fixed assets	**-**	20
Interest payable	**123**	124

10. Intangible fixed assets

	Software development	Total
Cost	£'000	£'000
At 1 April 2024	528	528
Additions	625	625
Disposals	-	-
At 31 March 2025	**1,153**	**1,153**
Accumulated amortisation		
At 1 April 2024	266	266
Charge for the year	93	93
Disposals	-	-
At 31 March 2025	**359**	**359**
Net book values		
At 31 March 2025	**794**	**794**
At 31 December 2024	262	262

11. Tangible fixed assets

	Freehold land and buildings	Computer equipment	Furniture and equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2024	5,545	859	282	**6,686**
Additions	-	70	9	**79**
Disposals	(631)	(189)	-	**(820)**
At 31 March 2025	**4,914**	**740**	**291**	**5,945**
Accumulated depreciation				
At 1 April 2024	236	749	81	**1,066**
Charge for the year	96	79	45	**220**
Eliminated on disposal	(68)	(189)	-	**(257)**
At 31 March 2025	**264**	**639**	**126**	**1,029**
Accumulated impairment				
At 1 April 2024	90	-	-	**90**
Charge for the year	-	-	-	**-**
Eliminated on disposal	(90)	-	-	**(90)**
At 31 March 2025	**-**	**-**	**-**	**-**
Net book values				
At 31 March 2025	**4,650**	**101**	**165**	**4,916**
At 31 March 2024	5,219	110	201	**5,530**

Included in the net carrying amount of freehold land and buildings is £1,972,500 (2024: £2,006,500) pledged as security against the charity's bank loans.

12. Debtors

	Unrestricted funds	Restricted funds	Total	Total
	2025	2025	2025	2024
	£'000	£'000	£'000	£'000
Income tax recoverable	357	-	**357**	259
Trade debtors	23	-	**23**	38
Accrued income	39	25	**64**	226
Prepayments	344	-	**344**	414
Other debtors	1	-	**1**	1
Total	**764**	**25**	**789**	**938**

13. Creditors – amounts falling due within one year

	Unrestricted funds	Restricted funds	Total	Total
	2025	2025	2025	2024
	£'000	£'000	£'000	£'000
Building fund loans	2	-	**2**	2
Bank loans	97	-	**97**	91
Other tax and social security	510	-	**510**	200
Accruals and deferred income	175	-	**175**	346
Trade creditors	287	-	**287**	313
Other creditors	102	-	**102**	32
Total	**1,173**	**-**	**1,173**	**984**

14. Deferred income

	2025	2024
	£'000	£'000
At 1 April 2024	-	3
Amount released in the year	-	(3)
Amount deferred in the year	-	-
At 31 March 2025	**-**	**-**

15. Creditors – amounts falling due after more than one year

	Total	Total
	2025	2024
	£'000	£'000
Bank loans	**1,599**	1,696
Total	**1,599**	**1,696**

Loans outstanding at the year end amounted to £1,697,677 (2024: £1,787,806) and these are repayable as follows:

	Total	Total
	2025	2024
	£'000	£'000
Within one year	**99**	93
Between two and five years	**459**	434
After more than five years	**1,140**	**1,261**

In July 2021 a loan was taken out for £1,495,000 with Stewardship Services (UKET) Limited for the purchase of a freehold property at 1 Filey Stret, Bradford. The loan is repayable over a period of 15 years and interest is variable for its duration. The interest rate on this loan during the year decreased to 6.75% in line with the Stewardship Standard Lending Rate.

In July 2023 an additional loan was taken out for £503,000 with Stewardship Services (UKET) Limited. The loan is repayable over a period of 15 years and interest is variable for its duration. The interest rate on this loan during the year decreased to 7.25% in line with the Stewardship Standard Lending Rate.

The balance of the Stewardship Services loans at 31 March 2025 was £1,696,177 (2024: £1,786,306) which represents 86% of the balance sheet value of the property. The loans are fully secured against the property.

16. Other financial commitments

Operating lease payments represent rentals payable by the charity for certain items of computer equipment and for office space in Belfast.

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	31 Mar 2025	31 Mar 2024
Operating leases which expire:	£'000	£'000
Within one year	**62**	56
Between two and five years	**43**	60
After more than five years	**-**	-

17. Financial instruments

	31 Mar 2025	31 Mar 2024
Carrying amount of financial assets	£'000	£'000
Debt instruments measured at amortised cost	**87**	266
Carrying amount of financial liabilities		
Measured at amortised cost	**2,209**	2,480

18. Movement of funds

Description of fund	Balance 1 April 2024 £'000	Incoming resources £'000	Resources expended £'000	Balance 31 Mar 2025 £'000	Balance 1 Jan 2023 £'000	Incoming resources £'000	Resources expended £'000	Balance 31 Mar 2024 £'000
General unrestricted funds	**4,733**	**13,478**	**(14,411)**	**3,800**	**5,637**	**17,643**	**(18,547)**	**4,733**
Restricted funds								
Individual centres	-	8	(2)	6	-	1	(1)	-
Wales region	-	0	(0)	-	-	0	(0)	-
Scotland region	-	48	(48)	-	-	3	(3)	-
Northern Ireland region	-	17	(17)	-	-	-	-	-
Northern Ireland expansion	18	-	-	18	58	6	(46)	18
Debt Operations	-	100	(100)	-	-	164	(164)	-
Enhanced Support team	-	29	(29)	-	-	-	-	-
Client emergency aid	-	50	(38)	12	-	64	(64)	-
Insolvency bursary fund	69	38	(37)	70	49	85	(65)	69
Church bursary fund	1	-	(1)	-	13	21	(33)	1
CAP Job Clubs	-	1	(1)	-	-	1	(1)	-
Money coaching refresh project	-	-	-	-	19	-	(19)	-
CAP Life Skills	-	-	-	-	-	3	(3)	-
Staff benevolent fund	-	1	(1)	-	-	1	(1)	-
Debt Service Transformation	-	696	(320)	376	-	425	(425)	-
Church transformation	162	260	(177)	245	-	238	(76)	162
Increasing debt advice capacity	-	-	-	-	-	144	(144)	-
Increasing debt advice capacity (Scotland)	-	271	(270)	1	-	339	(339)	-
Scotland funding manager role	-	-	-	-	19	-	(19)	-
York region	-	-	-	-	49	4	(53)	-
Call to prayer event	-	-	-	-	3	10	(13)	-
International	10	-	-	10	-	10	-	10
Total restricted funds	**260**	**1,519**	**(1,041)**	**738**	**210**	**1,519**	**(1,469)**	**260**
Total funds	**4,993**	**14,997**	**(15,452)**	**4,538**	**5,847**	**19,162**	**(20,016)**	**4,993**

18. Movement of funds (continued)

The restricted funds for individual centres is made up of a number of small gifts towards the centralised costs of servicing 10 different debt centres.

The restricted funds for debt operations are made up of a number of donations towards the salary costs of our debt advisors.

During the year we received a donation to support debt advisor salaries in the Enhanced Support Team and wider costs for providing Enhanced Support to vulnerable clients.

Client emergency aid represents money given to help clients who are facing an imminent lack of essential items, such as food.

The insolvency bursary fund represents donations received towards CAP's insolvency bursary. This fund pays towards bankruptcy and Debt Relief Order fees for clients who have insufficient savings to fund the entire fee themselves.

During the year we received some donations specifically for our Church Transformation (CCT) and Debt Service Transformation (DST) projects.

The purpose of CCT is to mobilise churches across the UK to respond to poverty in their communities. It equips them to understand their local context of poverty and identify resources and opportunities to be able to respond to the root causes, not just the surface level symptoms. It encourages collaboration with other churches and agencies in the area to reduce poverty. The restrictions on the funds are that they are to be spent on delivering on the CCT aims and objectives. Each year the annual budget is agreed with the funder and this money is drawn down from the total funding pot.

The DST Project aims to completely replatform our debt help, drive down task times and reduce the amount of time it takes to deliver advice to clients. Restricted funds for this are spent on delivering on the DST aims and objectives, investing in outsourced consultancy and licensing and internal teams required to achieve the desired outcomes.

The restricted donation for Increasing debt capacity in Scotland was a grant received to help new and existing debt centres in the Scotland region.

During the year there was no movement on the restricted funds relating to the expansion of Northern Ireland or International work. These funds are expected to be spent next year.

19. Capital commitments

The charity had no capital commitments at 31 March 2025 (2024: £nil).

20. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2025	**2025**	**2025**	**2024**	**2024**	**2024**
	£'000	£'000	£'000	£'000	£'000	£'000
Intangible fixed assets	794	-	**794**	262	-	262
Tangible fixed assets	4,916	-	**4,916**	5,530	-	5,530
Cash at bank and in hand	98	713	**811**	683	260	943
Other net current assets	(409)	25	**(384)**	(46)	-	(46)
Creditors of more than one year	(1,599)	-	**(1,599)**	(1,696)	-	(1,696)
Total	**3,800**	**738**	**4,538**	**4,733**	**260**	**4,993**

21. Reconciliation of net debt

	Balance 1 Apr 2024	Cash flows	Balance 31 Mar 2025
	£'000	£'000	£'000
Cash at bank and in hand	943	(132)	811
Bank loans	(1,787)	90	(1,697)
Total	**(844)**	**(42)**	**(886)**

22. Budgeting and debt management services

Monies paid in by clients to enable their utility and debt repayments to be made are held in a separate bank account from the charity's own funds and cannot be used by the charity to fund its operations. The balance in these separate accounts as at 31 March 2025 were £1,153,153 (2024: £1,272,616).

23. Transactions with Trustees

During the year ending 31 March 2025 no remuneration was paid to any of the Trustees (2024: £nil) and 4 Trustees received travel expense reimbursements of £1,092 (2024: £714) from the charity. The charity paid a sum of £7,643 for Management Liability insurance which included cover for Trustees. In the period ended 31 March 2024 an amount of £1,200 was paid for Charity Trustee Insurance within its main insurance policy.

24. Related party transactions

At the end of the year there were debtor/(creditor) balances outstanding with our international affiliates as follows:

	Total 2025	Total 2024
	£	£
CAP Canada	**(1,792)**	(3,023)
CAP New Zealand	**-**	12,683
CAP Australia	**-**	2,657
CAP America	**-**	147

With the following amounts included in income during the year:

	2025	2024
	£	£
CAP Canada	**2,988**	1,818
CAP New Zealand	**39,611**	68,279
CAP Australia	**8,320**	11,257
CAP America	**441**	1,029

During the year one of the Trustees provided £2,700 of training and consultancy services to some of the Fundraising Team. This was invoiced post year end, along with an additional £300 of consultancy services in April 2025, so there were no outstanding balances at the reporting date.

25. Pension commitments

The charity operates a defined contribution pension scheme, Christians Against Poverty Group Stakeholder Pension Plan, for all employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by Christians Against Poverty to the fund and in the year ending 31 March 2025 amounted to £819,934 (2024: £1,030,030). The balance outstanding at the year end was included in unrestricted liabilities.



Author
Claire Smith

Designer
Hannah Kunar

Photography
Tom Price

capuk.org

©2025

Charity Registered No: 1097217 (England & Wales) SC038776 (Scotland)
Company Limited by Guarantee, Registered in England & Wales No: 4655175.
CAP is authorised and regulated by the Financial Conduct Authority.

christians against poverty

CAP

CHRISTIANS AGAINST POVERTY

England & Wales - Charity number 1097217

Accounts

christians against poverty

CAP

Emerging stronger

Annual report and accounts January 2023 to March 2024



Belief in action, on every page

4 **Hear from Roger Hattam, Chair of the Board of Trustees**

6 **Hear from Stewart McCulloch, Chief Executive Officer**

8 **What you need to know about CAP**

10 **Our People**
10 Executive team
12 Board of Trustee Directors

14 **Support in action**

15 **Strategic report**

18 **Executive updates**
18 Mission
20 Debt Operations
22 Fundraising
24 People, Place and Wellbeing
26 External Affairs
28 Agility
30 Global Growth

32 **Financial review**

36 **Trustees' report**

42 **Auditor's report**

46 **Financial statements**

49 **Notes to the financial statements**

'At my first meeting my local Debt Coach told me, "You are not alone". For the first time, someone understood how I felt. CAP was like a hand extended towards me.'

- Jim, now debt free and training to be a Debt Coach to help others like him.

Hear from Roger Hattam, Chair of the Board of Trustees



Change hope

It's been an important period of transition for CAP over the 15 months up to 31 March 2024.

During late 2022, the economy took a rapid downturn and things became much tougher for our clients and partner churches. This downturn, coupled with inflation and rising interest rates, fuelled a cost of living crisis that created a rapid spike in the needs of our clients.

At the same time, it put pressure on CAP's own finances just as we embarked on a much-needed multi-year investment to transform our core debt help service. Sadly, we had to reduce our staff team by around 9% in the early part of 2023. I recognise this was painful for many colleagues, and I want to thank and pay tribute to the service of those who moved on from CAP during this time.

Despite the economic headwinds, we saw a 19% increase in clients becoming debt free in 2023. We embarked on an entire re-platforming of our core debt help service to make the process of going debt free more efficient. The integration of the Turn2us benefits calculator on our website has identified more than £130m of potential extra income for people. And CAP's campaigning was pivotal in the UK Government's recent announcement to remove fees for clients needing Debt Relief Orders.

There's been an important leadership transition too. Paula Stringer chose to leave in June 2023 to rejoin the BBC. Paula navigated many challenges with strength and grace, and I want to personally thank her – and Lisa Pearce, our deputy chair who stepped in as interim CEO for six months – for their significant contributions.

We were delighted to welcome Stewart McCulloch as our new CEO in January 2024. Stewart brings a great deal of experience, as well as passion for our mission, and we are already benefitting from his energy and determination to see increased impact.

This period has not been an easy one for CAP. But we emerge more determined than ever, and ready to face the challenges and opportunities ahead, supported by hundreds of UK churches and thousands of individuals. We are excited by what God is doing.

Today, we have a new leadership team in place, our service levels are improved, our finances are being managed and we are delivering our new core debt help system. More importantly, our impact is growing again – with daily stories of people freed from debt and finding new life in Jesus.

In a year of political change, we are campaigning hard to get the voices of those we serve heard. Our hearts break at the quiet desperation of people pushed under or pushed out by income levels that do not meet their basic needs.

But we believe the message of the gospel means there is always hope.

So, together with church partners, we continue to walk with people, support them and share our faith. We continue to put belief into action. Thank you for walking with us and being part of a movement of change.



Roger Hattam
Chair of the Board of Trustees

Hear from Stewart McCulloch – Chief Executive Officer



Wilderness strength

To really see what our incredible movement does, you must sit in meetings in our clients' homes. You must share fellowship in our partner churches. You must listen to our advisors take calls.

Since I joined CAP as CEO in January 2024, I've done this. I've witnessed our Lord's love, grace, mercy and healing in action. Every call, every email answered, every visit, every prayer, every donation brings hope into a home full of anxiety – and creates a special opportunity for a moment of faith. A moment which can become a prayer, a visit to a welcoming church, and an invitation to life with Jesus. I cannot overstate how remarkable those we serve are. People come to us isolated, anxious and vulnerable.

Many are contemplating suicide. Yet they find the courage to reach out for help, and the determination to free themselves from debt and poverty.

Our teams in churches across the UK bring their special calling into these moments, bringing order to chaos, and hope in place of fear. They can do so because CAP supports them with incredible work from our experts, who navigate the technical complexity of regulated debt advice and creditor negotiations.

Meanwhile, our loyal supporters give sacrificially to bring love to their neighbours by funding calls and visits. I thank God for all these amazing warriors for Christ as they bring hope and light into a dark world.

The last two years stretched every sinew at CAP. I'm reminded that the 'wilderness' is a powerful concept in the Bible. Spells in the wilderness always bring us closer to God. Jesus himself was tested in the wilderness and then immediately started his ministry quoting the words of Isaiah 61 which are so special to us at CAP.

We too are emerging stronger from a challenging period. We've reduced the average time it takes from the moment paperwork is submitted to the point of becoming debt free from 150 days to just under 50 days.

Those we serve are being equipped long-term through money coaching, life skills and job clubs. Our amazing partner churches deliver outstanding debt help services and do even more to support those struggling in their communities.

I am humbled to lead CAP at this historic moment. I truly believe that over the next two years we can complete a set of changes that will dramatically increase the rate at which we can free people from debt. We can increase our wider impact in transforming lives, helping churches thrive and, in an election year, campaign for specific practical measures that can help end UK poverty.

If you are not yet part of our movement, please join us. The truth is, we are transformed by this work as much as those we serve are.

Blessings.



Stewart McCulloch
Chief Executive Officer

"The Spirit of the Lord is on me, because he has anointed me to proclaim good news to the poor."
Luke 4:18 (Jesus quoting Isaiah 61)

About Christians Against Poverty

What you need to know about CAP



Right now, people across the UK are experiencing a poverty crisis. They feel trapped, desolate and abandoned.

We can't accept that. We won't tolerate a society where poverty exists.

So we take action.

We work with a thriving church and our broader network to transform people's lives. We influence policy to help create change. Through our accredited debt advice service and specialist tools, we equip, train and inspire church teams in the UK's four nations.

Our faith gives us hope. And our expertise, together with determined, passionate people in the CAP community, drives holistic change for those in desperate need.

So we walk alongside people who are struggling. Listen to their needs. Help them gather their bills. Fill their fridges. Awaken their confidence. And if anyone wants to explore a deeper relationship with the Christian faith, we actively encourage it.

We do all this because, together, we can turn our belief into action – and end poverty for all.

The Trustees have given due consideration to the Charity Commission's guidance and believe CAP meets the public benefit requirements.

Everything we do is framed by four charitable aims and objectives:

1) The relief of poverty for persons in the United Kingdom and elsewhere who are in conditions of need, hardship or distress by reason of their social and/or economic circumstances, by providing and promoting advice and other services.

2) The advancement of education of the public in all matters relating to the management of their personal finances.

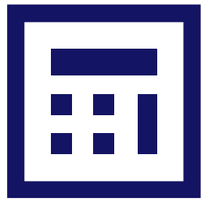
3) The advancement of the Christian faith.

4) Raising awareness of debt, poverty and its causes in the UK and inspiring churches and individuals to partner with us.

CAP exists to:



Relieve poverty in the UK



Advance personal finance education



Advance the Christian faith



Raise awareness of debt, poverty and its causes

Meet the team

Executive team



Stewart McCulloch
Chief Executive Officer

Stewart joined CAP in January 2024 following five years as CEO at Stewardship, an organisation that releases financial support to Christian ministries. During Stewart's time at Stewardship, annual giving increased by 40%. By background, Stewart is a Chartered Accountant and previous roles have included management consultancy, insurance leadership roles in the City of London and Global Insurance Director at VisionFund, the microfinance operation of World Vision.



Jake Hutton
Director of Debt Operations

Jake joined CAP in 2008 bringing valuable experience from the commercial insurance sector of the finance industry. He began as a Debt Advisor, then took on various management roles within CAP. He spent six months working on a project to strengthen our Debt Operations teams before stepping into the role of Director of Debt Operations.



Lyn Weston
Chief Mission Officer
(previously Director of Church Engagement and Network)

Lyn was in the financial services sector, leading strategic transformation with companies such as the Bank of America, before following her vocational calling in 2016. She joined the Diocese of Chester as Director of Mission and was ordained as a Church of England priest a year later. Lyn worked at the London Institute for Contemporary Christianity (LICC) before joining CAP.



Tim Moger
Chief Agility Officer
(previously Director of Technology and Transformation)

Tim has spent most of his working life leading technology teams in retail, working with companies like Selfridges and ASOS. In 2019 he started mentoring with CAP, and when a role became available Tim was delighted to align his faith and work in one place. Tim is passionate about building teams and enabling technology.



Justine Barnes
Director of People, Place and Wellbeing

Justine joined CAP in 2012, bringing experience from charities and the finance world. She began as a Debt Advisor, helping to lift the weight of debt from people, before joining the HR team in 2015. Justine became Head of People and Culture a few years later and now leads the team responsible for caring for CAP staff.



Alex Jones
Director of Fundraising

Prior to joining CAP in 2017, Alex spent 13 years at international development charity Christian Aid. He firmly believes in the power of individuals to create change by volunteering, taking action, praying and giving together. Since being with CAP, Alex has positively shaped our fundraising and income strategies.



Angie Rusbridge
Financial Director

Left CAP in January 2024.



Hilda Kaponda
Chief Financial Officer

Started at CAP in April 2024.

Board of Trustee Directors



Roger Hattam
Trustee Director, Chair of the Board of Trustees

Roger joined the CAP Board of Trustees in 2016, and brings management experience from board-level positions in the financial services and energy sectors. He is Director of Retail Banking at Triodos Bank.



Lisa Pearce
Trustee Director, Vice Chair

Lisa has been on the Board of Trustees for nine years, and stood in as interim CEO for CAP between July and December 2023. Lisa was previously on the international leadership team at Open Doors, which supports persecuted Christians, overseeing work on prayer and advocacy.



Matthew Frost
Trustee Director

Matthew served as CEO at international development charity Tearfund for almost a decade, and specialises in strategy and organisational leadership. He has also served with humanitarian organisation, Medair, setting up an aid programme in Afghanistan.



Jane Pleace
Trustee Director

Jane has extensive experience developing fundraising, communications and marketing strategies in the charity sector. She is Executive Vice President of Global Advancement at Whole Word Institute, and previously led teams at Tearfund, World Vision, Oxfam and United Bible Societies.



Ema Ojiako
Trustee Director

Ema is a senior HR professional working in the NHS. She also works with HM Courts and Tribunals Service, participating in public hearings to resolve employment disputes and deliver workplace justice. Ema is passionate about empowering people to be their best.



Joy Blundell
Trustee Director

Joy has a heart for the restoration and transformation of cities through the local church. She is pastor of Alive Church, Lincoln, and oversees aspects of the wider work of Alive Church. Joy is the Founding Director of a charity that works to alleviate poverty in Lincoln.



Kate Nicholas
Trustee Director

Kate is a strategy, brand and communications consultant with extensive experience within Christian organisations. Formerly Chief Communications Officer for World Vision International, and a national journalist and editor, Kate is also an authorised Church of England preacher.



Robin Willison
Trustee Director

Robin brings strategic, operational, financial and risk management expertise from more than 40 years in financial services. He is currently Senior Independent Director on the boards of two mutual insurance companies. Robin is an active member of his local community and church.



Roger Mawle
Trustee Director

Roger is Chief Digital Officer at Alpha International, and has more than 20 years' experience leading operational teams and technology-enabled business change programmes. He first encountered CAP through his local church, and has served as a CAP Debt Coach.

CAP Representatives



Kiri Adams
Staff Representative

Kiri joined CAP in 2016 as an intern. Since then, she's worked in many roles, including Relationship Manager within the External Affairs team, Internal Communications Lead and Social Policy Manager, leading CAP's advocacy and policy work.



Mat Radbourne
Staff Representative

Mat first joined CAP as a Debt Advisor in 2012. He worked in regional teams, then began supporting clients with repaying their debt, and now focuses on our most vulnerable clients as an Enhanced Support Lead. Mat is also Senior Safeguarding Coordinator.

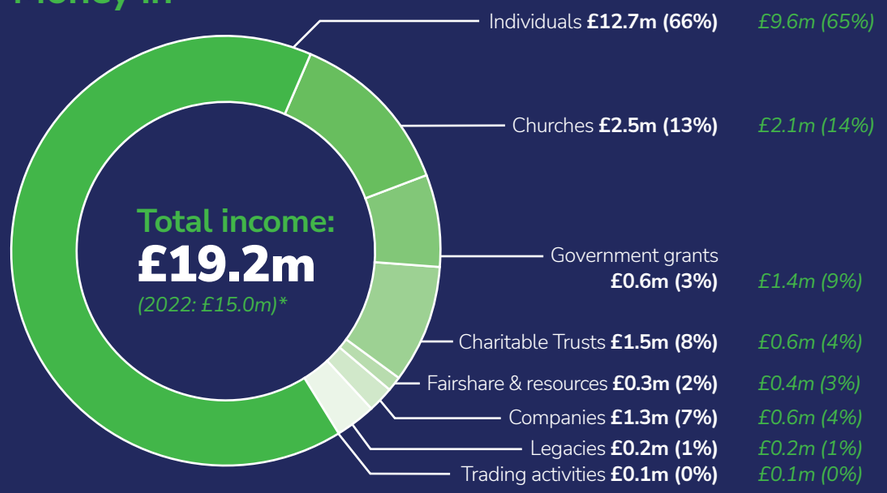


John Hunter
Frontline Representative

John is CAP's Ayr Debt Centre Manager, working with three local churches to provide debt help to South Ayrshire. Before launching the Debt Centre in 2021, John was an Operations Director in the pharmaceutical industry.

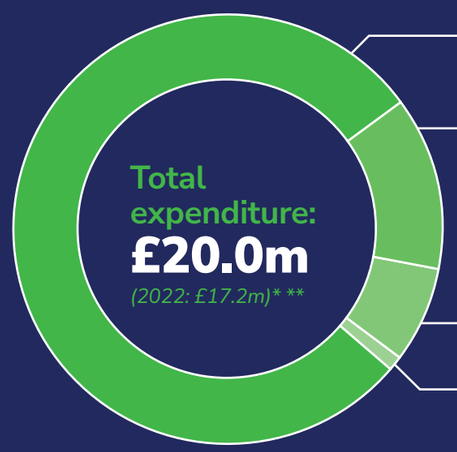
Support in action

Money in



	2022*
Individuals **£12.7m (66%)**	*£9.6m (65%)*
Churches **£2.5m (13%)**	*£2.1m (14%)*
Government grants **£0.6m (3%)**	*£1.4m (9%)*
Charitable Trusts **£1.5m (8%)**	*£0.6m (4%)*
Fairshare & resources **£0.3m (2%)**	*£0.4m (3%)*
Companies **£1.3m (7%)**	*£0.6m (4%)*
Legacies **£0.2m (1%)**	*£0.2m (1%)*
Trading activities **£0.1m (0%)**	*£0.1m (0%)*

Money out



Charitable activities **£15.7m (78%)**	*£12.8m (74%)*
Support costs to make our work possible **£2.7m (13%)**	*£2.8m (16%)*
Raising funds **£1.6m (8%)**	*£1.5m (9%)*
Other **£0m (1%)**	*£0m (1%)*

** The 2022 figure covers a 12-month reporting period rather than the 15-month period reported in this report.*
***For more detail about expenditure, please read notes on page 50.*

Strategic report

How did CAP meet its charitable aims between 1 January 2023 and 31 March 2024? Here's a snapshot of what we did:

Aim 1 Relieving poverty in the UK

10,057
individuals were supported on their journey out of debt

4,909
households received debt advice options

3,021
people became debt free

19%
more people debt free in 2023 compared to 2022

70%
quicker to become debt free through a Debt Relief Order, due to greater efficiency

979
attended a job club

920
attended life skills

2,573
instances of CAP providing emergency support (this represents 1,584 households)

Support was delivered through...

Approximately
2,000
frontline Debt Coaches, befrienders and trainers

161
staff delivering our centralised debt help function

19
new Debt Advisors and Case Officers trained to better serve our clients

Almost
25,000
people have become debt free with CAP since 2010

Aim 2 Providing financial education

Redeveloped and launched our financial education product as 'money coaching'

1,245 money coaches trained in our new approach

Around **750** churches are delivering money coaching in their community (active at the end of the period)

Aim 3 Advancing the Christian faith

103 people responded to Jesus for the first time

27 CAP clients were baptised

384 people were interested in learning more about Christianity

81 people joined a Bible study or church small group for the first time

120 people attended Alpha or another 'explorers' course for the first time

772 people accepted prayer (when offered) for the first time

249 people experienced answered prayer

217 CAP clients attended a church Sunday or midweek service for the first time

(Data collected Nov 2023-Mar 2024 from 64% of debt centres, 20% of job clubs and 14% of life skills groups.)

Strategic report: achievements and performance

Aim 4 Raising awareness of poverty

One report launched in Westminster: 'Pushed under, pushed out'

23 consultations responded to in each of the devolved administrations

1,468 supporters actively urged political parties to 'put poverty on the agenda'

Aim 5 Collaborating with others

1,330 local churches partnering with CAP (as at the end of the period)

More than **28,250** people donated monthly as Life Changers

2,219 regular monthly givers generously increased their gift

6,300 regularly prayed for CAP using our prayer resources

Mission

Lyn Weston, Chief Mission Officer

We partner with a diverse and vibrant movement of ordinary people doing extraordinary things. It's incredible that more than 1,300 people have a role in the CAP movement – and that's before we count all the befrienders, volunteers, prayer teams, church leaders and others who make our services what they are.

Putting Jesus at the heart

In 2023 we developed the rationale and language for our Christ-centred work, and produced communications, training and resources for roll-out during 2024. With this foundation, we can confidently galvanise sharper engagement towards the fulfilment of our mission.

We are passionate about prayer and over the last 15 months, we stood in the gap to intercede for those whose voices go unheard, taking the hands of the broken and helping them reach towards the hand of God.

We launched 'Moments of faith' in November 2023. This new impact measurement tool will help our frontline teams record someone becoming a follower of Jesus and the significant moments on people's journeys along the way.

Meanwhile, our 2023 United conferences were a time of celebration for frontline staff. We gave thanks, worshipped, prayed, learned and reflected as we gathered in eight locations across England, Scotland, Northern Ireland and Wales.

Product innovation

We made great strides in 2023 to improve our debt help service and money education product, and develop a new church and community transformation approach.

We want to provide our expert, accredited debt help service to more churches to run in their local communities, so we're totally reimagining our product. This will ensure we can scale up to meet the vast demand among people seeking to become debt free.

We launched a fully updated and refreshed money education product in June 2023: money coaching. People's habits and methods of using money in daily life have changed dramatically in the last decade, especially since the pandemic. Our new resources help people manage their money well in an increasingly cashless society. We now provide a budgeting tool designed for mobile devices, alongside engaging video modules and practical activities.

Partnership models

We also looked at how we can best partner with diverse denominations, networks and movements within the Church. We adapted our partnership models to make it even easier for churches to partner with CAP. Our aim is to set up sustainable agreements with individual churches, multi-church partnerships and Charitable Incorporated Organisations.

A church and community transformation pilot project started in September 2023. This approach has been designed especially for the UK Church. We want to enable churches to tackle poverty in their communities, equipping people to transform their own situations using resources in a sustainable, holistic way.

Bea's story: Rediscovering hope

In June 2023, Bea and her husband were made redundant.

The couple were already falling behind on payments. With no job, things got worse. The shock of redundancy led to Bea suffering severe anxiety and suicidal thoughts. She visited her GP, and on the way home, she saw a sign which read: 'HOPE'.

'Maybe I need some of that,' thought Bea. She plucked up the courage to step into the Hope Centre in Handforth. There she met CAP...

From the first day, Bea had total trust in CAP. The couple were helped with a Debt Relief Order, Bea attended the job club, then Keith went along to the next one. They found over £200 a week extra income using the benefits calculator on our website. Today, Bea and her husband are debt free.

Bea is now a CAP befriender and has a renewed sense of faith in God. 'I'm excited about being a CAP befriender,' said Bea. 'I've learned to grow again. To say to myself, you know what Bea, you're alright girl! You can do this!'



'I'd lost all hope. CAP and Hope Central were like the sun coming out after the rain.'

Debt Operations

Jake Hutton, Director of Debt Operations

The 15 months from January 2023 to March 2024 were a mix of pain, progress and significant preparation for the future. It was a time of transition, with a goal to maintain an excellent service while reducing operational resources.

What did we achieve?

We provided debt advice options to 4,909 households, delivered by our truly dedicated and compassionate partner debt centres.

More than 10,000 people were supported on their journey out of debt, and an amazing 3,021 people became debt free. In a year-on-year comparison between 2022 and 2023, that's 19% more people freed from the struggle of debt and given hope for the future.

How did we help so many more people become debt free in 2023/24?

Significant strides were made in our service provision to churches and clients, with improvements to many of the major service standards. Our staff team put in incredible effort and the progress was much deserved.

In July 2023, we adopted the FCA's Consumer Duty regulation with a clear focus on striving for good client outcomes. This will help us serve churches and our clients with excellence for many years to come.

We adapted the provision of our most frequently-chosen debt solution, the Debt Relief Order (DRO). Our new streamlined system means clients can access this up to 70% faster. Additionally, a new referral route was created through a Money and Pensions Service-funded DRO hub to increase capacity at key points in the year.

Every person supported requires a huge investment of energy from our partner churches and CAP staff. It is our intention that, as we continue to adapt and transform our service, the effort required will be reduced, leading to greater capacity and so greater impact for communities across the UK.

After 17 years as a supporter and 16 years as a staff member, I never get tired of hearing about people who have overcome adversity, found hope and are thriving within a church community.

Chris' story:

Ready for a bright future

Chris fell into financial difficulty due to the injustice of a zero-hour contract. Enforcement agents were knocking at his door to collect the debt. But Chris reached out to CAP and his local church.

With support, Chris went debt free through a Debt Relief Order. He now has a part-time job, which allows him to study, and he's working towards a new career.

'If it wasn't for CAP, I'd still be in a cycle of debt,' says Chris. 'I'd still be on a zero-hours contract, not knowing where my money was coming from and relying on credit. Instead, I'm studying at uni, I'm debt free and I have a plan.'



'I now have a plan for my life - I'm going to get this degree. I'm making it happen!'

Fundraising

Alex Jones, Director of Fundraising

Entering 2023, the fundraising landscape appeared challenging, prompting adjustments in our plans and team structures. Consolidating three fundraising teams brought better collaboration and helped ensure financial stability.

Our incredible supporters were feeling the financial strain too. Despite this, more than **28,000 Life Changers** continued to give each month, often sacrificially. It is no understatement to say this steadfast support has been the lifeblood of our cause. We are so grateful for every person who stands with CAP financially.

In March, we launched a bold and compelling message in our Easter Appeal thanks to the refreshed brand delivered by our Communications team. The invitation to supporters and churches to '**face it, fight it and end UK poverty together**' was the start of a more courageous voice for CAP. Throughout 2023/24 our wonderful supporters responded generously to appeals, particularly at Easter and Christmas.

Over the course of 2023/24, we were joined by supporters at dinners in London, York and Glasgow, at which Stewart McCulloch introduced himself and set out our vision. It was a joy to see people generously invest in our movement at these important moments.

Inspiring others to join us is a key part of fundraising. We did this through speaking in churches, advertising on social media and running events.

Over the last year, we were **Premier Christian Radio's Charity of the Year.** In October and February, Premier Radio gave over their programming for several days to tell powerful stories and invite listeners to support CAP. Over 850 people responded, many of them starting a new Life Changer gift.

We also sponsored the **UK leg of The Blessing Tour**, with Kari Jobe, Cody Carnes and Martin Smith. Spoken-word artist Storm Cecile performed, highlighting the reality of UK poverty and urging attendees to become Life Changers. We were at conferences and festivals including Spring Harvest, New Wine, Creation Fest and Greenbelt, where we invited people to 'put poverty on the agenda' of major political parties.

We are grateful to hundreds of supporters who have considered the deeply personal and generous gesture of leaving a gift in their will to CAP. During 2023, we increased awareness about legacy giving, and we've been moved by our supporters' response. Offering free will-writing services has been invaluable. In 2023/24, we received more enquiries and pledges of legacy gifts than in any previous year.

Giving generously is only one part of the power our supporters bring to our shared mission. People also **prayed** for our clients and an end to UK poverty, **advocated** for change and gave their time **fundraising and volunteering** across the UK. We are grateful to every single person — this life-changing work could not happen without you.

Executive update – Fundraising

Daphne's story:

Paying it forward

Daphne faced immense financial strain while caring for her partner who has Parkinson's disease. They struggled to make ends meet, maxing out credit cards and taking out high-interest loans to cover essentials. When Daphne's partner moved into a care home, finances became even tighter.

'I couldn't believe so many awful things could happen all at once,' said Daphne. She reached out to CAP – and there, met support and compassion that changed everything.

Daphne received help to apply for unclaimed benefits and take back control of her finances. Her dignity and hope was restored. Now debt free, Daphne is determined to help others by donating to CAP as a Life Changer.

'I want to give back because of how safe, supportive, kind, compassionate and life-changing CAP has been for me,' said Daphne.

'When I felt alone with the weight of debt, CAP was there. Because of CAP, I never gave up and I hope my gift will keep others going too.'



'Because of CAP, I never gave up...'

HEAR MORE FROM DAPHNE

People, Place and Wellbeing

Justine Barnes, Director of People, Place and Wellbeing

Like many of our peer charities we faced a tough external situation at the start of 2023. We therefore took decisive action by introducing a redundancy programme. Our aim was to 'right size' CAP, ensuring it could continue to thrive in this challenging cost of living crisis. Initially, we estimated we'd need to reduce our workforce by 70 roles (15%). In the event, we sadly parted company with 40 staff (9%). 29 chose voluntary redundancy, and we only carried out 11 compulsory redundancies. A further 13 people found alternative roles within CAP.

Reviewing and improving

Redundancies heavily impacted our workforce and culture, so we ran a review to gather valuable feedback. Recommendations spurred changes. This has led to a more positive workforce in 2024, and new leadership and organisational success has renewed enthusiasm.

In February 2024, we began a consultative process of reviewing our values to lay a strong foundation for our future. We are seeking values that honour our past and reflect our aspirations. We have been inspired by our teams' commitment to CAP's Christ-centred ministry and this process is revealing the strong values we all share to help those we serve.

Vital training

In the past 15 months, we've served frontline teams with eight United conferences across the UK, attended by 1,730 people. We helped run training for more than 400 people, including specialised training for Debt Coaches on understanding clients' risk of suicide, and training on the effects of gambling.

In Safeguarding and Welfare, we trained 1,400 staff and frontline members. Twelve staff received special training in domestic abuse and coercive control. In response, we developed our own coercive control training and rolled it out to all debt help service and frontline debt workers. Our safeguarding logging system, now used by around 650 staff, recorded 2,334 incidents, each receiving personalised attention and response.

Serving our people

Within our People department, we have implemented a new system to enhance our recruitment processes. 43 new employees have been welcomed since January 2023, including six people into newly-created roles.

Staff wellbeing is a priority. We survey our staff every two weeks, and we have delivered targeted staff care through carefully-written policies, provision of an Employee Assistance Programme (EAP), a staff benevolent fund, Wellness Action Plans and Mental Health First Aiders.

Our new building continues to offer a safe, accessible and uplifting work environment for our staff. There is a real sense of excitement as we continue forward, not to forget what has passed but to rebuild and take CAP into the future.

Joanna's story:

A position with purpose

'When I heard about a position I could apply for at CAP it felt like perfect timing. I wanted a job that gave purpose. I felt so welcomed when I joined. The patience and encouragement from everyone I've met has been healing and restorative.

'To have the opportunity to pray and worship with your colleagues, and have that underpinning your work is a massive blessing.'



'To have prayer and worship underpinning your work is a massive blessing.'

External Affairs

Gareth McNab, Head of External Affairs

Media reports will tell you the cost of living crisis reached its peak in 2023 and is now fading away. But we're working hard to ensure the issues of debt and poverty are not forgotten. We continue to do all we can to enable people to live better, to live life to the full.

In 2023, we worked to secure and improve our own income, developing a new funding model that could bring a fairer contribution from financial services creditors who benefit from our efforts for our clients. The income we receive from the industry has increased from £614k in 2022 to £732k in 2023. We also secured our first significant funding from the energy sector since 2020.

Alongside our friends at Turn2us, we **promoted a new benefits calculator** (launched at the end of 2022). This tool identified a staggering £133m of annual unclaimed benefits during the reporting period, which people are entitled to but are not currently claiming. Working out at an average of £575 a month per household, it's a life-changing amount. We explored the links between debt, poverty and inadequate living standards in a groundbreaking report, 'Pushed under, pushed out'. We worked with the Centre for Research in Social Policy at Loughborough University to conduct a review of ONS data to explore these connections for the first time.

Pushed Under, Pushed Out was launched in March 2024, at a roundtable event in Westminster hosted by Sir Stephen Timms MP.

The report joins our catalogue of research publications, and strengthens our voice as we call our politicians and leaders to ensure all can afford food, shelter, warmth and the basics of life. Alongside this, we resourced MPs and Bishops in the House of Lords to ask questions of the Government. We lodged publications with the House of Lords Library, and gave evidence to the Treasury Select Committee on the impact of the cost of living crisis.

We **collaborated with the wider debt advice sector** in advancing calls for effective enforcement agent regulation, and called for fairer debt collection practices, especially from the Government. We also added our voice to demands for better cost of living support for people in low-income households. The period ended with a significant win: The Chancellor announced in his Budget in March 2024 that the **£90 fee for Debt Relief Orders (DROs) would be abolished** from the start of April. DROs are the most common debt solution for our clients, and paying the fee is the most frequent barrier to progressing.

This change, and others, is something we've called for since early 2021 with our 'Simplify the Solution' report. It shows the **vital importance of our campaign work**, and will mean more people can become debt free more quickly. Working together, we can make sure things change.

Impact of the benefits calculator:

212K
uses of the benefits calculator in the reporting period

£575
Average monthly missing income per household revealed by the benefits calculator

£133m
total annual income identified through the benefits calculator

2x
more people visiting capuk.org in 2023 than 2022, strongly driven by the benefits calculator

Executive update – External Affairs

Melinda's story:

Speaking truth to power

'My mental health meant I had to give up work, but I only received assistance two years later when a healthcare worker helped me with the forms. The system shouldn't be so complicated. No one wants to be on benefits or unemployed, but some circumstances are beyond your control, and there should be help when you need it.

'I read a think-tank report that suggested people should save £1,000 as a cushion against poverty. If people haven't got money to pay their bills, how are they going to save £1,000?

'I recommended that the Government makes sure getting support like benefits is as easy as getting credit. And I support a minimum income so people can cover their expenses and save for the future.'



'The system shouldn't be so complicated.'

Agility

Tim Moger, Chief Agility Officer

When I joined CAP in July 2022, it was at the beginning of our programme to transform our debt help service. We needed to re-think our service, to make it more customer-focused, efficient, effective and secure. We needed to bring teams together who were working in silos. And we needed to prove to ourselves that we could deliver change.

2023 has seen great strides forward.

We brought together our Church Engagement, Debt Operations and Technology teams to launch our Debt Help Innovation project as an agile, customer-led service. We put appropriate levels of governance in place and created a cross CAP leadership team to provide teamwork, drive and oversight.

In June we moved to the 'proof of concept' stage of our replatform project, where we sought evidence that the idea was feasible. Again, teams from across the organisation worked together. Managers kept us to plan, technology experts reviewed the systems, fundraising gave us a compelling message to reach potential donors. We started to believe we could do this.

In August we selected our platform (Salesforce) and implementation partner, and in September ran workshops to kick off the design and discovery phase. That was completed by December, and we then needed to refine our scope.

It was a delight to see how quickly and nimbly the teams came together. Through a detailed design process, we got the scope down to define a basic version of the product we could begin to trial, which we launched as a pilot in July 2024.

We're excited to get the system into the hands of our churches and team members, to gather feedback and refine everything before our planned roll-out in 2025. This new platform and technology can grow CAP's impact – and see more people freed from debt and poverty.

Through this we will change the way we deliver our debt help service, nearly doubling capacity. But just as importantly, we will have changed the way we'do' change.

We are becoming more agile, responsive and focused on the ever-changing needs of those we serve.

Jim's story:

The chance to start again

'I had a successful IT career but, in 2017, I had back problems. I ended up unable to work, got into debt and everything fell apart. I lost our home, and the family fractured.

'I became homeless and applied for Universal Credit, but I was already really deep in debt. Everything about the situation was distressing. My fear was so palpable. Stuff came through the letterbox and I froze because I knew it was threatening letters. I didn't want to discuss it with anyone. I felt stigmatised and, frankly, I was a wreck.

'At my first meeting my local Debt Coach told me, "You are not alone". For the first time, someone understood how I felt. CAP was like a hand extended towards me.

'Six months later, my Debt Relief Order was approved and I was debt free! I couldn't believe I had a chance to start again. For the first time, I wanted to come back to church. I feel I am not alone anymore, I feel like I have a testimony to tell, and I think maybe God was preparing me for this.'



'For the first time, someone understood how I felt.'

Global growth

CAP in the UK continued to support and collaborate with CAP teams in America, Australia, Canada, Ireland and New Zealand*. This includes regular gatherings between the CEOs, Board Chairs, Communications and Technology teams.

In October 2023, CAP Australia hosted a week-long gathering for representatives from the CAP international teams. At the top of the agenda was a key question: how can we maximise the benefits of our global affiliation and resource new CAP countries?

Other international highlights include:

- A new CAP organisation in the Republic of Ireland was established and launched in September 2023. Money coaching pilot courses began in early 2024.
- CAP New Zealand launched their 'Sharing Jesus' pilot in 2023, with an outstanding level of engagement from coaches across the country.
- Connections were strengthened between CAP Canada and The Salvation Army: Pathways of Hope, with great opportunities for collaboration between churches and community service teams.
- CAP Australia continued to make progress with their new CRM system (The Hive) that will be launched in mid-2024.
- CAP America invested in their CAP Money videos, so they now include a diverse panel of presenters and Spanish translation. These changes will bring opportunities to connect with new church networks.

*The affiliate charities are separate organisations. They use the CAP brand and model but do not form part of a group.

Roy's story:

From homeless to whole

Roy was living homeless for 12 years. But with the help of CAP and the local church, Roy has found his groove.

Roy was weighed down by debt, following a workplace injury.

'I was pretty lonely... Yeah, I was living in my car.

'I came to the Ashburton Baptist church for lunch ... I made some enquiries and met a lovely lady, Nicola Dodd [CAP Debt Coach], who guided and coached me.

'With CAP, I was learning to save money and not put myself back in that depressing circle of debt. It made me realise, "Hey, I'm not by myself. Someone is there who actually cares and understands what I'm going through".'

Now, freed from unmanageable debt, doors have opened to Roy to start strengthening his relationships with money, self, others, and God.

Roy has joined the local church, and plays bass guitar in the worship team. 'I just love it. Music's my thing!'



'Someone is there who actually cares.'

Financial review

Financial review

How we managed the money you gave us

Overview

Our overall financial objective is to achieve a healthy balance between our fundraising, our financial reserves and the resources required to run our services effectively and fulfil our charitable objectives.

In this report we are reporting a 15-month period from January 2023 to March 2024 as we moved our financial year from a 'January to December' reporting period to an 'April to March' reporting period. This report is therefore a report on an extended financial year of 15 months. All comparison figures in 2022 relate to a 12-month period.

The year ended 31 December 2022 was a year of planned deficit in which we invested significantly in technology and digital capabilities along with new strategic priorities, such as Debt Service Transformation and the CAP money coaching refresh.

Following this, our focus was on reducing our fixed costs to operate within the changing fundraising environment, allowing us to be agile as an organisation, and to reduce the requirements of our reserves, whilst still committing to invest in key areas such as our debt help service and tech capabilities.

As a result in the 15-month period ending 31 March 2024, our income totalled £19.2m (2022: £15.0m) and expenditure totalled £20.0m (2022: £17.2m), which resulted in a deficit of £0.9m (2022: £2.3m deficit).

Income

In the 15-month period ending 31 March 2024, our income totalled £19.2m (2022: £15.0m). Our main sources of income continue to be donations from individuals and churches, which together totalled £15.4m (2022: £11.9m) or 81% (2022: 79%) of our total income. Regular income, most of which was received on a monthly basis, was £11.5m (2022: £9.4m), which represents 60% (2022: 63%) of total income received. Life Changer giving from individuals is our most important source of regular income, and provides financial stability for the charity. In the 15-month period, our Life Changers generously gave £9.0m (2022: £7.0m) including associated Gift Aid. At the end of March 2024, there were 28,256 Life Changers, each giving an average of £17.93 per month excluding Gift Aid. Our one-off income was £7.6m (2022: £5.6m). We received more income from trusts in the 15-month period than we did in 2022, which helped to offset the conclusion of the grant from the Money and Pensions Service to support debt advice capacity, in March 2023.

During the 15-month period, we received funding of £141k (2022: £855k) from the UK Government through the Money and Pensions Service (MaPS). This was the conclusion of a grant to support the rising need for debt advice capacity in England. We also received additional funding for the successful submission of Debt Relief Orders (DROs) which totalled £134k (2022: £260k). Funding from the Scottish Government has strengthened our delivery of debt advice across the country. We received funding of £339k (2022: £246k) from the Housing and Social Justice Directorate to support the provision of debt advice in Scotland. In the 15-month period, we received £0.3m (2022: £0.4m) in donations from creditors as Fair Share contributions, where a percentage of monies disbursed to our clients' creditors through a Debt Management Plan is paid back to the charity. 100% of payments made by clients through their Debt Management Plan go towards paying off their debts. Some creditors moved to a new model to help fund debt advice during the period (£925k). This has been an invaluable source of funding for our debt advice.

Expenditure

In the 15-month period ending 31 March 2024, our expenditure totalled £20.0m (2022: £17.2m). We mitigated the income challenges that we, and the whole charity sector, were starting to see towards the end of 2022, by undertaking a detailed review into all of our pay and non-pay expenditure across the organisation. We implemented a number of actions that had an immediate impact in 2023, along with increased continued savings into 2024 and beyond.

To achieve a better balance between income and headcount in a changing fundraising environment, we reduced staff numbers by 9% (40 people). We also achieved significant savings within the year, along with ongoing benefits, through reviewing non-pay items such as our outsourcing partners, increasing the use of our in-house skills and utilising the wonderful head office building we have. As part of our strategy for identifying short and long-term expenditure reductions we focused on 3 key priorities:

1. Protect our debt help service
2. Protect income generation
3. Continue to invest in improving our products, services and technology

Expenditure on charitable activities increased to £15.7m (2022: £12.8m). In 2021, we began our Debt Service Transformation project to redesign our debt help service and in the 15-month period ending 31 March 2024, we invested an additional £803k into the project, delivering a blueprint for a service that enables us to more effectively put clients and church partners at the centre. We invested an additional £111k into a review and redesign of our money coaching product, which was finalised and released to churches during 2023. We spent an additional £50k on supporting the work of our international CAP affiliate charities and £132k was invested into the early phases of developing a Church and Communities Transformation (CCT) programme, creating training and tools to support and equip churches.

Fundraising
We would not be able to conduct our charitable activities without fundraising, and during the 15-month period we were able to return fully to our in-person fundraising events. Expenditure for raising funds for the period totalled £1.6m (2022: £1.5m) and represents 7% (2022: 9%) of total costs.

Cash flow and investments

Reserves policy and management
Each year, the Trustees review our reserves policy and the level of required general free reserves to ensure that an appropriate level is held. We aim to maximise the funds we can spend to support our charitable aims. This is balanced against managing short-term financial risk and our obligations as a debt management company under FCA rules (CONC 10.2.5) to hold sufficient free reserves to meet our minimum prudential resources requirement of £47k.

The Trustees have set a target level of reserves at three months of one-off income based on the following year's budget, which for 2024/25 is £1.8m. The reserves on 31 March 2024 were £5.0m (2022: £5.8m), of which £0.3m (2022: £0.2m) is restricted in nature and £4.4m (2022: £4.7m) is only realisable by disposing of fixed assets and associated mortgages. Free (unrestricted) reserves at the end of 31 March 2024 were £0.6m (2022: £1.1m), which is £1.2m (2022: £0.4m) under the minimum reserves set out in our reserves policy.

Total reserves reduced by £0.9m in the 15-month period due to the deficit for the year. The Trustees have taken the decision to fall below our target reserves temporarily in order to allow time to transform the organisation. A break-even budget for 2024/5 and plans to target small surpluses are in place to restore reserves over the next three years. A further two properties are being sold that will aid an increase in reserves. A full, risk-based assessment has been prepared. The covenant on one of the charity's bank loans states that Net Assets must not fall below £2.5m. At the end of March 2024, Net Assets were £5.0m.

Financial review

We have supported other organisations that share our goals and values since 2014 from an annual 'giving pot'.

The criteria for selecting which organisations to support are:

- CAP's own international work
- Other UK-based organisations that share our core values, namely those that help the vulnerable and marginalised, work through the Church and have an evangelistic focus.

During the year we made donations of:

- £25k to Isaiah 61 Movement
- £10k to CAP America

These donations were made as part of commitments made before the reporting period and we have no plans to continue this until our reserves are restored to target, at which point we will review our activities of this nature.

Investment powers and policy
The charity's investment policy is reviewed annually by the Finance, Audit and Risk committee. In the 15-month period ending 31 March 2024, the policy has been maintained to continue to invest any surplus liquid funds in fixed-term deposits with the charity's bankers.

Principal risks and uncertainties

Overview
The Board of Trustees holds responsibility for ensuring the charity has robust systems of internal control and risk management in place. All directorates perform regular risk assessments that consider both existing and emerging risks. The charity maintains a register of all key risks as part of the risk management strategy, which is regularly reviewed for effectiveness by the Board and the Finance, Audit and Risk Committee. The Committee also receives reports from our external auditors and reviews progress against any recommendations.

This strategy has identified the following important potential risks and how they will be mitigated. They are not set out in any priority order.

Strategic Risk	Management and Mitigation
Cyber and data Security We struggle to recover from a cyber security incident, leading to the loss of critical data or significant operational disruption.	We regularly test for external attacks and we keep adapting our cyber security arrangements. We renewed our Cyber Essentials certification in March 2024 and use Two factor authentication. We are are currently further strengthening our risk mitigation through a Cyber Security Maturity assessment. We have increased staff awareness of IT security measures, data security and carry out reviews and testing of our business continuity plan.
Safeguarding of vulnerable adults Increase in safeguarding incidents involving frontline staff driven by case complexity, broken budgets, and clients facing heightened challenges due to the cost-of-living crisis.	Safeguarding and whistleblowing policies are regularly reviewed, with refresher training regularly conducted for all staff. Training is in place for partner churches to ensure good safeguarding practice. We commission an external safeguarding audit every three years from an organisation that specialises in safeguarding in the faith sector. We have a dedicated Safeguarding Lead to ensure a continued focus in this area.
Reputation and church community We can't actively manage our reputation leading to serious adverse publicity that leads to a breakdown in strategic relationships and/or regulatory sanction and failure to maintain effective relationships.	Recent negative media coverage of the charity sector has led to greater interest and focus. Ongoing mitigation against reputational risk comes from continuing to build our brand and reputation publicly, including developing and maintaining key relationships within the media, credit industry, Government and Christian sectors. We have ensured our key people have undertaken crisis public relations training and have contracted with Jersey Road (specialists) to support during difficult periods. Crisis communication plans are in place.
Impact Monitoring and evaluating the impact of our services sufficiently	We continually measure outcomes for our clients and publish them regularly, including through our annual client report. We conduct regular client surveys to measure the ongoing impact of our services over time. We have a strategic dashboard used by the Executive Team and Board to track key performance indicators and our impact. The new 'moments of faith' measures quantify the faith impact of our work. We have developed an Integrated Theory of Change.
Compliance Failure to meet the compliance expectations set by our regulators and donors would affect our ability to fundraise and operate.	We have dedicated professionals working in central functions as well as within our divisions to ensure that we understand our legal and regulatory obligations and are compliant across all our activities. Our policies and procedures are applied to guide decision-making and relevant training is provided to ensure all staff are aware of their responsibilities. Compliance is monitored and reported regularly to the Finance, Audit and Risk Committee of the Board.We hold the Advice Quality Standard which is achieved by an external audit of our advice processes and demonstrates our commitment to best practice and delivering quality advice to our clients. We have implemented the new Consumer Duty rules and guidance ensuring the delivery of good financial outcomes for our Debt Service clients remains a key element of our strategy and plans.
Financial sustainability Our net income is insufficient to cover rising core costs or we face a significant financial shock and can't maintain a viable budget.	We are enhancing our digital presence and trialling new fundraising channels to attract new supporters. We monitor our forecast and actual financial performance continuously and reports are provided quarterly to both the Finance, Audit and Assurance Committee of the Board and the Board of Trustees so that we can take appropriate measures in good time. In 2024/25, we will increase fundraising investment to drive income growth, while maintaining a strong level of general reserves. We're strengthening our major donor fundraising, with a focus on establishing strong foundations and a clear pipeline for growing major donor income. Management and Trustees are exploring ways to start building up reserves.
Safety, security and wellbeing of staff and volunteers We can't recruit, retain or motivate the calibre of staff and volunteers we need to do our work well.	Our people are our biggest asset. We seek feedback regularly to stay alert to how staff are feeling, and we continue to provide a programme of wellbeing support and flexible ways of working. We continue to monitor the safety and wellbeing of our staff and volunteers. Wellbeing remains a focus with the CAP Pathway to Care being introduced including a full benefits review and the creation of a Neurodiversity Advisory Board. A salary review will be conducted in 2024/25

Trustees' report

Trustees' report

Structure, governance and management

The Board of Trustees

The Trustees, who are also Directors of Christians Against Poverty for the purposes of company law, meet several times a year (six times in the 15-month period ended 31 March 2024) to review strategy and operational or financial performance, in conjunction with the charity's Chief Executive Officer and other members of the senior management team. These meetings are also attended by two Staff Representatives and a Frontline Representative, so their views can be taken into consideration through the decision-making process.

The Trustees have the authority to appoint as Trustee any person who, by virtue of personal or professional qualification, is able to make a contribution to the pursuit of the charity's objectives or management. When recruiting new Trustees, the existing Trustees will not only look at the person's qualifications but also at their passion and support for the charity's vision and aims, to ensure they can play a full part in managing the charity's growth. Prospective Trustees are interviewed by the Chair and Chief Executive Officer of the charity and will usually attend a board meeting with other Trustees and the Executive team prior to their official appointment. In this way, we can ensure that they are a good fit for the charity and that they are fully aware of their responsibilities as a Trustee.

Although our governing document does not require retirement by rotation, it is the board's practice to appoint a Trustee with the expectation that they shall serve for an initial period of three years, after which time their role is reviewed to ensure that they are still a good fit for the charity. They then have the opportunity to serve for two further terms of three years (nine years in total) or retire.

Trustee term of duty

A Trustee is expected to serve for a maximum of three terms of three years each, after which time up to two Trustees at any given time may serve as 'history carriers': Trustees who can pass on their experience of the culture and ethos of the charity to newer board members. Further Trustee training is carried out on an ongoing basis, making use of the Charity Commission website and other charity publications.

Indemnity

The charity purchased and maintained Trustee Liability Insurance throughout the financial year in respect of itself and its Trustees.

Structure and management

The charity is constituted as a company limited by guarantee (Company number 4655175), formed on 3 February 2003, and is therefore governed by its Memorandum and Articles of Association dated 5 February 2007. The company took over the operations of Christians Against Poverty as constituted under a Declaration of Trust dated 29 August 1996, on 1 June 2003. The day-to-day implementation of the strategic plan, together with the development of strategy, is led by the Chief Executive Officer and senior management team, which consists of members of each area of the charity. The Trustees meet regularly where, in full consultation with the senior management team, the main strategic and directional decisions are taken. Day-to-day operations are delegated to the Chief Executive Officer and senior management team which has, within certain limits, delegated authority. Suitable benchmarks and milestones are agreed to provide a basis on which to measure achievements, with the senior management team reporting progress to the Trustees through various committees. Monthly management accounts are also used to ensure financial targets are being met. If any significant matters of policy or key decision-making arise during these meetings, these will be referred to the Trustees for approval.

Finance, Audit and Risk Committee

The Finance, Audit and Risk Committee is responsible for monitoring the integrity of the charity's financial reporting, compliance with the requirements set by the Financial Conduct Authority, and internal controls. This includes reviewing the annual report and accounts, and the effectiveness of external audit services. The committee also reviews the charity's risk management process, top strategic and operational risks, and adequacy of internal controls and mitigations.

Our fundraising practices

Every person who supports our work is important to us and we believe that giving to CAP should be a positive experience. We strive to maintain the highest standards in supporter care, ensuring that each person is treated as an individual, with fairness and respect. For this reason, CAP voluntarily subscribes to the Fundraising Regulator, which assumed responsibility for regulating all fundraising from July 2016. The regulator investigates and takes action, where appropriate, on issues of public concern.

In previous annual reports, we've only reported on complaints regarding our fundraising practices that were escalated to the Fundraising Regulator. In the interest of openness and transparency, we've chosen to include instances of feedback that we classified internally as complaints. In the 15-month period ended 31 March 2024, we received no complaints that were dealt with by our in-house customer service team in line with our complaints policy, and none that required escalation to the Fundraising Regulator.

The majority of our fundraising work is carried out by centrally employed staff including an in-house supporter phone team and a dedicated major donor team. Volunteer speakers also attend church services around the UK to inform congregations about the work CAP does, along with fundraising activities.
Although CAP has an in-house creative team that prepares supporter materials and appeals, we often work with freelance copywriters and agencies; however, all fundraising appeals are signed off by us.

During the 15-month period ended 31 March 2024, we attended several exhibitions and festivals and hosted several fundraising dinners. As usual, these activities were carried out by Christians Against Poverty's staff and volunteers.

In-house fundraising training is provided to all volunteers based on the FR Code of Fundraising Practice. We train volunteers for our dinners, exhibitions, and church talks on how to ask for support, including scripts where appropriate. As part of our training, we cover how to interact with supporters and potential supporters face-to-face in a reasonable and fair manner, allowing individuals to make their own informed decisions about whether or not to donate.

We regularly review the financial asks given by CAP Speakers and provide feedback to the speaker when necessary. After every CAP talk, church leaders receive feedback on how the speaker interacted with the congregation. A member of the CAP Fundraising / Events team supervises all volunteers at exhibitions and fundraising dinners.

Additionally, we collect feedback from our fundraising dinner attendees and supporters after every fundraising call. Our feedback is collated via Delighted (experience management platform).

We have a vulnerable supporter policy, and all supporter-facing CAP staff and volunteers receive training in how to interact with vulnerable supporters. If a fundraiser suspects a person they are talking to may have vulnerabilities, they must end the conversation immediately.

They should do this politely, without:

- Making a request for a donation
- Asking about the individual's capacity to make a decision
- Asking about the person's vulnerable circumstances

We know that it may be difficult in some situations for fundraisers to decide whether or not someone is in a vulnerable circumstance or lacks capacity. We provide guidelines for fundraisers but our approach is always to err on the side of caution. All CAP staff are also trained in line with our safeguarding policy, to ensure members of the public who are at risk are appropriately protected.

We comply with the United Kingdom General Data Protection Regulation (UK-GDPR), which took effect in 2020.

Salary policy and pay for senior staff

In the 15-month period ended 31 March 2024 the Chief Executive's basic annual salary was set at £90,000 on 1 January 2024, an increase from £87,779 set on 1 April 2022.

The basic annual salaries for the Chief Operating Officer and Chief People and Culture Officer roles remained at £75,422, although both roles were removed from our structure part-way through 2023. For other Directors in the senior management team, basic annual salaries were set between £51,841 and £61,363. In the previous year, Directors received between £41,473 and £61,214.

We're committed to fairness for all and so an element of compression continues to be applied to the most senior salaries to achieve the agreed ratio of 1:5 between the lowest and highest paid roles across the charity. We also became accredited as a Real Living Wage employer.

The Trustees consider that they and the senior management team comprise the key management personnel of the charity who are in charge of directing, controlling, running and operating the charity on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in notes 22 and 23 of the accounts.

Employees

The work of CAP relies on the commitment and hard work of its valued staff, both those directly employed at head office and those employed by our partner churches in our centre network.

Full training is given to each member of staff in their specific roles. We are committed to equality in recruiting, training, promotion and career development and continually seek to promote from within alongside seeking external candidates.

The health and wellbeing of our staff is paramount and we are committed to offering flexible working arrangements and a range of benefits.

Diversity and inclusion

The charity is committed to supporting the employment of disabled people and helping existing staff, as well as anyone with additional support needs, as part of the recruitment process. In addition, we are committed to the retention of employees that become disabled while in our employment. We do this through training, career development, general awareness and support. We're keen to create a culture that reflects and embraces diversity in all areas and levels of the organisation.

A Diversity, Equity and Inclusion Board was set up in 2021, and is tasked with reviewing and improving our approach in this area. This relates to protected characteristics, education, church engagement, theology, client engagement, communication, supporter engagement, employment and policy.

Directors' engagement with employees

Regular communication with staff through monthly staff meetings and team meetings ensures employees are kept informed of any decisions taken by the senior management team. Staff also receive a quarterly update on the charity's financial position alongside information on how any current economic factors are affecting the performance of the organisation. Both Staff Representatives and a Frontline Representative attend the quarterly Trustee Board meetings so their views can be taken into consideration through the strategic and operational decision-making process.

Volunteers

CAP values the work of its volunteers at head office in Bradford and across the UK. The welfare of those giving up their free time is important to us and we continue to ensure all policies and procedures are reviewed regularly. This provides the charity with clear boundaries and marks out for volunteers the extent of their remit. There is a dedicated staff member who oversees their work and ensures the wellbeing of all our volunteers.

The number of volunteers within our centre network is difficult to quantify, but we acknowledge that, without their invaluable contribution, our clients would not receive the help and support that they do. The Trustees, therefore, wish to acknowledge the enormous contribution made by employees and volunteers, both at head office and within the centre network.

Work in Scotland

The Office of the Scottish Charity Regulator requires us to report separately on our work in Scotland. While we do not report our income and expenditure separately for our Scottish activities, the statistics during the period ended 31 March 2024 were as follows:

19	Active Debt Centres
9	Active Job Clubs
4	Active Life Skills groups
196	Adults debt free
15	Job Club and Life Skills groups run

In the 15-month period ended 31 March 2024, the Scottish Government provided a grant of £229k to CAP, which has been used to resource our Scotland Debt Operations team.

Work in Northern Ireland

19	Active Debt Centres
3	Active Job Clubs
12	Active Life Skills groups
104	Adults debt free
18	Job Club and Life Skills groups run

Regulatory

Debt counselling and debt management are regulated activities under the Financial Services and Markets Act 2000. The charity is authorised and regulated by the Financial Conduct Authority (FCA) to provide debt counselling and debt management services.

In addition to the above we also hold the Advice Quality Standard mark (AQS). Organisations that hold the standard have demonstrated that they are easily accessible, effectively managed, and employ staff with the skills and knowledge to meet the needs of their clients. As part of achieving the standard, we also satisfied the requirements of the Money and Pensions Service (MaPS) Debt Advice Quality Framework.

Directors, senior staff and advisors

Directors (Trustees)

- Roger Hattam (Chair)
- Matthew Frost
- Lisa Pearce (resigned 30 June 2023 and appointed 23 January 2024)
- Joy Blundell (resigned 19 August 2024)
- Jane Pleace
- Ema Ojiako (resigned 27 August 2024)
- Roger Mawle (appointed 18 April 2023)
- Catherine Nicholas-Vilkaitis (known as Kate Nicholas) (appointed 18 April 2023)
- Robin Willison (appointed 18 April 2023)

Secretary

- Stephen Bonfield

Leadership team

- Paula Stringer (Chief Executive) (to 7 July 2023)
- Lisa Pearce (Chief Executive) (from 8 July 2023 to 31 December 2023)
- Jon Day (Chief Operations Officer) (to 29 June 2023)
- Ellie Gage (Chief People and Culture Officer) (to 24 February 2023)
- Dan Lane (Engagement & Influence) (to 28 April 2023)
- Angie Rusbridge (Finance, Risk & Compliance) (to 12 January 2024)
- Jake Hutton (Debt Operations)
- Tim Moger (Technology & Digital Transformation)
- Sarah Parkes (People Operations) (to 19 May 2023)
- Lyn Weston (Church Network)
- Stewart McCulloch (Chief Executive) (from 1 January 2024)
- Hilda Kaponda (Chief Finance Officer) (from 2 April 2024)
- Justine Barnes (Director of People, Place & Wellbeing) (from June 2023)
- Alex Jones (Director of Fundraising) (from June 2023)
- Chris Haldane (Acting Director of Communications & Digital Engagement) (from June 2023 - 23 Feb 2024)

Principal and registered office

Jubilee House
1 Filey Street
Bradford
West Yorkshire
BD1 5LQ

Auditor

RSM UK Audit LLP
5th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

Solicitors

Hempsons
The Exchange
Station Parade
Harrogate
HG1 1TS

Bankers

Lloyds Bank PLC
Hustlergate
Bradford
West Yorkshire
BD1 1NT

Charity no. UK 1097217
Charity no. Scotland SC038776
Company no. 4655175

Trustees' responsibilities in relation to the financial statements

The charity Trustees (who are also the Directors of Christians Against Poverty for the purposes of company law) are responsible for preparing a Trustees' annual report, strategic report and financial statements in accordance with applicable law and United Kingdom Accounting standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charity for that period. In preparing the financial statements the Trustees are required to:

a) Select suitable accounting policies and then apply them consistently;
b) Observe the methods and principles in the Charities SORP;
c) Make judgements and estimates that are reasonable and prudent;
d) State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
e) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement as disclosure to our auditor

In so far as the Trustees are aware at the time of approving our Trustees' annual report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charity's auditor is unaware, and
- The Trustees, having made enquiries of fellow Trustees and the charity's auditor that they ought to have individually taken, have each taken all steps that he or she is obliged to take as a Trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

A proposal to re-appoint RSM UK Audit LLP as auditor of the charity will be put to the Annual General Meeting.

Strategic report

In accordance with section 414C (11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the company has prepared a Strategic Report, which includes information that would have previously been included in the Trustees' report. The Trustees and Directors' report contains all information required in a Directors' report by the Companies Act 2006. The Trustees authorise both the Strategic Report and the Trustees' report below.

Approval

This report was approved by the board of Trustees on Tuesday 5 November 2024 and signed on its behalf.

Robin Willison

Auditor's Report

Independent auditor's report to the members of Christians Against Poverty

Opinion

We have audited the financial statements of Christians Against Poverty (the 'charitable company') for the period ended 31 March 2024 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.
Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic 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 the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 41, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are the rules and principals set by the Financial Conduct Authority (FCA) as regulator for the financial services industry in the UK and GDPR. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations. In relation to FCA, we inspected compliance documentation including by not limited to, internal procedures manuals, report from external compliance advisors, risk and breaches registers, regulatory returns and correspondence with the FCA as well as considering compliance with the conditions for authorisation. Including with any restrictions or requirements placed on the firm and other regulatory obligations.

The audit engagement team identified the risk of management override of controls, and revenue recognition around the period end as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed in relation to management override of controls included but was not limited to testing journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates. Audit procedures performed in relation to revenue recognition around the period end included but was not limited testing revenue transactions around the period end to assess if they were recognised in the correct period and confirming income is recognised in accordance with the SORP criteria and any corresponding accrued or deferred amounts have been correctly recorded.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Lucy Robson

LUCY ROBSON (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP,
Statutory Auditor
Chartered Accountants
1 St James Gate
Newcastle upon Tyne
NE1 4AD

Date

Financial statements

Statement of Financial Activities for the year ended 31 March 2024

(incorporating an income and expenditure account)

	Note	Unrestricted funds	Restricted funds	**Total**	Unrestricted funds	Restricted funds	Total
		15-month period ending			12 month period ending		
		2024	2024	**2024**	2022	2022	2022
		£'000	£'000	**£'000**	£'000	£'000	£'000
Income from							
Donations and legacies	2	17,266	902	**18,168**	12,279	825	13,104
Other trading activities	3	67	-	**67**	56	-	56
Investments		6	-	**6**	1	-	1
Charitable activities	4	301	-	**301**	431	-	431
Other income	5	3	617	**620**	-	1,365	1,365
Total income		**17,643**	**1,519**	**19,162**	**12,767**	**2,190**	**14,957**
Expenditure on							
Raising funds		1,620	19	**1,639**	1,779	30	1,809
Charitable activities		16,783	1,450	**18,233**	13,096	2,204	15,300
Other		144	-	**144**	128	-	128
Total expenditure	6	**18,547**	**1,469**	**20,016**	**15,003**	**2,234**	**17,237**
Net income/(expenditure)		(904)	50	**(854)**	(2,236)	(44)	(2,280)
Net movement in funds		**(904)**	**50**	**(854)**	**(2,236)**	**(44)**	**(2,280)**
Reconciliation of funds							
Total funds brought forward		5,637	210	**5,847**	7,873	254	8,127
Total funds carried forward		**4,733**	**260**	**4,993**	**5,637**	**210**	**5,847**

The notes on page 49 to 64 form part of these financial statements.

Balance sheet as at 31 March 2024

	Note	Unrestricted funds	Restricted funds	**Total**	Unrestricted funds	Restricted funds	Total
		March 2024	March 2024	**March 2024**	December 2022	December 2022	December 2022
		£'000	£'000	**£'000**	£'000	£'000	£'000
Fixed assets							
Intangible fixed assets	10	262	-	**262**	328	-	328
Tangible fixed assets	11	5,530	-	**5,530**	5,699	3	5,702
Total		**5,792**	-	**5,792**	**6,027**	**3**	**6,030**
Current assets							
Debtors	12	938	-	**938**	786	299	1,085
Cash and cash equivalents		683	260	**943**	1,039	(89)	950
Total		**1,621**	**260**	**1,881**	**1,825**	**210**	**2,035**
Creditors: amounts falling due within one year	13	(984)	-	**(984)**	(904)	(3)	(907)
Net current assets		**637**	**260**	**897**	**921**	**207**	**1,128**
Total assets less current liabilities		**6,429**	**260**	**6,689**	**6,948**	**210**	**7,158**
Creditors: amounts falling due after one year	14	(1,696)	-	**(1,696)**	(1,311)	-	(1,311)
Net assets		**4,733**	**260**	**4,993**	**5,637**	**210**	**5,847**
Funds							
Restricted funds				**260**			210
Unrestricted funds				**4,733**			5,637
Total funds	19			4,993			5,847

Approved by the Board of Directors and Trustees and authorised for issue on 5th November 2024 and signed on its behalf.

Roger Hattam
Chair of the Board of Trustees

The notes on page 49 to 64 form part of these financial statements.

Statement of cash flows as at 31 March 2024

	Total 2024 £'000	Total 2022 £'000
Cash flows from operating activities		
Net incoming resources	(854)	(2,280)
Depreciation on tangible fixed assets	280	150
Impairment of tangible fixed assets	20	70
Amortisation of intangible assets	66	52
Profit/(loss) on sale of assets	(7)	(279)
Less interest received	(6)	(1)
Add interest paid	124	58
Decrease/(increase) in debtors	147	103
(Decrease)/increase in creditors	108	164
Net cash flow provided by operating activities	**(122)**	**(1,963)**
Cash flows from investment activities		
Proceeds on sale of assets	-	2,043
Purchase of tangible fixed assets	(128)	(3,047)
Purchase of intangible fixed assets	-	(12)
Current asset investment	7	-
Interest received	6	1
Net cash flow used in investing activities	**(115)**	**(1,015)**
Cash flows from financing activities		
Cash inflows from new borrowing	503	-
Interest paid	(124)	(58)
Repayment of bank loans	(149)	(408)
Net cash flow used in financing activities	**(230)**	**466**
Change in cash and cash equivalents in the period	(7)	(3,444)
Year end cash & cash equivalents	**943**	**950**
Prior year carried forward cash & cash equivalents	950	4,394

The notes on page 49 to 64 form part of these financial statements.

Notes to the financial statements for the year ended 31 March 2024

1. Statement of accounting policies

Charity information
Christians Against Poverty is a company limited by guarantee domiciled and incorporated in England and Wales. The registered office is Jubilee House, 1 Filey Street, Bradford, BD1 5LQ.

Christians Against Poverty meets the definition of a public benefit entity under FRS 102. The charity exists for the benefit of the public through the provision of services to members of the public suffering from problem debt, unemployment and low income, which are detailed in the charity's principal activities.

Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Charities Statement of Recommended Practice, Accounting and Reporting by Charities ("SORP") FRS 102 and the requirements of the Companies Act 2006.

The financial statements have been prepared under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £'000, except where otherwise indicated.

The charity's principal activities are described in detail on pages 8 to 9 along with the nature of the charity's operations. The charitable company has adopted the following principal accounting policies, which should be read in conjunction with the financial statements set out on pages 46 to 48.

Reporting period
The reporting period is longer than one year and runs from 1 January 2023 to 31 March 2024 and hence the comparative amounts presented in the financial statements (including the related notes) are not entirely comparable. The accounting period was changed to a 'April to March' from a 'January to December' reporting period.

Basis of consolidation
The financial statements show information about the charity as an individual entity and not about its group, as the charity has taken advantage of the exemption provided by section 405(2) of the Companies Act 2006 not to prepare consolidated financial statements. The Trustees consider that the charity's subsidiary should be excluded from consolidation on the basis that it is immaterial for the purpose of giving a true and fair view.

Preparation of the accounts on a going concern basis
The Trustees (who are directors of Christians Against Poverty for the purposes of company law and the Trustees of Christians Against Poverty for the purposes of charity law) have reviewed the charity's financial position, taking into account the levels of reserves and cash, the annual plan and the five-year financial plan, and its systems of financial and risk management.

As a result of their review, the Trustees believe that the charity is well-placed to manage operational and financial risks successfully given that the charity took action during 2023 to rebalance expenditure and significantly reduce annual salary expenditure by (c.£2m-£2.5m).

Accordingly, the Trustees have a reasonable expectation that there are no material uncertainties about the charity's ability to continue in operational existence for the foreseeable future. The Trustees, therefore, continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Funds held by the charity
Unrestricted funds represent funds received that are available to the Trustees to apply for the general purposes of the charity as set out in the governing document.

Restricted funds represent funds received for a specific purpose as defined by the donor or funder.

Incoming resources
All incoming resources are included in the statement of financial activities when the charity is legally entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy. The following specific policies apply to the categories of income:

Legacies
Legacy income is recognised when the charity has been notified of entitlement, where receipt is probable and the amount of the legacy is quantifiable.

1. Statement of accounting policies (continued)

Government grants
Grant income is recognised when the charity has been notified of entitlement, where receipt is probable and the grant is quantifiable, provided that the terms of the grant do not impose future performance-related conditions. If entitlement is conditional on performance, such as a particular level of service to be delivered, the grant is not recognised until these conditions have been met. Any grants that are received before the revenue recognition criteria are met are recognised in the entity's financial statements as a liability.

Resources expended
All expenditure of the charity is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Irrecoverable VAT is attached to the specific expense incurred.

Costs of generating voluntary income consist of the direct costs of fundraising staff together with quantifiable direct costs. Other support costs are allocated on the basis of headcount.

Charitable activities consist of the direct costs of staff involved in the delivery of activities and services to the charity's beneficiaries. Direct costs are included where quantifiable and all other support costs are allocated on the basis of headcount.

Intangible fixed assets other than goodwill
Intangible assets acquired and developed separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following basis:

Software development	10 years on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited/ charged to the statement of financial activities.

Tangible fixed assets
Fixed assets are measured at cost, net of depreciation and any impairment losses. All fixed assets with an individual value in excess of £500 are capitalised.

Depreciation is calculated to write down the cost or valuation, less estimated residual values of all fixed assets over their expected useful lives. It is calculated at the following rates:

Freehold buildings	2% on cost
Freehold land	Not depreciated
Computer equipment	33 ⅓% on cost
Furniture and fittings	25% on written down value
Office equipment	20% on cost
Plant and equipment	10% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited to the statement of financial activities.

Fixed asset investments
The investment in the subsidiary is measured at cost less any accumulated impairment losses.

Impairment of fixed assets
At each reporting period end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of financial activities.

Debtors
Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

1. Statement of accounting policies (continued)

Cash and equivalents
Cash and cash equivalents includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.
Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments
The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets
Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.
If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities
Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Taxation
The charity is exempt from tax on income and gains falling within sections 472-489 of the Corporation Tax Act 2011 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

1. Statement of accounting policies (continued)

Pensions
The charity operates a defined contribution pension scheme, Christians Against Poverty Stakeholder Pension Plan, and the pension charge represents the amounts payable by the charity to the fund in respect of the period.

Termination benefits
Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Operating leases
Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

Judgements and key sources of estimation uncertainty
In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The annual depreciation and amortisation charges for tangible and intangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect the current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. Impairment on tangible fixed assets is evaluated when an asset is held for sale. The estimations are assessed annually and are amended when necessary to reflect the current market value of the asset. See note 10 for the carrying amount of the intangible fixed assets and note 11 for the carrying amount of the tangible fixed assets.

Where accounting estimates concerning legacy income recognised in prior years have been revised, the current year accounts have been adjusted to reflect the revised values expected. Accounting estimates have also been used concerning new legacy income to which the charity has become entitled.

2. Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2024	2024	2024	2022	2022	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Regular supporters	7,494	15	**7,509**	5,872	7	5,879
Individual gifts	2,917	443	**3,360**	1,930	390	2,320
Churches	2,539	7	**2,546**	2,054	1	2,055
Companies	1,272	22	**1,294**	553	92	645
Charitable Trusts	1,047	411	**1,458**	320	285	605
Legacies	152	4	**156**	101	50	151
Total	**15,421**	**902**	**16,323**	**10,830**	**825**	**11,655**
Gift Aid	1,845	-	**1,845**	1,449	-	1,449
Total donations	**17,266**	**902**	**18,168**	**12,279**	**825**	**13,104**

3. Other trading activities

	2024	2022
	£'000	£'000
Fundraising events	**67**	38
Rents received	**-**	18
Total	**67**	**56**

The amounts above are all unrestricted income.

4. Charitable activities

	2024	2022
	£'000	£'000
Service Companies	**263**	418
CAP Money coaching resources	**35**	11
Services resources	**3**	2
Total	**301**	**431**

The amounts above are all unrestricted income.

5. Other income

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2024	2024	2024	2022	2022	2022
	£'000		£'000	£'000	£'000	£'000
Government grants	3	617	620	-	**1,365**	1,365
Total	**3**	**617**	**620**	**-**	**1,365**	**1,365**

The charity received funding from Government departments for the following projects:

		2024	2022
Government department	**Project**	£'000	£'000
The Money and Pensions Service	Covid 19: Maintaining Debt Advice Capacity	**141**	855
The Money and Pensions Service	Administration of Debt Relief Orders	**134**	260
Housing and Social Justice Directorate (Scotland)	Debt Advice Provision Project	**331**	246
Housing and Social Justice Directorate (Scotland)	Social Isolation and Loneliness Winter Funding Package	**8**	-
Department of Work and Pensions	Access to Work	**3**	-

6. Total expenditure

	Direct costs 2024 £'000	Support costs 2024 £'000	Total costs 2024 £'000	Direct costs 2022 £'000	Support costs 2022 £'000	Total costs 2022 £'000
Expenditure on raising funds						
Expenditure on raising donations and legacies	1,486	153	**1,639**	1,512	297	1,809
Total	**1,486**	**153**	**1,639**	**1,512**	**297**	**1,809**
Expenditure on charitable activities						
CAP Debt Centres	12,117	1,907	**14,024**	9,797	1,931	11,728
CAP Job Clubs	566	118	**684**	413	73	486
CAP Life Skills	1,088	281	**1,369**	826	276	1,102
CAP Kick Start	-	-	**-**	4	-	4
Client welfare	219	38	**257**	218	19	237
Money coaching (formerly CAP Money)	452	10	**462**	167	10	177
International	92	10	**102**	268	10	278
Raising awareness	1,177	158	**1,335**	1,100	188	1,288
Total	**15,711**	**2,522**	**18,233**	**12,793**	**2,507**	**15,300**
Other costs	124	-	**124**	58	-	58
Impairment on fixed assets	20	-	**20**	70	-	70
Total resources expended	**17,341**	**2,675**	**20,016**	**14,433**	**2,804**	**17,237**

Support costs and the basis of their allocation are as follows:

	Principal basis of allocation of activities	2024 £'000	2022 £'000
General management and support	Headcount	**420**	944
Financial management	Headcount	**633**	597
Human resources	Headcount	**527**	580
Supporter relations	Headcount	**814**	472
IT	Headcount	**198**	145
Governance	Headcount	**83**	66
Total		**2,675**	**2,804**

7. Analysis of grants given

Included within expenditure on charitable activities are the following amounts in relation to grants given:

	Grants to individuals 2024 £'000	Grants to churches 2024 £'000	Total 2024 £'000	Grants to individuals 2022 £'000	Grants to churches 2022 £'000	Total 2022 £'000
Insolvency fee bursary	65	-	**65**	87	-	87
Increasing debt advice capacity in Scotland	-	62	**62**	-	103	103
Church debt centre bursary	-	34	**34**	-	44	44
Mustard seed bursary	-	12	**12**	-	15	15
Total	**65**	**108**	**173**	**87**	**162**	**249**

During the year CAP was the recipient of some funding from the Scottish Government to increase debt advice capacity in Scotland. Some of this funding was awarded specifically to be given in grants to existing and new Debt Centre church partners to enable them to continue operating.

8. Employee emoluments

	2024 £'000	2022 £'000
Wages and salaries	**12,803**	10,765
Social security costs	**1,165**	1,036
Pension costs	**1,030**	883
Total	**14,998**	**12,684**

During the year there were £205,736 (2022: £6,720) in redundancy payments.

The number of employees whose emoluments (salaries, wages and benefits in kind) fell within the following bands:

	2024 £'000	2022 £'000
£60,000 - £69,999	**3**	3
£70,000 - £79,999	**3**	2
£80,000 – £89,999	**-**	1

The total employee benefits of the key management personnel (members of the Executive team) were £796,536 for the 15-month period ending 31 March 24 (2022: £612,696).

8. Employee emoluments (continued)

The average monthly headcount was 376 staff (2022: 410) and the average number of full-time equivalent employees (including casual and part-time staff) during the year was:

	2024	2022
Full-time equivalent employees	**339**	372
Total	**339**	**372**

9. Net income for the year

	2024	2022
Is stated after charging	£'000	£'000
Auditor's remuneration		
External audit fees	**36**	35
Advisory services	**25**	17
Depreciation	**280**	150
Amortisation	**66**	52
Operating lease rentals	**81**	77
Impairment of fixed assets	**20**	70
Interest payable	**124**	58

10. Intangible fixed assets

	Software development	Total
Cost	£'000	£'000
At 1 January 2023	528	528
Additions	-	-
Disposals	-	-
At 31 March 2024	**528**	**528**
Accumulated amortisation		
At 1 January 2023	200	200
Charge for the year	66	66
Disposals	-	-
At 31 March 2024	**266**	**266**
Net book values		
At 31 March 2024	**262**	**262**
At 31 December 2022	328	328

11. Tangible fixed assets

	Freehold land and buildings	Computer equipment	Furniture and equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2023	5,545	827	232	**6,604**
Additions	-	78	50	**128**
Disposals	-	(46)	-	**(46)**
At 31 March 2024	**5,545**	**859**	**282**	**6,686**
Accumulated depreciation				
At 1 January 2023	114	704	14	**832**
Charge for the year	122	91	67	**280**
Eliminated on disposal	-	(46)	-	**(46)**
At 31 March 2024	**236**	**749**	**81**	**1,066**
Accumulated impairment				
At 1 January 2023	70	-	-	**70**
Charge for the year	20	-	-	**20**
Eliminated on disposal	-	-	-	**-**
At 31 March 2024	**90**	**-**	**-**	**90**
Net book values				
At 31 March 2024	**5,219**	**110**	**201**	**5,530**
At 31 December 2022	5,361	123	218	**5,702**

During the 15-month period ended 31 March 2024 the market value of land held in freehold land and buildings, and intended for disposal, was assessed as being lower than its net book value. Therefore an impairment charge of £20,000 (2022: £70,089) was recognised in the statement of financial activities for the period ended 31 March 2024.

Included in the net carrying amount of freehold land and buildings is £2,006,500 (2022: £2,382,950) pledged as security against the charity's bank loans.

12. Debtors

	Unrestricted funds March 2024	Restricted funds March 2024	Total March 2024	Total December 2022
	£'000	£'000	£'000	£'000
Income tax recoverable	259	-	**259**	276
Trade debtors	38	-	**38**	74
Accrued income	226	-	**226**	521
Prepayments	414	-	**414**	212
Other debtors	1	-	**1**	2
Total	**938**	**-**	**938**	**1,085**

13. Creditors – amounts falling due within one year

	Unrestricted funds March 2024	Restricted funds March 2024	Total March 2024	Total December 2022
	£'000	£'000	£'000	£'000
Building fund loans	2	-	**2**	2
Bank loans	91	-	**91**	122
Other tax and social security	200	-	**200**	256
Accruals and deferred income	346	-	**346**	325
Trade creditors	313	-	**313**	160
Other creditors	32	-	**32**	42
Total	**984**	**-**	**984**	**907**

Deferred income

	Mar-24	Dec-22
Opening Balance 1 Jan	**2,751.45**	6,419.71
Amount released in the period	**(2,751.45)**	(3,668.26)
Amount deferred in the period	**-**	-
Closing Balance	**-**	**2,751.45**

14. Creditors – amounts falling due after more than one year

	Total March 2024	Total December 2022
	£'000	£'000
Bank loans	**1,696**	1,311
Total	**1,696**	**1,311**

Loans outstanding at the year end amounted to £1,787,806 (2022: £1,434,490) and these are repayable as follows:

	Total March 2024	Total December 2022
	£'000	£'000
Within one year	**91**	123
Between two and five years	**434**	332
After more than five years	**1,261**	979

In July 2021 a loan was taken out for £1,495,000 with Stewardship Services (UKET) Limited for the purchase of a freehold property at 1 Filey Stret, Bradford. The loan is repayable over a period of 15 years and interest is variable for its duration. The interest rate on this loan increased in 2023 from 4.5% to 7% in line with the Stewardship Standard Lending Rate.

In July 2023 an additional loan was taken out for £503,000 with Stewardship Services (UKET) Limited. The loan is repayable over a period of 15 years and interest is variable for its duration. The interest rate on this loan increased from 6.5% to 7.5% in line with the Stewardship Standard Lending Rate.

The balance of the Stewardship Services loans at 31 March 2024 was £1,786,306 (2022: £1,384,221), which represents 89% of the balance sheet value of the property. The loan is fully secured against the property.

15. Other financial commitments

Operating lease payments represent rentals payable by the charity for certain items of computer equipment and for office space in Belfast.

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	31 Mar 2024	31 Dec 2022
Operating leases which expire:	£'000	£'000
Within one year	**56**	67
Between two and five years	**60**	87
After more than five years	**-**	-

16. Financial instruments

	31 Mar 2024	31 Dec 2022
Carrying amount of financial assets	£'000	£'000
Debt instruments measured at amortised cost	**266**	596
Carrying amount of financial liabilities		
Measured at amortised cost	**2,480**	1,960

17. Movement of funds

Description of fund	Balance 1 Jan 2023 £'000	Incoming resources £'000	Resources expended £'000	Balance 31 Mar 2024 £'000	Balance 1 Jan 2022 £'000	Incoming resources £'000	Resources expended £'000	Balance 31 Dec 2022 £'000
General unrestricted funds	**5,637**	**17,643**	**(18,547)**	**4,722**	**7,873**	**12,767**	**(15,003)**	**5,637**
Restricted funds								
Individual centres	-	1	(1)	-	-	-	-	-
Wales region	-	0	(0)	-	-	-	-	-
Scotland region	-	3	(3)	-	-	39	(39)	-
Northern Ireland expansion	58	6	(46)	18	-	106	(48)	58
Republic of Ireland establishment	-	-	-	-	-	10	(10)	-
Debt Operations	-	164	(164)	-	-	348	(348)	-
Social policy	-	-	-	-	15	69	(84)	-
Client emergency aid	-	64	(64)	-	55	57	(112)	-
Insolvency bursary fund	49	85	(65)	69	23	108	(82)	49
Church bursary fund	13	21	(33)	1	12	13	(12)	13
CAP Job Clubs	-	1	(1)	-	-	1	(1)	-
CAP Money refresh project	19	-	(19)	-	-	30	(11)	19
CAP Life Skills	-	3	(3)	-	-	-	-	-
Staff benevolent fund	-	1	(1)	-	-	1	(1)	-
Opportunity fund	-	-	-	-	100	-	(100)	-
Debt Service Transformation	-	425	(425)	-	-	250	(250)	-
Church transformation	-	238	(76)	162	-	-	-	-
Increasing debt advice capacity	-	144	(144)	-	-	858	(858)	-
Increasing debt advice capacity (Scotland)	-	339	(339)	-	1	246	(247)	-
Scotland Funding Manager role	19	-	(19)	-	44	-	(25)	19
Scotland Promotion & Engagement Manager	-	-	-	-	4	-	(4)	-
Warm Welcome initiative	-	-	-	-	-	1	(1)	-
York region	49	4	(53)	-	-	50	(1)	49
Call to prayer event	3	10	(13)	-	-	3	-	3
International	-	10	-	10	-	-	-	-
Total restricted funds	**210**	**1,519**	**(1,469)**	**260**	**254**	**2,190**	**(2,234)**	**210**
Total funds	**5,847**	**19,162**	**(20,016)**	**4,993**	**8,127**	**14,957**	**(17,237)**	**5,847**

17. Movement of funds (continued)

The restricted funds for debt operations are made up of a number of donations towards the salary costs of our Debt Advisors.

Client emergency aid represents money given towards clients who are facing an imminent lack of essential items, such as food.

The insolvency bursary fund represents donations received towards CAP's insolvency bursary. This fund pays towards bankruptcy and Debt Relief Order fees for clients who have insufficient savings to fund the entire fee themselves.

The CAP Money refresh project is to update the materials and content of our CAP Money course, now money coaching.

The opportunity fund was created to enable donors to give into a fund that would be available for CAP to use in the event that any unexpected opportunities arose that would require funds.

The restricted donation for increasing debt capacity in Scotland was a grant received to help new and existing debt centres in the Scotland region.

The restricted donation for increasing debt capacity was a grant received to fund a cohort of new Debt Advisors who were recruited in 2020.

The Scotland Funding Manager role restricted funds is a donation made towards the costs of this particular role.

During the period we received some restricted donations to fund our Church Transformation and the Debt Service Transformation projects.

During the year 2022 we received a legacy payment that came with the restriction of being used to support the services in the York area.

18. Capital commitments

The charity had no capital commitments at 31 March 2024 (2022: £nil).

19. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2024	2024	2024	2022	2022	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Intangible fixed assets	262	-	**262**	328	-	328
Tangible fixed assets	5,530	-	**5,530**	5,699	3	5,702
Cash at bank and in hand	683	260	**943**	1,039	(89)	950
Other net current assets	(46)	-	**(46)**	(118)	296	178
Creditors of more than one year	(1,696)	-	**(1,696)**	(1,311)	-	(1,311)
Total	**4,733**	**260**	**4,993**	**5,637**	**210**	**5,847**

20. Reconciliation of net debt

	Balance 1 Jan 2023	Cash flows	Balance 31 Mar 2024
	£'000	£'000	£'000
Cash at bank and in hand	950	(7)	943
Bank loans	(1,433)	(354)	(1,787)
Total	**(483)**	**(361)**	**(844)**

21. Budgeting and debt management services

Monies paid in by clients to enable their utility and debt repayments to be made are held in a separate bank account from the charity's own funds and cannot be used by the charity to fund its operations. The balance in these separate accounts as at 31 March 2024 were £1,272,616 (2022: £1,446,958).

22. Transactions with Trustees

During the 15-month period ended 31 March 24 no remuneration was paid to any of the Trustees (2022: £nil) and the Trustees received travel expense reimbursements of £714 (2022: £0) from the charity. The charity paid a sum of £1,200 for Charity Trustee Insurance within its main insurance policy (2022: £1,383).

23. Related party transactions

On 23 May 2022, the Directors issued a new 'Letter of Comfort' to CAP Australia, undertaking to financially support CAP Australia to the full extent of any liabilities incurred by them that are unable to be satisfied by the assets of CAP Australia, not exceeding (AUD) $300,000, until 22 May 2024. At 31 March 2024 CAP Australia had net assets of (AUD) $535,674 (2022: $748,404).

At the end of the year there were debtor balances outstanding with our international affiliates as follows:

	Total 2024	Total 2022
	£	£
CAP Canada	**(3,023)**	2,621
CAP New Zealand	**12,683**	14,980
CAP Australia	**2,657**	7,070
CAP America	**147**	1,719

With the following amounts included in the sales day book during the year:

	2024	2022
	£	£
CAP Canada	**1,818**	7,972
CAP New Zealand	**68,279**	56,127
CAP Australia	**11,257**	25,438
CAP America	**1,029**	2,199

During the year Lisa Pierce stepped down as a Trustee to take on the role of Interim CEO during the period between 8 July 2023 and 31 December 2023. During this period she received total remuneration and benefits of £50,592 in relation for performance of the Interim CEO role.

During the year, a member of the Key Management personnel, Angie Rusbridge, resigned from CAP and joined Stewardship Services (UKET) Limited as a Trustee. Additionally, Stewart McCulloch left the position of CEO at Stewardship Services (UKET) Limited to join CAP as CEO. As a result transactions with Stewardship Services (UKET) Limited have been considered to be related party transactions. During the year CAP obtained a loan facility from Stewardship Services (UKET) Limited of £500k in addition to a previous loan balance outstanding of £1.38m. Interest was charged on these loan balances of £124k and at year end the total balance owed to Stewardship Services (UKET) Limited was £1,787k.

24. Pension commitments

The charity operates a defined contribution pension scheme, Christians Against Poverty Group Stakeholder Pension Plan, for all employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by Christians Against Poverty to the fund and in the 15-month period to 31 March 24 amounted to £1,030,030 (2022: £883,529). All contributions due have been fully paid and the balance outstanding at the end was included in unrestricted liabilities.



capuk.org

©2024

Charity Registered No: 1097217 (England & Wales) SC038776 (Scotland)
Company Limited by Guarantee, Registered in England & Wales No: 4655175.
CAP is authorised and regulated by the Financial Conduct Authority.

christians against poverty

CAP

CHRISTIANS AGAINST POVERTY

England & Wales - Charity number 1097217

Accounts

christians against poverty

CAP

Amid a cost of living crisis, see belief in action

Annual report and accounts 2022





‘I’ve gone from wanting to die to really wanting to live.’

Amanda

Amanda became overwhelmed by debt during the cost of living crisis, and couldn’t see a way out. Support she received from CAP changed everything. Amanda came to faith in Jesus and is now on top of her finances.



Belief in action, on every page

4 Hear from Roger Hattam, Chair of Trustees

6 Hear from Paula Stringer, UK Chief Executive

8 Everything you need to know about CAP

10 Amanda's story

13 Support in action

14 Strategic report

14 Aim 1: Relieving poverty – how did we do?

18 Aim 2: Providing financial education – how did we do?

20 Aim 3: Advancing Christianity – how did we do?

22 Aim 4: Raising awareness of poverty – how did we do?

24 Aim 5: Collaborating with others – how did we do?

26 Three-year strategy update

28 Financial review

32 Trustees' report

39 Auditor's report

42 Financial statements

45 Notes to the financial statements



Poverty

We thought 2020, the first year of the COVID-19 pandemic, was challenging – but 2022 was on another level entirely.

Poverty became a real threat, and a living reality, for a much larger proportion of people. Demand for debt support soared, with a dramatic increase in first enquiries to CAP. Meanwhile, we saw an urgent need to add our voice to the coalition of UK poverty charities speaking up for change.

I truly believe our campaigning work, calling on Government to support the most vulnerable people, has allayed some of the potentially catastrophic impact of the cost of living crisis. Together with others, we've driven the issue onto the media agenda and into public consciousness, and the Government has listened and responded to some degree. Going forward, we must keep calling for better and earlier help which addresses the root causes of poverty.

What's been really tough in 2022 is seeing the impact of the cost of living on our own ability to grow. CAP supporters have been incredibly faithful, and churches especially have persevered with us despite pressures on their own income. But still, we wish we could achieve more for people in poverty in the UK.

Looking ahead, we aim to transform our operating model to meet growing demand, which means digitising more services so they can be scaled up easily. That remains a key part of our long-term plan. And we'll do it in partnership with churches, which serve our communities best when they do so in word and deed, meeting the call of the gospel to care for the most vulnerable.

action

I want to thank Simon Gates, a CAP Trustee for six years, who stepped down in 2022 due to work relocation. Simon oversaw elements of finance and risk management for CAP, and was instrumental in masterminding our head office move to a new building. I'm grateful for the time and energy he has given.

It is also my pleasure to announce that Lisa Pearce will be joining CAP as Interim Chief Executive in July 2023, albeit sad that this will follow the departure of our current Chief Executive, Paula Stringer, as she moves to a new role at the BBC. On behalf of all the Trustees, I am grateful for everything Paula has brought to CAP over the past five years, and I am looking forward to welcoming Lisa. Lisa's knowledge of CAP, combined with her experience in Christian charity leadership and business development, will provide continuity as well as a strong focus.

As 2023 unfolds, inevitably the cost of living crisis will become old news. Inflation will ease. Energy costs will stabilise. The media will move on.

But CAP won't. The impact of 2022 will be with many people for years to come – and we too will stay the course.

This is God's mission, so we will keep putting our belief into action, every day. We'll walk with people in debt, share our faith, and support people who come to us for as long as they need. Thank you for being part of it.



Roger Hattam
Trustee Director – Chairman

'The Spirit of the Sovereign Lord is on me, because the Lord has anointed me to proclaim good news to the poor.'
Isaiah 61:1



Crisis

2022: the year the cost of living rocketed to levels not seen in a generation. Inflation hit a 40-year high. Prices of energy and other goods soared, partly as a result of the war in Ukraine. And more and more people found themselves in a poverty crisis, overwhelmed with fear and worry.

But in the midst of it all, Christians Against Poverty made a difference.

I want to thank every supporter, every church, every volunteer, staff member and friend of CAP who has turned belief into action, to transform people's lives this year. We don't accept a society where poverty exists – and together, driven by our faith, we fought for change.

My name is Paula Stringer, and I'm the UK Chief Executive of CAP. I'm pleased to bring you our annual report and accounts for 2022 – in which we lay out the impact of this amazing charity amid enormous need and significant challenges.

You'll see in the following pages that thousands of people have been supported by CAP's accredited debt advice service and specialist tools. I'm proud of the impact of this work, which gives people dignity and hope. We praise God that almost 2,000 people became debt free in 2022!

hope

You'll also celebrate with me, I hope, to know that at least 240 people responded to Jesus as a result of CAP's work. Along with our staff and volunteers, I believe Christ can mend broken lives and restore people's hope – so it fills me with joy to see God at work through our amazing team.

Speaking of the team, there was a milestone moment for all of us in 2022 when we moved into our new head office at Jubilee House, Bradford. This modern, well-equipped, fully-accessible building not only gives staff a much more suitable working environment, it also saves an estimated £81,000 a year in running costs.

But amid all the good news, there's no denying that 2022 was exceptionally challenging for CAP. The cost of living crisis not only increased demand for our services, it hit our own finances too.

Like many charities, we saw a drop in donations and a fall in fundraising income. In response, our leadership team conducted a review which led to some tough decisions. Early in 2023, we announced the need to make some significant budgetary savings across the charity, including redundancies. Through collective consultation with our staff, we have worked to mitigate the impact of redundancies as far as possible. Right now, we're working closely with church partners and staff, and remain totally committed to protecting front-facing debt advice roles.

When I look back, I see how God has been faithful to CAP – and the people we serve. So we go forward with trust and hope. Because, together, we can drive change for people in desperate need. Together, we will see transformed lives, thriving churches and an end to UK poverty.



Paula Stringer
UK Chief Executive



What you need to know about CAP

Right now, people across the UK are experiencing a poverty crisis. They feel trapped, desolate and abandoned.

We can't accept that. We won't tolerate a society where poverty exists.

So we take action.

We work with thriving churches and our broader network to transform people's lives. We influence policy to help create change. Through our accredited debt advice service and specialist tools, we equip, train and inspire church teams in the UK's four nations.

Our faith gives us hope. And our expertise, together with determined, passionate people in the CAP community, drives holistic change for those in desperate need.

So we walk alongside people who are struggling. Listen to their needs. Help them gather their bills. Fill their fridges. Awaken their confidence. And if anyone wants to explore a deeper relationship with the Christian faith, we actively encourage it.

We do all this because, together, we can turn our belief into action – and end poverty for all.

The trustees have given due consideration to the Charity Commission's guidance and believe CAP meets the public benefit requirements. Everything we do is framed by four charitable aims and objectives:

1) The relief of poverty for persons in the United Kingdom and elsewhere who are in conditions of need, hardship or distress by reason of their social and/or economic circumstances, by providing and promoting advice and other services.

2) The advancement of education of the public in all matters relating to the management of their personal finances.

3) The advancement of the Christian faith.

4) Raising awareness of debt, poverty and its causes in the UK and inspiring churches and individuals to partner with us.

Read on to see how we delivered against these four aims in 2022.



CAP exists to:

Relieve poverty in the UK

Advance personal finance education

Advance the Christian faith

Raise awareness of debt, poverty and its causes in the UK



‘A CAP Debt Advisor phoned to tell me I was debt free. I literally danced around my living room!’

In her own words:

Amanda's story

'Do you have a drawer in your house filled with bits and bobs? For me, that was where I stuffed the bills. Dozens of them, unopened and unpaid. I was getting deeper into debt, but I had no idea how to get out.

'Debt destroys everything – your relationships, your mental health, your confidence. Believe me, I know.

'My name is Amanda, and the help I got from CAP saved my life.'

'It started when my mum was diagnosed with cancer. I stopped work to care for her – and the bills started to mount up. I wasn't spending on luxuries, it was just the cost of living. Council Tax, rent, my phone... my gas and electricity bills doubled.

'It became too much. I was sinking into depression. One day, early in January – it was cold and snowing – a bailiff knocked on the door demanding money. I took an overdose that night. I just couldn't see a way out.

'Debt does that to you. It creeps up and devastates your life. But at my darkest time, hope arrived.

'I reached out for help and Jane, the local CAP Debt Coach, came to visit. She asked me to hand over the bills hidden in my drawer. "Don't worry about any of it," she said. "Just leave it with me."

'Jane explained the only real option for me was to become insolvent, which meant my debt would be written off completely. She helped me apply for a Debt Relief Order, one route to erasing the debt, and bit by bit the cloud began to lift. When a CAP Debt Advisor phoned to tell me I was debt free, I literally danced around my living room!

'Alongside this, Jane invited me to church. I used to believe in God but I lost a baby to cot death 26 years ago, and gave up on faith. But I realised I needed God. Now, I'm part of a Bible group and God is in my life again.

'I can't put into words properly how much it all means... CAP saved my life. I have hope again. I've gone from wanting to die to really wanting to live.'



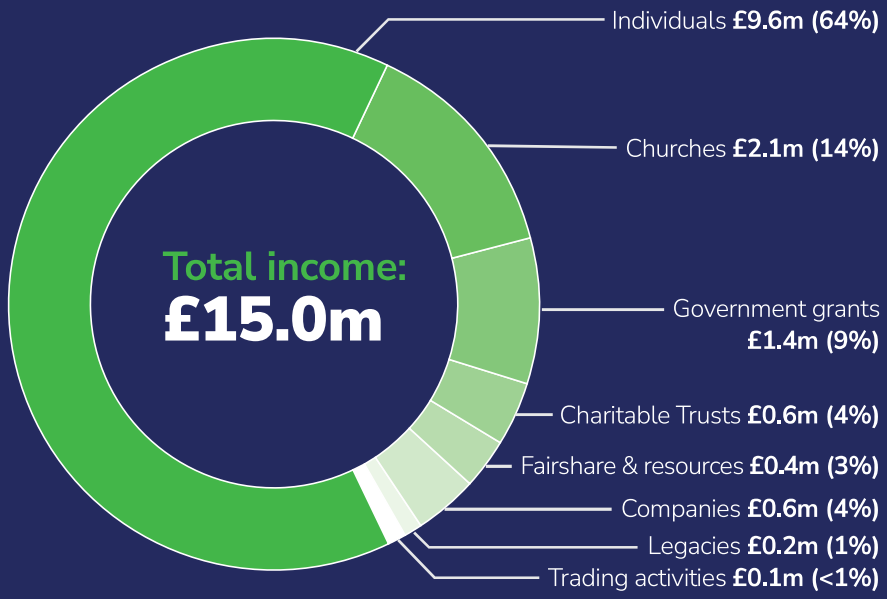


Support in action

Money in

In 2022, donations, legacy gifts and other income totalled £14.96 million, which was lower than the previous year's total of £15.2 million. This was mainly due to a drop in fundraising income.

We are incredibly grateful to supporters who gave as generously as they could in 2022 – especially because we know finances are tight for many households. We also remember with deep gratitude all those who kindly left a gift to CAP in their will.

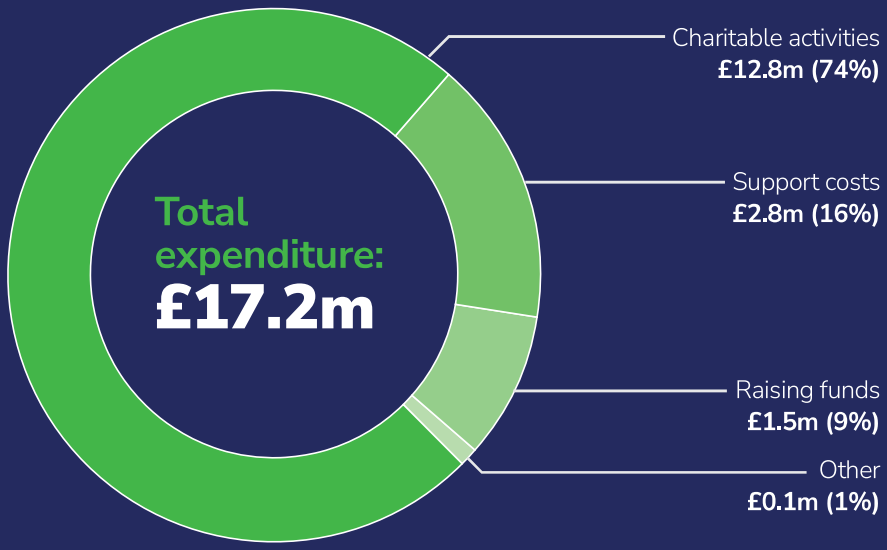


Money out

We used our resources wisely and carefully to have the greatest impact for people in debt. Our expenditure for 2022 totalled £17.24 million (more than £3 million higher than the previous year), leaving us with a deficit of £2.28 million.

There were two reasons for our increased expenditure. First, we invested in CAP's debt service to help more people, to further empower clients, and provide an improved experience for church partners. Secondly, we invested in our tech teams to advance systems which support client-facing technology.

To enable this spending increase, we chose to invest some reserves which had grown from surplus income in previous years. Our reserves dropped to £5.85 million by the end of 2022.



Aim 1

Relieving poverty in the UK

What did we do in 2022?

Lifting the weight of debt

Amid the worst cost of living crisis in a generation, calls to our free debt helpline increased by 20%. Our top priority is to help people out of debt – so CAP was there to provide vital advice.

Almost 34% more people received debt advice in 2022 compared to the previous year, through services delivered by both our head office and frontline staff. Part of the increase was due to low figures recorded in 2021, when we were easing out of the pandemic. But there's no doubt more people were driven to seek help in 2022 by the soaring cost of living.

Just under 2,000 people became debt free – an increase of 3.5% on the year before – so more than 22,000 people have now become debt free with help from CAP since 2010.

Meanwhile, demand for emergency support soared. Our partner churches did 60% more food shops for clients in crisis, and provided double the number of energy top-ups to people struggling to afford to heat their homes. Other emergency support included phone top-ups and buying school uniforms.

In autumn 2022, we worked with another charity, Turn2us, to launch a new benefits calculator online. The tool helps people check if they are entitled to extra benefits, and within three months it had been used by more than 21,000 people. Figures show more than £6m in annual income was found – which was previously unclaimed. Around 2,000 people are estimated to be better off thanks to the calculator.



16,246
Number of people – adults and children – CAP helped during the year



1,946
people became debt free



1,831
households received emergency support



281
UK Debt Centres (by the end of 2022)



15
new Debt Centres opened in 2022



CAP provides support and bursaries to help partner churches, but the number of UK Debt Centres fell by 6% in 2022. This was due to many churches focusing on rebuilding congregations, post-pandemic, rather than starting new ministries. Rising energy bills were also a factor in closing some Debt Centres.

Hayley's story:
Life skills > faith

Hayley was struggling to get by on Universal Credit. So she joined a CAP Life Skills course at a local church – and it changed everything.

'I started looking at whether I could get food cheaper, I started to budget more, I scrutinised my bills to see if I could cut them down,' said Hayley. 'But also, after every Life Skills session, someone prayed with me. And that made me think...'

Hayley became a Christian. 'Half the people from the CAP Life Skills course turned up to my baptism,' she smiled. 'Now, I'm hoping to get a job. Everyone is really proud of me and how much I've changed. It's been a good thing!'



'I feel happier and more confident.'

Tackling the causes of debt and poverty

Poverty is complex and very rarely caused by one event or circumstance alone. There is also a direct link between what causes debt and poverty and what holds people in that situation.

Two of the most common drivers of debt and poverty in the UK are persistent low income and unemployment. We tackle both through:

1) CAP Job Clubs. At these friendly clubs, people can get practical help and gain the tools they need to find work. Clubs meet weekly and are run by trained volunteers. Attendees follow an eight-week course which gives them all the help they need.

2) CAP Life Skills. In these groups, people learn how to live well on a low income. We share practical money-saving techniques, such as cooking on a budget, and help people develop the confidence and decision-making skills they need.

The number of UK Life Skills groups grew by 6% in 2022, as more churches made efforts to help people live well on a low income. We created fast-track training to quickly set up churches to provide this vital support.

CAP LIFE SKILLS

797
people attended Life Skills groups

134
Life Skills groups in the UK

40
new Life Skills groups opened

CAP JOB CLUBS

723
people attended Jobs Clubs

92
CAP Job Clubs in the UK

8
new Jobs Clubs opened in 2022

The number of Job Clubs in the UK fell by 20% in 2022. Unemployment forecasts in 2021 caused a surge in churches launching clubs. But in 2022, changes in the jobs market, retiring Job Club Managers and problems recruiting volunteers saw an increase in the number of Job Clubs closing.



Aim 2

Providing financial education

What did we do in 2022?

We believe financial education is the key to unlock the end of UK poverty. That's why we champion and continually develop the CAP Money Course, a free course which teaches people budgeting skills and a simple system to control their money.

In just a few weeks, people learn a practical way of sticking to a budget, by seeing what they're spending, how they could save, and how to prioritise. In 2022, churches ran 44% more CAP Money Courses compared to 2021, and we saw a 47% increase in the number of people taking part.

We also reviewed and refreshed the CAP Money Course in 2022. It's been fully overhauled, improved, and will be ready to go in late summer 2023.



4,435
people took part in a CAP Money Course

47%
more people completed a CAP Money Course compared to 2021

1,136
CAP Money Courses in 2022

500+
Money Coaches trained to provide relevant cost of living crisis guidance

163
new CAP Money Courses opened in 2022

482
churches ran a CAP Money Course

Abi's story:
No more fear

'My marriage had just ended and I was living by myself, working part-time, with three children. Before, my husband did all the money management. But now I was in fear the whole time, worrying how to pay the mortgage and feed the family.'

That was Abi's situation before she joined a couple of friends at the local CAP Money Course. She couldn't believe the impact it had.

'Everyone was non-judgemental and helpful, I felt free to talk about things. I used an online spreadsheet to think through budgeting for things like Christmas, holidays and car maintenance. I've never previously budgeted like that – but now I have little pockets of money ready. It's helped astronomically. I'm in control now.'

Through CAP, Abi learned how helpful certain apps can be in managing your money, opting to start using one herself. This helps her allocate funds to different pots. It means she not only has money for the essentials, she can also afford treats.

'I feel like I have savings, so I can take time off work and take the children on holiday. I don't feel worried about Christmas. The children have pocket money, which they never had before, and they can see I am much happier and more relaxed. It's changed so much in all our lives.'



'It's changed so much in all our lives.'

Aim 3

Advancing the Christian faith

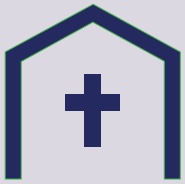
What did we do in 2022?

At CAP, we are driven by our faith. It gives us hope for humanity and compassion for the people we meet. We actively encourage those we work with to explore a deeper relationship with Christianity, if they want to, because it gives richer meaning and purpose to all our lives.

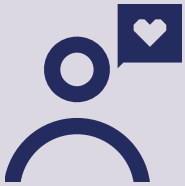
In 2022, we advanced Christianity through the Mustard Seed Mission Fund. We provide grants of up to £1,000 to CAP frontline workers and local churches, to help launch new initiatives around mission and evangelism.

More than 20 churches received grants, and ran projects including community meals, parent and toddler groups, drop-in cooking courses, a community garden, and outreach to young people. More than three-quarters of churches said they reached people they wouldn't normally connect with – and half said it grew their confidence to share faith.

What's more, through all of CAP's services over the course of the year, at least 243 people responded to Jesus – either taking a first step of faith or recommitting their lives to Jesus. (The actual figure is likely to be higher; these were only the responses reported back by our teams).



243
people (at least) responded to Jesus



884
people were reached through projects supported by the Mustard Seed Mission Fund



186
volunteers took part in community outreach

Stuart's story:

A garment of praise

Stuart was baptised in 2022 after connecting with his local church because of support he received from CAP. He is also debt free, and has put gambling, smoking and depression behind him.
'Before, I felt alone, but now I feel I can fight whatever is put in front of me,' said Stuart. 'It's all due to CAP – and God.'



'Since I've come to faith there is light at the end of the tunnel. I'm free in myself.'

Aim 4

Raising awareness of poverty

What did we do in 2022?

When we share our knowledge and expertise, we can help create lasting change. That's why we speak out, mobilise others to campaign, and use our platform to influence policy to bring an end to UK poverty.

In 2022, in response to the cost of living crisis, we focused on six key areas.

1

Reports

Our 2022 client report, *On the edge*, outlined trends within our services. It contained shocking statistics: more than a third of CAP clients had considered or attempted suicide as a way out of debt before seeking help. Our *Lifelines to Safety* report looked at why people rely on credit in financial crises – and made recommendations to improve people's financial resilience.

2

Consultations.

We took part in 21 consultations, including reviewing personal insolvency arrangements in England and Wales, and amending the Debt Relief Order eligibility criteria in Northern Ireland.

3

UK Parliament

We engaged with decision-makers over support during the cost of living crisis, and the adequacy of social security benefits. We joined a new advisory group set up to tackle poverty in the UK.

4

Inquiry evidence

In Scotland, our team gave evidence to the Low Income and Debt Problems Inquiry. For the first time, three CAP clients took part in an 'experts by experience' panel – marking a step forward in our work with people with lived experience. The inquiry led to a report called *Robbing Peter to Pay Paul*, and recommendations are already being actioned.

5

Events

We held a reception in the House of Lords, hosted by Bishop of Durham the Rt Rev Paul Butler, to launch our refreshed vision among MPs, industry contacts, supporters and charity peers.

6

Politics

We held fringe events at the Labour and Conservative party conferences to discuss the impact of the cost of living crisis on debt and poverty.

Campaigns in England

We campaigned for more support for low income households, and sponsored a collaborative billboard campaign in Westminster and Manchester on the day Liz Truss took office at Number 10. More than 3,000 supporters wrote to the Prime Minister on the issue.

Campaigns in Scotland

We joined other organisations to campaign for the Scottish Child Payment, a social security benefit available for all children under six, to be doubled – from £10 to £20 per week. This happened in April 2022, and it was increased again in November to £25 per week per child.

Resources

We published a children's book and created Bible study resources to help people understand poverty, and strengthened our call for people to stand with those in debt and poverty by campaigning and speaking out.



5,713

people wrote to a decision-maker such as their MP to call for an end to UK poverty

Aim 5

Collaborating with others

What did we do in 2022?

Collaboration is at the heart of how we do things. CAP churches, supporters, volunteers and friends are vital members of the team. By working with a thriving church community and our broader network, we see lives transformed.

Church partners

We're grateful for the 482 churches which ran a CAP Money Course, more than 250 churches involved in CAP Debt Centres, and others which ran Job Clubs or Life Skills groups. CAP's vital work simply wouldn't happen without churches.

Church talks

50 CAP speakers came together for a time of inspiration and training, and in 2022 the team gave 40% more talks than the previous year. More than 460 people started supporting CAP regularly as a result – which could potentially generate £1m in income.

Generous supporters

By the end of 2022, more than 28,000 people were giving a regular donation to CAP. We call them Life Changers because their generosity has a significant impact on so many people. Despite the challenging economic climate, 92% of Life Changers faithfully donated throughout 2022 and 2,437 supporters even increased their regular gift.

Appeals, grants and trusts

Supporters donated generously to CAP appeals during 2022, giving £458,738 over the year – well above our target of £325,000. From trusts, we received £605,293 in grants. In addition, CAP benefited from multi-year support from the Souter Foundation, Jerusalem Trust and Bramall Foundation.

Fundraising partnerships

We were Charity of the Year for the mutual financial savings company, Foresters Friendly Society, in 2022 – and their members raised £55,577 for CAP. We also partnered with United Christian Broadcasters for a fundraising campaign which raised over £64,000 and involved a full day's takeover of their radio stations. In addition, Christian conference, Word Alive, made CAP a recipient of their collection, resulting in a generous gift of £14,000.

Prayer community

Prayer fuels the work of CAP, and we were delighted that 1,120 new people joined our prayer community in 2022.



‘The generosity of CAP supporters reflects their deep commitment to tackling UK poverty. To see such faithful giving during a cost of living crisis is humbling, and we’re grateful to share this mission with so many amazing supporters.’

Alex Jones, Head of Fundraising

346
church talks

1,120
people joined our prayer community

461
people started donating regularly

5,713
people wrote to a decision-maker such as their MP about UK poverty

28,653
people now support CAP with a regular donation

Global growth

CAP in the UK continued to support and collaborate with CAP teams in America, Australia, New Zealand and Canada*. We hosted a week-long gathering for representatives from CAP international teams, facilitating discussions on how we can maximise the benefits of our global affiliation and resource new CAP countries.

Work to establish a new CAP organisation in the Republic of Ireland (CAP Ireland) is underway, with an official board now in operation and a Chief Executive Officer being recruited. They are a registered company limited by guarantee and have applied to become a registered charity which we expect to be approved during 2023.

Other international highlights include:

- Money Mentors, a holistic financial support programme developed and piloted by CAP Australia.
- CAP Canada celebrated hitting ambitious targets to provide debt support.
- CAP America worked with a small number of churches to test and develop the best service model.
- Progress made in CAP New Zealand’s journey to become bi-cultural, as the nation addresses disadvantages suffered by Maori and Pacifica people.

*The affiliate charities are separate organisations. They use the CAP brand and model but do not form part of a group structure.

Our three-year strategy

Back in 2020, we launched a three-year strategy based on strengthening our service provision, improving staff wellbeing and ensuring financial sustainability. 2022 marked the final year of this strategy – and we made progress in all three areas.

Strategic aim 1:

Deliver a sustainable and scalable debt service

We continued to deliver and adjust our debt service within the rapidly-changing debt advice industry. Funding from the Money and Pensions Service and the Scottish Government strengthened the debt advice we were able to give to our clients.

We also worked with specialists to redesign the journey a client takes through our debt service – from start to finish and including technical interfaces. This vital work will continue in 2023.

Strategic aim 2:

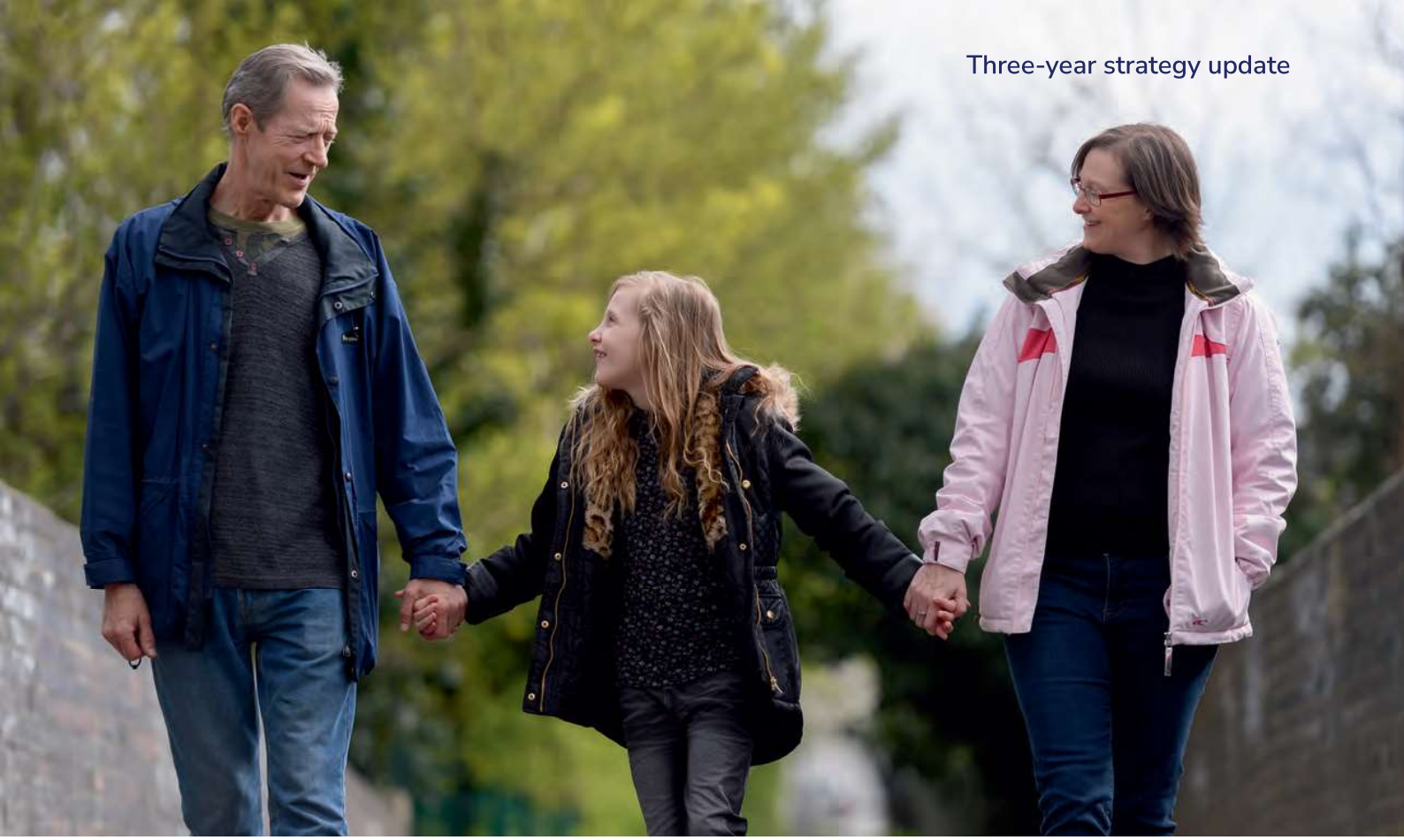
Make CAP the healthiest organisation to work for

In 2022 we grew our organisational cultural awareness – particularly around race and ethnicity. All leaders and managers took part in training from an external agency, Next Leadership, and relevant staff received recruitment training.

We developed a new tool which prompts staff to consider different perspectives, to support diversity, inclusion and accessibility in product development.

A group of staff members with lived experience of inclusion and accessibility challenges has also been established to act as consultants on new products.

A new women's network was set up among staff, to facilitate peer support, collective learning and open discussion. Meanwhile, our new accessible head office is a big step in maintaining a healthy, diverse and inclusive workforce.



Strategic aim 3:

Ensure financial sustainability for the future

Significantly, we moved our head office into Jubilee House, a modern, well-equipped and accessible building, which also saves an estimated £81,000 in annual
running costs.

Early in 2022 we met standards for the Cyber Essentials quality mark, which shows we're protected against cyber attacks. This is an important accreditation required to be eligible for Government funding.

We secured £1,364,558 from the Scottish Government and the Money and Pensions Service for delivering debt services across Scotland and England.

To grow our supporter base, we ran several fundraising events and trialled new approaches to share CAP with more people. Around 11,000 new people joined us to pray, give or campaign.

Looking forward

In 2023, with a forecast of increasing costs and decreasing income, we have developed an interim strategy. It will focus on:

- strategic and financial stability
- ensuring the sustainability of our services
- developing and strengthening our relationships with churches
- organisational wellbeing

In the longer term we aim to:

- continue to strengthen our organisational infrastructure
- grow the number of individuals and churches working to end poverty in the UK
- increase the impact we have as a charity

Financial review

How we managed the money you gave us

Overview

Our overall financial objective is to achieve a healthy balance between our fundraising, our financial reserves and the resources required to run our services effectively and fulfil our charitable objectives.

Following 2021, when we were building back and recovering from the COVID-19 pandemic, 2022 was a year of resetting and restrengthening in many areas. We looked long-term with the aim of building organisational resilience and invested in areas that needed to be strengthened, particularly within tech and our digital capabilities along with investment into new strategic priorities, such as Debt Service Transformation and the CAP Money Course refresh, through utilising reserves that had built up over the last few years. We also prioritised cyber security work to meet the Cyber Essentials standard and mitigate the risk of cyber attacks.

We continued with our office relocation programme, completing the refurbishment and fit out of Jubilee House (the freehold office building purchased in 2021) and moved into our new premises in October 2022. We sold three properties, including Jubilee Mill, during 2022 and the net proceeds were used towards the refurbishment of Jubilee House. We have two additional property assets that are on the market for sale which we expect to sell during 2023. In completing this programme, we have removed the financial risk associated with managing old buildings, with high and unpredictable maintenance costs, fire safety concerns and poor levels of accessibility for staff and visitors.

In 2022, our income totalled £15.0m (2021: £15.2m) and expenditure totalled £17.2m (2021: £14.1m) which resulted in a deficit of £2.3m (2021: £1.1m surplus).

Income

In 2022, our income totalled £15.0m (2021: £15.2m). Our main sources of income continue to be donations from individuals and churches, which totalled £11.9m (2021: £12.0m) or 79% (2021: 78%) of our total income. Many of our supporters wanted to help those impacted by the cost of living crisis through our work and we saw this in their response to our appeals and also in unsolicited income from individuals.

Regular income, most of which was received on a monthly basis, was £9.4m (2021: £9.5m) which represents 63% (2021: 62%) of total income received. Life Changer giving from individuals is our most important source of regular income and provides financial stability for the charity. In 2022, Life Changer income remained at £7.0m (2021: £7.0m) including associated Gift Aid. At the end of 2022, there were 28,653 Life Changers, each giving an average of £18 per month excluding Gift Aid.

Our one-off income remained fairly static with a slight decrease of 3% to £5.6m (2021: £5.7m). Although we received slightly less from private individuals and trusts in 2022 than we did in 2021, we did receive additional income in the form of government grants and donations from companies which offset this.

During 2022, the Government continued to provide funding through the Money and Pensions Service (MaPS) to support the rising need for debt advice capacity in England. We were successful in renewing our grants with MaPS and received £855k in 2022 (2021: £736k). This funding will also continue into early 2023. Additional funding was also secured for the successful submission of Debt Relief Orders (DROs) which totalled £260k (2021: £217k).

We continued our relationship with the Scottish Government and received funding of £246k (2021: £249k) from the Housing and Social Justice Directorate to support the provision of debt advice in Scotland.

In 2022, we received £0.4m (2021: £0.5m) in donations from creditors as Fair Share contributions, where a percentage of monies disbursed to our clients' creditors through a Debt Management Plan is paid back to the charity. 100% of payments made by clients through their Debt Management Plan go towards paying off their debts. In 2022, funds disbursed to creditors on behalf of our clients for debt and priority payments totalled £5.7m (2021: £6.9m).

Expenditure

Total expenditure in 2022 saw an overall increase of 22.6% or £3.1m, to £17.2m (2021: £14.1m) due to the planned investment of reserves and increased operating costs. We overcame the earlier recruitment challenges we faced, which had resulted in lower than anticipated expenditure in 2021. The return to a pre-pandemic level of in-person events such as staff conferences, exhibitions, and external functions increased our overall travel and associated costs..

Expenditure on charitable activities (including associated support costs) increased by £2.1m to £15.3m (2021: £13.2m). The average headcount in our Debt Operations increased by 38, which resulted in increased costs but also allowed us to serve more clients during the year. In 2021, we began our Debt Service Transformation project to redesign our debt service offering. In 2022, we invested £793k into the project and we now have a blueprint for a service with our clients and church partners at the centre.

We spent £176k reviewing and refreshing our CAP Money Course and also spent an additional £100k on supporting the work of our international CAP affiliate charities.

In order to facilitate our charitable activities, we had to invest in technology, and in particular, focused on attaining our Cyber Essentials accreditation.

Other costs of £128k increased by £769k compared with last year as included in 2021 was an impairment reversal of £683k. An impairment charge of £70k was recognised in 2022 as the market value at the year end of the land CAP is currently selling was lower than we had recorded in our accounts.

Fundraising
We would not be able to conduct our charitable activities without fundraising and during 2022 we were able to return to some of our in-person fundraising events. Expenditure for raising funds increased by £0.3m to £1.8m (2021: £1.5m) and represents 11% (2021: 11%) of total costs.

Support costs
Support costs in 2022 totalled £2.8m (2021: £2.4m) and accounted for £0.4m of the £3.1m total increase in expenditure. Included in support costs was £373k in uncapitalised expenditure relating to the move to our new head office premises in October. During the year, we also invested £95k into refreshing our brand and our website which will help us to reach and serve more people.

Cash flow and investments

Reserves policy and management
Each year, the Trustees review our reserves policy and the level of required general free reserves to ensure that an appropriate level is held. We aim to maximise the funds we can spend to support our charitable aims. This is balanced against managing short-term financial risk and our obligations as a debt management company under FCA rules (CONC 10.2.5) to hold sufficient free reserves to meet our minimum prudential resources requirement of £56k.

The Trustees have set a target level of reserves at three months of one-off income based on the following year's budget, which for 2023 is £1.3m. The reserves at 31 December 2022 were £5.8m (2021: £8.1m), of which £0.2m (2021: £0.3m) are restricted in nature and £4.4m (2021: £3.1m) is only realisable by disposing of tangible fixed assets and associated mortgages. Free (unrestricted) reserves at the end of 2022 were £1.2m (2021: £4.7m), which are £0.1m (2021: £3.2m) under the minimum reserves set out in our reserves policy.

Total reserves reduced by £2.3m in 2022 due to the deficit for the year. Free reserves reduced by a further £1.2m due to additional investment in fixed assets, which are deducted as part of the free reserves calculation. Our five-year plan was to invest excess free reserves in digital transformation to enable our debt service to be scalable and sustainable for the future. Having utilised the majority of our excess free reserves in 2022, further investment in digital transformation will be limited to the level of additional funds we are able to raise in 2023 and beyond, which will be designated or restricted for this purpose.

The covenant on one of the charity's bank loans states that Net Assets must not fall below £2.5m. At the end of 2022, Net Assets were £5.8m.

We have supported other organisations that share our goals and values since 2014 from an annual 'giving pot'.

The criteria for selecting which organisations to support are:
- CAP's own international work
- Other UK-based organisations that share our core values, namely those that help the vulnerable and marginalised, work through the Church and have an evangelistic focus

During the year we made donations of:
- £25k to Isaiah61 Movement
- £40k to CAP America

Investment powers and policy
The charity's investment policy is reviewed annually by the Finance, Audit and Risk committee. In 2022, the policy has been maintained to continue to invest any surplus liquid funds in fixed-term deposits with the charity's bankers.

Principal risks and uncertainties

Overview
The Board of Trustees holds responsibility for ensuring the charity has robust systems of internal control and risk management in place. All directorates perform regular risk assessments that consider both existing and emerging risks. The charity maintains a register of all key risks as part of the risk management strategy, which is regularly reviewed for effectiveness by the Board and the Finance, Audit and Risk Committee. The Committee also receives reports from our external auditors and reviews progress against any recommendations.

This strategy has identified the following important potential risks and how they will be mitigated. They are not set out in any priority order.

Risk	Mitigation
Cyber security attacks	Our IT systems are regularly tested for external attacks, and additional security and penetration testing is commissioned from an independent security consultant, using Cyber Essentials as a framework. We have increased staff awareness of IT security measures and carry out reviews and testing of our business continuity plan. Other mitigations include data anonymisation, two-factor authentication, cyber security insurance and major incident management processes. We have achieved cyber essentials certification, which was critical to secure continuous cyber security insurance cover and to receive ongoing statutory funding.
Safeguarding of vulnerable adults	Our safeguarding and whistleblowing policies are regularly reviewed, with refresher training regularly conducted for all staff. We also have training in place for partner churches to ensure good safeguarding practice. We commission an external safeguarding audit every three years from an organisation that specialises in safeguarding in the faith sector (last audit Sept 2021). We employ a dedicated Safeguarding Lead to ensure our continued focus in this area.

Risk	Mitigation
Reputation	Negative media coverage of the charity sector has led to greater interest and focus on the activities and communications of charities. Ongoing mitigation comes from continuing to build our brand and reputation publicly, including developing and maintaining key relationships within the media, credit industry, Government and Christian sector of society.
Impact	We continually measure outcomes for our clients and publish them regularly, including through our annual client report (most recently published in June 2022). We conduct regular client surveys to measure the ongoing impact of our services over time.
Compliance	We are authorised and regulated by the Financial Conduct Authority and subject to an annual CASS audit (Client Money). We hold the Advice Quality Standard which is achieved by an external audit of our advice processes and demonstrates our commitment to best practice and delivering quality advice to our clients.
Financial sustainability	As with any charity that is heavily reliant on voluntary donations for its income, a large reduction in funding could have a serious impact on the charity's ability to carry out its charitable activities. We mitigate this through our fundraising strategy and a drive to grow regular income. We are enhancing our digital presence and trialling new fundraising channels to attract new supporters. High inflation, rising interest rates, high utilities costs and other cost of living pressures are having an impact on our income, our operational costs, our clients and our staff. We are taking action to reduce our operating costs and headcount numbers in 2023, in line with our lower income forecasts for the next five years.
Safety, security and wellbeing of staff and volunteers	We have a Health and Safety Board to ensure we are covering all risk areas, including our head office and frontline staff, safeguarding, business continuity and disaster recovery. Relocating to our new head office has addressed key accessibility and health and safety issues. The challenging economic environment and our need to reduce our costs have increased our concern for the mental wellbeing of our staff and volunteers. We have taken additional measures to support everyone during this difficult season.
Operational pressures	We have increased our awareness of the importance of building and testing operational resilience following two previous major disruptions to our service. We have developed tools to forecast and predict high levels of workload and pressure in our debt operations service, which will alert us to the need to make adjustments to manage this pressure in the system. We know that many of our processes and systems are difficult and time-consuming to change or adapt to new requirements or regulatory changes. We are investigating ways of using Robotic Process Automation (RPA) to speed up some of the routine tasks as a way of improving efficiency. Broken budgets and increasing financial and other distress experienced by large numbers of clients are adding to the time it takes to complete cases. Financial constraints for the next season will require us to reduce headcount numbers, therefore we are seeking to maximise efficiency gains through improved technology and RPA.

Trustees' report

Structure, governance and management

The Board of Trustees

The Trustees, who are also Directors of Christians Against Poverty for the purposes of company law, met four times in 2022 to review strategy and operational or financial performance, together with the charity's UK Chief Executive and other members of the senior management team. These meetings are also attended by a staff representative and a centre representative, so their views can be taken into consideration through the decision-making process.

The Trustees have the authority to appoint as Trustee any person who, by virtue of personal or professional qualification, is able to make a contribution to the pursuit of the charity's objectives or management. When recruiting new Trustees, the existing Trustees not only look at the person's qualifications but also at their passion and support for the charity's vision and aims to ensure they can play a full part in managing the charity's growth. Prospective Trustees are interviewed by the Chair and UK Chief Executive of the charity and usually attend a board meeting to meet other Trustees and the senior management team prior to their official appointment. In this way, we can ensure they are a good fit for the charity and are fully aware of their responsibilities as a Trustee.

Although our governing document does not require retirement by rotation, it is the board's practice to appoint a Trustee with the expectation that they serve for an initial period of three years. After this time, their role is reviewed to ensure they are still a good fit for the charity. They then have the opportunity to serve for two further terms of three years (nine years in total) or retire.

Trustee term of duty

A Trustee is expected to serve for a maximum of three terms of three years each, after which time up to two Trustees at any given time may serve as 'history carriers': Trustees who can pass on their experience of the culture and ethos of the charity to newer board members. Further Trustee training is carried out on an ongoing basis, making use of the Charity Commission website and other charity publications.

Indemnity

The charity purchased and maintained Trustee Liability Insurance throughout the financial year in respect of itself and its Trustees.

Structure and management

The charity is constituted as a company limited by guarantee (Company number 4655175), formed on 3 February 2003, and is therefore governed by its Memorandum and Articles of Association dated 5 February 2007. The company took over the operations of Christians Against Poverty as constituted under a Declaration of Trust dated 29 August 1996, on 1 June 2003. The day-to-day implementation of the strategic plan, together with the development of strategy, is led by the UK Chief Executive and senior management team, which consists of members of each area of the charity.

The Trustees meet regularly where, in full consultation with the senior management team, the main strategic and directional decisions are taken. Day-to-day operations are delegated to the UK Chief Executive and senior management team which has, within certain limits, delegated authority. Suitable benchmarks and milestones are agreed to provide a basis on which to measure achievements, with the senior management team reporting progress to the Trustees through the various committees. Monthly management accounts are also used to ensure financial targets are being met. If any significant matters of policy or key decision-making arise during these meetings, these will be referred to the Trustees for approval.

Finance, Audit and Risk Committee

The Finance, Audit and Risk Committee is responsible for monitoring the integrity of the charity's financial reporting and internal controls. This includes reviewing the annual report and accounts, and the effectiveness of external audit services. The committee also reviews the charity's risk management process, top strategic and operational risks, and adequacy of internal controls and mitigations.

Our fundraising practices

Every person who supports our work is important to us and we believe supporting CAP should be a positive experience. We strive to maintain the highest standards in supporter relations, ensuring each person is treated as an individual, with fairness and respect. For this reason, CAP voluntarily subscribes to the Fundraising Regulator by paying an annual fundraising levy. The Fundraising Regulator assumed responsibility for regulating all fundraising from July 2016 and investigates and takes action, where appropriate, on issues of public concern.

In previous annual reports, we've only reported on fundraising practice complaints which were escalated to the Fundraising Regulator. In the interest of openness and transparency, we've chosen to also include instances of feedback which we classified internally as complaints. In 2022, we received zero complaints which were dealt with by our in-house customer service team in line with our complaints policy, and none were escalated to the Fundraising Regulator.

The majority of our fundraising work is carried out by centrally employed staff including an in-house supporter phone team and a dedicated major donor team. Volunteer speakers also attend church services around the UK to inform congregations about the work of CAP, along with fundraising activities.

Although CAP has an in-house creative team that prepares supporter materials and appeals, we often work with freelance copywriters and agencies. All fundraising appeals must be signed off by us.

During 2022, we attended several exhibitions and festivals and hosted several fundraising dinners. As usual, these activities were run by CAP staff along with volunteers who tend to be supporters, family and friends of staff.

In-house fundraising training is provided to all volunteers based on the FR Code of Fundraising Practice. We train event volunteers to ask for support and give them a script to use where possible. As part of our training, we cover how to interact with supporters and potential supporters face-to-face in a reasonable and fair manner, allowing individuals to make their own informed decisions about whether or not to donate.

We regularly review the financial asks given by CAP speakers and provide feedback to the speaker when necessary. After every CAP talk, church leaders provide feedback on how the speaker interacted with the congregation. A member of the CAP Fundraising / Events team supervises all volunteers at exhibitions and fundraising dinners.

Additionally, we collect feedback from our fundraising dinner attendees and supporters after every fundraising call. Our feedback is collated via Delighted (experience management platform).

We have a vulnerable supporter policy, and all supporter-facing CAP staff and volunteers receive training in how to interact with vulnerable supporters. If a fundraiser suspects a person they are talking to may have vulnerabilities, they must end the conversation immediately. They should do this politely, without:

- Making a request for a donation
- Asking about the individual's capacity to make a decision
- Asking about the person's vulnerable circumstances

We know it may be difficult for fundraisers to decide whether or not someone is in a vulnerable circumstance or lacks capacity. We provide guidelines for fundraisers, but our approach is always to err on the side of caution. All CAP staff are also trained in line with our safeguarding policy, to ensure members of the public who are at risk are appropriately protected.

We continue to comply with the United Kingdom General Data Protection Regulation (UK-GDPR) which took effect in 2020.

Salary policy and pay for senior staff

The annual salary for the UK Chief Executive role was £87,566 in 2022, an increase from £85,223 in the previous year.

The annual salaries for the Chief Operating Officer and Chief People and Culture Officer roles were both £75,239, up from £69,185 in the previous year. For other Directors in the senior management team, annual salaries were between £41,473 and £61,214. In the previous year, Directors received between £55,467 and £59,576. We're committed to fairness for all and so an element of compression continues to be applied to the most senior salaries to achieve the agreed ratio of 1:5 between the lowest and highest paid roles across the charity, excluding internship roles.

The Trustees consider that they and the senior management team comprise the key management personnel of the charity, who are in charge of directing, controlling, running and operating the charity on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in notes 22 and 23 to the accounts.

Employees

The work of CAP relies on the commitment and hard work of its valued staff, both those directly employed at head office and those employed by our partner churches in our centre network.

Full training is given to each member of staff in their specific roles, including for interns through our internship programme. We are committed to equality in recruiting, training, promotion and career development and continually seek to promote from within alongside seeking external candidates.

The health and wellbeing of our staff is paramount and we are committed to offering flexible working arrangements and a range of benefits.

Diversity and inclusion

The charity is committed to supporting the employment of disabled people and helping existing staff, as well as anyone with additional support needs, as part of the recruitment process. In addition, we are committed to the retention of employees that become disabled while in our employment. We do this through training, career development, general awareness and support. We're keen to create a culture that reflects and embraces diversity in all areas and levels of the organisation. A Diversity and Inclusion Board was set up in 2021, headed up by a Programme Manager, tasked with reviewing and improving our approach in this area. This relates to education, church engagement, theology, client engagement, communication, supporter engagement, employment and policy. Because of capacity and the depth of work needed to deliver lasting progress, it was agreed that the programme would initially be focused on race and ethnicity. As an organisation, we care and want to be better at building an environment where all protected characteristics can be given appropriate attention, and so we will focus on others as time goes on, including gender, sexuality and disability.

Directors' engagement with employees

Regular communication with staff through monthly staff meetings and team meetings ensures employees are kept informed of any decisions taken by the senior management team. Staff also receive a quarterly update on the charity's financial position alongside information on how any current economic factors are affecting the performance of the organisation. Both a staff representative and a centre representative attend the quarterly Trustee Board meetings so their views can be taken into consideration through the strategic and operational decision-making process.

Volunteers

CAP values the work of its volunteers at head office in Bradford and across the UK. The welfare of those giving up their free time is important to us and we continue to ensure all policies and procedures are reviewed regularly. This provides the charity with clear boundaries and marks out for volunteers the extent of their remit. There is a dedicated staff member who oversees their work and ensures the wellbeing of all our volunteers.

The number of volunteers within our centre network is difficult to quantify, but we acknowledge that without their invaluable contribution our clients would not receive the help and support they do. The Trustees, therefore, wish to acknowledge the enormous contribution made by employees and volunteers, both at head office and within the centre network.

Work in Scotland

The Office of the Scottish Charity Regulator requires us to report separately on our work in Scotland. While we do not report our income and expenditure separately for our Scottish activities, the statistics at the end of 2022 were as follows:

22	Debt Centres
11	Job Clubs
6	Life Skills groups
122	Adults debt free
17	Job Club and Life Skills courses run

In 2022, the Scottish Government provided a grant of £246k to CAP, which has been used to resource our Scotland Debt Operations team.

Work in Northern Ireland

20	Debt Centres
4	Job Clubs
13	Life Skills groups
70	Adults debt free
17	Job Club and Life Skills courses run

Regulatory

Debt counselling and debt management are regulated activities under the Financial Services and Markets Act 2000. The charity is authorised and regulated by the Financial Conduct Authority (FCA) to provide debt counselling and debt management services.

In addition to the above, we also hold the Advice Quality Standard mark (AQS). Organisations that hold the standard have demonstrated they are easily accessible, effectively managed, and employ staff with the skills and knowledge to meet the needs of their clients. As part of achieving the standard, we also satisfied the requirements of the Money and Pensions Service (MaPS) Debt Advice Quality Framework.

Directors, senior staff and advisors

Directors (Trustees)

- Roger Hattam (Chair)
- Matthew Frost
- Lisa Pearce
- Simon Gates (resigned 11 October 2022)
- Joy Blundell
- Jane Pleace
- Ema Ojiako
- Robin Willison (appointed 18 April 2023)
- Catherine Nicholas-Vilkaitis (known as Kate Nicholas) (appointed 18 April 2023)
- Roger Mawle (appointed 18 April 2023)

Secretary

- Stephen Bonfield

Leadership team

- Paula Stringer (Chief Executive)
- Jon Day (Chief Operations Officer) (to 9 June 2023)
- Ellie Gage (Chief People and Culture Officer) (to 24 February 2023)
- Dan Lane (Engagement & Influence) (to 28 April 2023)
- Angie Rusbridge (Finance, Risk & Compliance)
- Jake Hutton (Debt Operations)
- Chris Cupples (Church Network) (to 31 May 2022)
- Tim Moger (Technology & Digital Transformation) (from 25 July 2022)
- Sarah Parkes (People Operations) (from 5 September 2022 to 19 May 2023)
- Lyn Weston (Church Network) (from 5 September 2022)

Principal and registered office

Jubilee House
1 Filey Street
Bradford
West Yorkshire
BD1 5LQ

Auditor

RSM UK Audit LLP
5th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

Solicitors

Hempsons
The Exchange
Station Parade
Harrogate
HG1 1TS

Bankers

Lloyds Bank PLC
Hustlergate
Bradford
West Yorkshire
BD1 1NT

Charity no. UK 1097217
Charity no. Scotland SC038776
Company no. 4655175

Trustees' responsibilities in relation to the financial statements

The charity Trustees (who are also the directors of Christians Against Poverty for the purposes of company law) are responsible for preparing a Trustees' annual report, strategic report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charity for that period. In preparing the financial statements the Trustees are required to:

a) Select suitable accounting policies and then apply them consistently;
b) Observe the methods and principles in the Charities SORP;
c) Make judgements and estimates that are reasonable and prudent;
d) State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
e) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to 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.

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

Statement as to disclosure to our auditor

In so far as the Trustees are aware at the time of approving our Trustees' annual report

- there is no relevant audit information, of which the charity's auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

A proposal to re-appoint RSM UK Audit LLP as auditor of the charity will be put to the Annual General Meeting.

Strategic Report

In accordance with section 414C (11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the company has prepared a Strategic Report, which includes information that would have previously been included in the Trustees report. The Trustees and Directors report contains all information required in a Directors report by the Companies Act 2006. The Trustees authorise both the Strategic Report and the Trustees' report below.

Approval

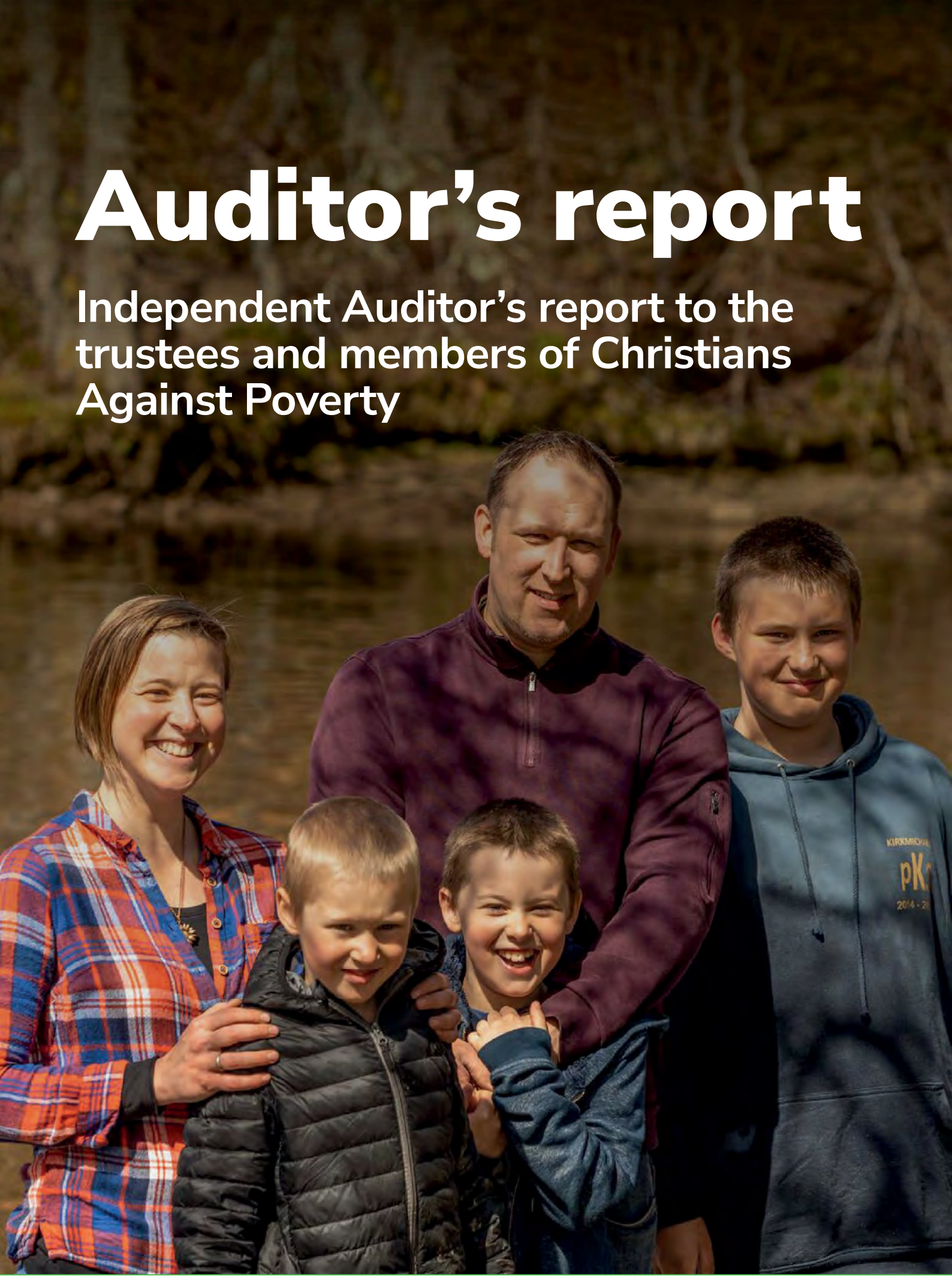
This report was approved by the board of Trustees on 30th June 2023 and signed on its behalf.



Roger Hattam
Chair of Trustees and Director

Auditor's report

Independent Auditor's report to the trustees and members of Christians Against Poverty



Opinion

We have audited the financial statements of Christians Against Poverty (the 'charitable company') for the year ended3 1 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report and the strategic report prepared for the purposes of company law and included within the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and the strategic report, included within the trustees' annual report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 37, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud having obtained an understanding of the effectiveness of the control environment.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are the rules and principles set by the Financial Conduct Authority (FCA) as regulator for the financial services industry in the UK and GDPR. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations. In relation to FCA, we inspected compliance documentation including but not limited to, internal procedures' manuals, reports from external compliance advisors, risk and breaches registers, regulatory returns and correspondence with the FCA as well as considering compliance with the conditions for authorisation. Including with any restrictions or requirements placed on the firm and other regulatory obligations.

The audit engagement team identified the risk of management override of controls and revenue recognition: completeness of legacies and donations as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed in relation to management override of controls included but were not limited to testing journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates. Audit procedures performed in relation to the completeness of donations and legacy income included but were not limited to verification of transactions during the year and around year end to third party supporting documentation and receipt to bank statements, where applicable.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's trustees 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, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Lucy Robson

Lucy Robson (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Fifth Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

Date: 01/07/23

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Financial statements

Statement of Financial Activities for the year ended 31 December 2022

(incorporating an income and expenditure account)

	Note	Unrestricted funds 2022 £'000	Restricted funds 2022 £'000	**Total 2022 £'000**	Unrestricted funds 2021 £'000	Restricted funds 2021 £'000	Total 2021 £'000
Income From							
Donations and legacies	2	12,279	825	**13,104**	12,756	628	13,384
Other trading activities	3	56	-	**56**	119	-	119
Investments		1	-	**1**	1	-	1
Charitable activities	4	431	-	**431**	467	-	467
Other income	5	-	1,365	**1,365**	25	1,184	1,209
Total income		**12,767**	**2,190**	**14,957**	**13,368**	**1,812**	**15,180**
Expenditure On							
Raising funds		1,779	30	**1,809**	1,476	32	1,508
Charitable activities		13,096	2,204	**15,300**	11,506	1,687	13,193
Other		128	-	**128**	(641)	-	(641)
Total expenditure	6	**15,003**	**2,234**	**17,237**	**12,341**	**1,719**	**14,060**
Net (expenditure)/income		(2,236)	(44)	**(2,280)**	1,027	93	1,120
Net movement in funds		**(2,236)**	**(44)**	**(2,280)**	**1,027**	**93**	**1,120**
Reconciliation of funds							
Total funds brought forward		7,873	254	**8,127**	6,846	161	7,007
Total funds carried forward		**5,637**	**210**	**5,847**	**7,873**	**254**	**8,127**

The notes on page 45 to 60 form part of these financial statements.

Balance sheet as at 31 December 2022

	Note	Unrestricted funds 2022 £'000	Restricted funds 2022 £'000	**Total 2022 £'000**	Unrestricted funds 2021 £'000	Restricted funds 2021 £'000	Total 2021 £'000
Fixed Assets							
Intangible fixed assets	10	328	-	**328**	368	-	368
Tangible fixed assets	11	5,699	3	**5,702**	4,633	6	4,639
Total		**6,027**	**3**	**6,030**	**5,001**	**6**	**5,007**
Current Assets							
Debtors	12	786	299	**1,085**	1,012	176	1,188
Cash and cash equivalents		1,039	(89)	**950**	4,316	78	4,394
Total		**1,825**	**210**	**2,035**	**5,328**	**254**	**5,582**
Creditors: amounts falling due within one year	13	(904)	(3)	**(907)**	(921)	(6)	(927)
Net current assets		**921**	**207**	**1,128**	**4,407**	**248**	**4,655**
Total assets less current liabilities		**6,948**	**210**	**7,158**	**9,408**	**254**	**9,662**
Creditors: amounts falling due after one year	14	(1,311)	-	**(1,311)**	(1,535)	-	(1,535)
Net assets		**5,637**	**210**	**5,847**	**7,873**	**254**	**8,127**
Funds							
Restricted funds				**210**			254
Unrestricted funds				**5,637**			7,873
Total funds	**19**			**5,847**			**8,127**

Approved by the Board of Directors and Trustees and authorised for issue on 30th June 2023 and signed on its behalf.



Roger Hattam
Chair of Trustees and Director

The notes on page 45 to 60 form part of these financial statements.

Statement of cash flows as at 31 December 2022

	Total 2022 £'000	Total 2021 £'000
Cash flows from operating activities		
Net (outgoing)/incoming resources	(2,280)	1,120
Depreciation on tangible fixed assets	150	106
Impairment of tangible fixed assets	70	(683)
Amortisation of intangible assets	52	50
(Profit)/loss on sale of assets	(279)	(1)
Less interest received	(1)	(1)
Add interest paid	58	41
Increase/(decrease) in debtors	103	175
Increase/(decrease) in creditors	164	141
Net cash flow (used in)/provided by operating activities	**(1,963)**	**948**
Cash flows from investment activities		
Proceeds on sale of assets	2,043	2
Purchase of tangible fixed assets	(3,047)	(2,264)
Purchase of intangible fixed assets	(12)	(49)
Current asset investment	-	-
Interest received	1	1
Net cash flow (used in)/provided by investing activities	**(1,015)**	**(2,310)**
Cash flows from financing activities		
Cash inflows from new borrowing	-	1,495
Interest paid	(58)	(41)
Repayment of bank loans	(408)	(248)
Net cash flow (used in)/provided by financing activities	**(466)**	**1,206**
Change in cash and cash equivalents in the year	(3,444)	(156)
Cash and cash equivalents as at 31 December 2022	**950**	**4,394**
Cash and cash equivalents as at 31 December 2021	4,394	4,550

The notes on page 45 to 60 form part of these financial statements.

Notes to the financial statements for the year ended 31 December 2022

1. Statement of accounting policies

Charity information
Christians Against Poverty is a company limited by guarantee domiciled and incorporated in England and Wales.

The registered office is Jubilee House, 1 Filey Street, Bradford, BD1 5LQ.

Christians Against Poverty meets the definition of a public benefit entity under FRS 102. The charity exists for the benefit of the public through the provision of services to members of the public suffering from problem debt, unemployment and low income, which are detailed in the charity's principal activities.

Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Charities Statement of Recommended Practice, Accounting and Reporting by Charities ("SORP") FRS 102 and the requirements of the Companies Act 2006.

The financial statements have been prepared under the historical cost convention.

The financial statements are presented in sterling which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £'000, except where otherwise indicated.

The charity's principal activities are described in detail on pages 8 to 9 along with the nature of the charity's operations. The company has adopted the following principal accounting policies, which should be read in conjunction with the financial statements set out on pages 42 to 44.

Basis of consolidation
The financial statements show information about the charity as an individual entity and not about its group, as the charity has taken advantage of the exemption provided by section 405(2) of the Companies Act 2006 not to prepare consolidated financial statements. The Trustees consider that the charity's subsidiary should be excluded from consolidation on the basis that it is immaterial for the purpose of giving a true and fair view.

Preparation of the accounts on a going concern basis
The Trustees (who are directors of Christians Against Poverty for the purposes of company law and the Trustees of Christians Against Poverty for the purposes of charity law) have reviewed the charity's financial position, taking into account the levels of reserves and cash, the annual plan and the five-year financial plan, and its systems of financial and risk management.

As a result of their review, the Trustees believe that the charity is well-placed to manage operational and financial risks successfully given that the charity has recently taken action to rebalance expenditure to align with the predicted decline of income growth over the next 3 years, due to the ongoing uncertain economic outlook. Accordingly, the Trustees have a reasonable expectation that there are no material uncertainties about the charity's ability to continue in operational existence for the foreseeable future.

The Trustees, therefore, continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Funds held by the charity
Unrestricted funds represent funds received that are available to the Trustees to apply for the general purposes of the charity as set out in the governing document.

Restricted funds represent funds received for a specific purpose as defined by the donor or funder.

Incoming resources
All incoming resources are included in the statement of financial activities when the charity is legally entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy. The following specific policies apply to the categories of income:

Legacies
Legacy income is recognised when the charity has been notified of entitlement, where receipt is probable and the amount of the legacy is quantifiable.

Government grants
Grant income is recognised when the charity has been notified of entitlement, where receipt is probable and the grant is quantifiable, provided that the terms of the grant

1. Statement of accounting policies (continued)

do not impose future performance-related conditions. If entitlement is conditional on performance, such as a particular level of service to be delivered, the grant is not recognised until these conditions have been met. Any grants that are received before the revenue recognition criteria are met are recognised in the entity's financial statements as a liability.

Resources expended

All expenditure of the charity is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Irrecoverable VAT is attached to the specific expense incurred.

Costs of generating voluntary income consist of the direct costs of fundraising staff together with quantifiable direct costs. Other support costs are allocated on the basis of headcount.

Charitable activities consist of the direct costs of staff involved in the delivery of activities and services to the charity's beneficiaries. Direct costs are included where quantifiable and all other support costs are allocated on the basis of headcount.

Intangible fixed assets other than goodwill

Intangible assets acquired and developed separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following basis:

Software development	10 years on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited/ charged to the statement of financial activities.

Tangible fixed assets

Fixed assets are measured at cost, net of depreciation and any impairment losses. All fixed assets with an individual value in excess of £500 are capitalised.

Depreciation is calculated to write down the cost or valuation, less estimated residual values of all fixed assets over their expected useful lives. It is calculated at the following rates:

Freehold buildings	2% on cost
Freehold land	Not depreciated
Computer equipment	33 1/3% on cost
Furniture and fittings	25% on written down value
Office equipment	20% on cost
Plant and equipment	10% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited to the statement of financial activities.

Fixed asset investments

The investment in the subsidiary is measured at cost less any accumulated impairment losses.

Impairment of fixed assets

At each reporting period end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of financial activities.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

1. Statement of accounting policies (continued)

Cash and equivalents
Cash and cash equivalents includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments
The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets
Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities
Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Taxation
The charity is exempt from tax on income and gains falling within sections 472-489 of the Corporation Tax Act 2011 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

1. Statement of accounting policies (continued)

Pensions
The charity operates a defined contribution pension scheme, Christians Against Poverty Stakeholder Pension Plan, and the pension charge represents the amounts payable by the charity to the fund in respect of the period.

Termination benefits
Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Operating leases
Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

Judgements and key sources of estimation uncertainty
In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The annual depreciation and amortisation charges for tangible and intangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect the current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. Impairment on tangible fixed assets is evaluated when an asset is held for sale. The estimations are assessed annually and are amended when necessary to reflect the current market value of the asset. See note 10 for the carrying amount of the intangible fixed assets and note 11 for the carrying amount of the tangible fixed assets.

Where accounting estimates concerning legacy income recognised in prior years have been revised, the current year accounts have been adjusted to reflect the revised values expected. Accounting estimates have also been used concerning new legacy income to which the charity has become entitled.

2. Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Regular Supporters	5,872	7	**5,879**	5,824	5	5,829
Individual gifts	1,930	390	**2,320**	2,175	247	2,422
Churches	2,054	1	**2,055**	2,084	-	2,084
Companies	553	92	**645**	293	167	460
Charitable Trusts	320	285	**605**	749	209	958
Legacies	101	50	**151**	173	-	173
Total	**10,830**	**825**	**11,655**	**11,298**	**628**	**11,926**
Gift Aid	1,449		**1,449**	1,458	-	1,458
Total donations and legacies	**12,279**	**825**	**13,104**	**12,756**	**628**	**13,384**

3. Other trading activities

	2022	2021
	£'000	£'000
Fundraising events	**38**	86
Rents received	**18**	33
Total	**56**	**119**

The amounts above are all unrestricted income.

4. Charitable activities

	2022	2021
	£'000	£'000
Service Companies	**418**	459
CAP Money resources	**11**	8
Services resources	**2**	-
Total	**431**	**467**

The amounts above are all unrestricted income.

5. Other income

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Government grants	-	1,365	**1,365**	25	1,184	**1,209**
Total	**-**	**1,365**	**1,365**	**25**	**1,184**	**1,209**

During the year the organisation claimed £nil (2021: £1,576) from the government in relation to the COVID-19 Job Retention Scheme.

The charity received funding from Government departments for the following projects:

		2022	2021
Government department	**Project**	£'000	£'000
The Money and Pensions Service	COVID-19: Maintaining Debt Advice Capacity	**-**	23
The Money and Pensions Service	COVID-19: Increasing Debt Advice Capacity	**855**	713
The Money and Pensions Service	Administration of Debt Relief Orders	**260**	217
Housing and Social Justice Directorate (Scotland)	Debt Advice Provision Project	**246**	249

6. Total expenditure

	Direct costs 2022	Support costs 2022	Total costs 2022	Direct costs 2021	Support costs 2021	Total costs 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure on raising funds						
Expenditure on raising donations and legacies	1,512	297	**1,809**	1,303	205	1,508
Total	**1,512**	**297**	**1,809**	**1,303**	**205**	**1,508**
Expenditure on charitable activities						
CAP Debt Centres	9,797	1,931	**11,728**	8,307	1,755	10,062
CAP Job Clubs	413	73	**486**	529	118	647
CAP Fresh Start	-	-	**-**	339	83	422
CAP Life Skills	826	276	**1,102**	300	62	362
CAP Kick Start	4	-	**4**	1	-	1
Client welfare	218	19	**237**	202	26	228
CAP Money	167	10	**177**	126	8	134
International	268	10	**278**	168	8	176
Raising awareness	1,100	188	**1,288**	998	163	1,161
Total	**12,793**	**2,507**	**15,300**	**10,970**	**2,223**	**13,193**
Other costs	58	-	**58**	42	-	42
Imapairment on fixed assets	70	-	**70**	(683)	-	(683)
Total resources expended	**14,433**	**2,804**	**17,237**	**11,632**	**2,428**	**14,060**

Support costs and the basis of their allocation are as follows:

	Principal basis of allocation of activities	2022 £'000	2021 £'000
General management and support	Headcount	**944**	484
Financial management	Headcount	**597**	594
Human resources	Headcount	**580**	711
Supporter relations	Headcount	**472**	448
IT	Headcount	**145**	129
Governance	Headcount	**66**	62
Total		**2,804**	**2,428**

7. Analysis of grants given

Included within expenditure on charitable activities are the following amounts in relation to grants given:

	Grants to individuals	Grants to churches	Total	Grants to individuals	Grants to churches	Total
	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Insolvency fee bursary	87	-	**87**	121	-	121
Increasing debt advice capacity in Scotland	-	103	**103**	-	83	83
Church debt centre bursary	-	44	**44**	-	124	124
Mustard seed bursary	-	15	**15**	-	-	-
Total	**87**	**162**	**249**	**121**	**207**	**328**

During the year CAP was the recipient of some funding from the Scottish Government to increase debt advice capacity in Scotland. Some of this funding was awarded specifically to be given in grants to existing and new Debt Centre church partners to enable them to continue operating.

8. Employee emoluments

	2022	2021
	£'000	£'000
Wages and salaries	**10,765**	9,640
Social security costs	**1,036**	871
Pension costs	**883**	837
Total	**12,684**	**11,348**

During the year there were £6,720 (2021: £39,012) in redundancy payments.

The number of employees whose emoluments (salaries, wages and benefits in kind) fell within the following bands:

	2022	2021
	£'000	£'000
£60,000 - £69,999	**3**	3
£70,000 - £79,999	**2**	1
£80,000 – £89,999	**1**	1

The key management personnel of the charity comprises the Chief Executive Officer, Chief Operating Officer, Chief People and Culture Officer, Director of Engagement and Influence, Director of Finance, Risk and Compliance, Director of Debt Operations, Director of Church Network , Director of People and Culture and Director of Technology and Digital Transformation. The total employee benefits of the key management personnel were £612,696 (2021: £707,276).

8. Employee emoluments (continued)

The average monthly headcount was 410 staff (2021: 391) and the average number of full-time equivalent employees (including casual and part-time staff) during the year was:

	2022	2021
Head office	**372**	344
Total	**372**	**344**

9. Net income for the year

	2022	2021
Is stated after charging	£'000	£'000
Auditor's remuneration		
External audit fees	**35**	27
Advisory services	**17**	30
Depreciation	**150**	105
Amortisation	**52**	50
Operating lease rentals	**77**	74
Impairment of fixed assets	**70**	(683)
Interest payable	**58**	41

10. Intangible fixed assets

	Software development	Total
Cost	£'000	£'000
At 1 January 2022	516	516
Additions	12	12
Disposals	-	-
At 31 December 2022	**528**	**528**
Accumulated amortisation	-	-
At 1 January 2022	148	148
Charge for the year	52	52
Disposals	-	-
At 31 December 2022	**200**	**200**
Net book values		
At 31 December 2022	**328**	**328**
At 31 December 2021	368	368

11. Tangible fixed assets

	Freehold land and buildings	Computer equipment	Furniture and other equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2022	5,640	774	79	**6,493**
Additions	2,728	96	223	**3,047**
Disposals	(2,823)	(43)	(70)	**(2,936)**
At 31 December 2022	**5,545**	**827**	**232**	**6,604**
Accumulated depreciation				
At 1 January 2022	443	681	48	**1,172**
Charge for the year	71	65	14	**150**
Eliminated on disposal	(400)	(42)	(48)	**(490)**
At 31 December 2022	**114**	**704**	**14**	**832**
Accumulated impairment				
At 1 January 2022	682	-	-	**682**
Charge for the year	70	-	-	**70**
Eliminated on disposal	(682)	-	-	**(682)**
At 31 December 2022	**70**	**-**	**-**	**70**
Net book values				
At 31 December 2022	**5,361**	**123**	**218**	**5,702**
At 31 December 2021	4,515	93	31	**4,639**

During 2022 the market value of land held in freehold land and buildings, and intended for disposal, was assessed as being lower than its net book value. Therefore an impairment charge of £70,089 (2021: impairment reversal of £682,703) was recognised in the statement of financial activities for the year ended 31 December 2022.

Included in the net carrying amount of freehold land and buildings is £2,382,950 (2021: £3,520,674) pledged as security against the charity's bank loans.

Computer equipment costing £11,005 was purchased using a restricted government grant in 2020. The net book value of the equipment as at 31 December 2022 was £2,751 (2021: £6,421).

12. Debtors

	Unrestricted funds 2022 £'000	Restricted funds 2022 £'000	Total 2022 £'000	Total 2021 £'000
Gift aid recoverable	276	-	**276**	389
Trade debtors	74	-	**74**	57
Accrued income	222	299	**521**	584
Prepayments	212	-	**212**	152
Other debtors	2	-	**2**	6
Total	**786**	**299**	**1,085**	**1,188**

13. Creditors – amounts falling due within one year

	Unrestricted funds 2022 £'000	Restricted funds 2022 £'000	Total 2022 £'000	Total 2021 £'000
Building fund loans	2	-	**2**	2
Bank loans	122	-	**122**	306
Other tax and social security	256	-	**256**	235
Accruals and deferred income	322	3	**325**	183
Trade creditors	160	-	**160**	161
Other creditors	42	-	**42**	40
Total	**904**	**3**	**907**	**927**

14. Creditors – amounts falling due after more than one year

	Total 2022 £'000	Total 2021 £'000
Bank loans	**1,311**	1,535
Total	**1,311**	**1,535**

Loans outstanding at the year end amounted to £1,434,409 (2021: £1,842,596) and these are repayable as follows:

	Total 2022 £'000	Total 2021 £'000
Within one year	**123**	308
Between two and five years	**332**	498
After more than five years	**979**	1,037

On 11 July 2013 a loan for £1,469,000 was taken out with Lloyds Bank PLC. This loan was fully secured against the freehold property known as Jubilee Mill, North Street, Bradford. The loan was repayable over a period of ten years and interest was fixed at 3.86% for its duration. This loan was repaid in full on 14th October 2022, at the time of the sale of Jubilee Mill. The balance of the loan at that date was £130,886 (31 December 2021: £272,015).

In October 2015 a second loan was taken out for £404,000 with Lloyds Bank PLC for the purchase of a freehold property at 86 Captain Street, Bradford and the refinancing of the loan for the property at 33 Norman Terrace, Eccleshill. The loan is repayable over a period of eight years and interest is fixed at 4.20% for its duration. This loan is fully secured against the freehold property known as 86 Captain Street, Bradford. The balance of the loan at 31 December 2022 was £48,688 (2021: £104,913) which represents 15% of the balance sheet value of the property.

In July 2021 a third loan was taken out for £1,495,000 with Stewardship Services (UKET) Limited for the purchase of a freehold property at 1 Filey Stret, Bradford. The loan is repayable over a period of 15 years and interest is variable for its duration. The interest rate on this loan increased in 2022 from 3.25% to 4.5% in line with the Stewardship Standard Lending Rate. The balance of the loan at 31 December 2022 was £1,384,221 (2021: £1,464,168) which represents 68% of the balance sheet value of the property. The loan is fully secured against the property.

15. Other financial commitments

Operating lease payments represent rentals payable by the charity for certain items of computer equipment and for office space in Belfast.

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	31 Dec 2022	31 Dec 2021
Operating leases which expire:	£'000	£'000
Within one year	**67**	67
Between two and five years	**87**	104
After more than five years	**-**	3

16. Financial instruments

	31 Dec 2022	31 Dec 2021
Carrying amount of financial assets	£'000	£'000
Debt instruments measured at amortised cost	**596**	647
Carrying amount of financial liabilities		
Measured at amortised cost	**1,960**	2,216

17. Movement of funds

Description of fund	Balance 1 Jan 2022 £'000	Incoming resources £'000	Resources expended £'000	Balance 31 Dec 2022 £'000	Balance 1 Jan 2021 £'000	Incoming resources £'000	Resources expended £'000	Balance 31 Dec 2021 £'000
General unrestricted funds	**7,873**	**12,767**	**(15,003)**	**5,637**	**6,846**	**13,368**	**(12,341)**	**7,873**
Restricted funds								
Individual centres	-	-	-	-	-	1	(1)	-
Scotland region	-	39	(39)	-	-	-	-	-
Northern Ireland expansion	-	106	(48)	58	-	7	(7)	-
Republic of Ireland establishment	-	10	(10)	-	-	-	-	-
Scotland debt advice	-	-	-	-	-	28	(28)	-
Debt operations	-	348	(348)	-	-	387	(387)	-
Social policy	15	69	(84)	-	-	15	-	15
Client emergency aid	55	57	(112)	-	21	115	(81)	55
Insolvency bursary fund	23	108	(82)	49	-	112	(89)	23
Church Bursary fund	12	13	(12)	13	-	136	(124)	12
CAP Job Clubs	-	1	(1)	-	-	1	(1)	-
CAP Money refresh project	-	30	(11)	19	-	-	-	-
CAP Kick Start	-	-	-	-	-	1	(1)	-
Staff benevolent fund	-	1	(1)	-	-	2	(2)	-
Apprenticeship Levy	-	-	-	-	-	2	(2)	-
Opportunity fund	100	-	(100)	-	100	-	-	100
Debt service transformation	-	250	(250)	-	-	-	-	-
Increasing debt advice capacity	-	858	(858)	-	-	716	(716)	-
Increasing debt advice capacity (Scotland)	1	246	(247)	-	-	249	(248)	1
Scotland funding manager role	44	-	(25)	19	40	36	(32)	44
Scotland promotion & engagement manager	4	-	(4)	-	-	4	-	4
Warm Welcome initiative	-	1	(1)	-	-	-	-	-
York region	-	50	(1)	49	-	-	-	-
Call to prayer event	-	3	-	3	-	-	-	-
Total restricted funds	**254**	**2,190**	**(2,234)**	**210**	**161**	**1,812**	**(1,719)**	**254**
Total funds	**8,127**	**14,957**	**(17,237)**	**5,847**	**7,007**	**15,180**	**(14,060)**	**8,127**

17. Movement of funds (continued)

The restricted funds for debt operations are made up of a number of donations towards the salary costs of our Debt Advisors.

The funds received in relation to social policy were to support the work of the External Affairs team in work on social policy changes to benefit our clients.

Client emergency aid represents money given towards emergency food shops and other essentials for clients who are without when we first visit them.

The insolvency bursary fund represents donations received towards CAP's insolvency bursary. This fund pays towards bankruptcy and Debt Relief Order fees for clients who have insufficient savings to fund the entire fee themselves.

The church bursary fund is made up of a number of donations which were raised for the purposes of giving grants to new and existing Debt Centre churches. These grants were to help them start or continue to run a Debt Centre service.
The CAP Money refresh project is to update the materials and content of our CAP Money Course. The remainder of these restricted funds will be spent in 2023.

The opportunity fund was created to enable donors to give into a fund that would be available for CAP to use in the event that any unexpected opportunities arose that would require funds. During 2022, this was used to fund some of the work in relation to our debt service transformation.

During the year we received some restricted donations to fund our debt service transformation project.

The restricted donation for increasing debt capacity in Scotland was a grant received to help new and existing Debt Centres in the Scotland region.

The restricted donation for increasing debt capacity was a grant received to fund a cohort of new Debt Advisors who were recruited in 2020.

The Scotland Funding Manager role restricted funds is a donation made towards the costs of this particular role.

During the year, we received a legacy payment that came with the restriction of being used to support the services in the York area and some of this was spent in 2022 to support clients in that area.

18. Capital commitments

The charity had no capital commitments at 31 December 2022 (2021: £nil).

19. Analysis of net assets between funds

	Unrestricted funds 2022 £'000	Restricted funds 2022 £'000	Total 2022 £'000	Unrestricted funds 2021 £'000	Restricted funds 2021 £'000	Total 2021 £'000
Intangible fixed assets	328	-	**328**	368	-	368
Tangible fixed assets	5,699	3	**5,702**	4,633	6	4,639
Cash at bank and in hand	1,039	(89)	**950**	4,316	78	4,394
Other net current assets	(118)	296	**178**	91	170	261
Creditors of more than one year	(1,311)	-	**(1,311)**	(1,535)	-	(1,535)
Total	**5,637**	**210**	**5,847**	**7,873**	**254**	**8,127**

20. Reconciliation of net debt

	Balance 1 Jan 2022 £'000	Cash flows £'000	Balance 31 Dec 2022 £'000
Cash at bank and in hand	4,394	(3,444)	950
Bank loans	(1,841)	408	(1,433)
Total	**2,553**	**(3,036)**	**(483)**

21. Budgeting and debt management services

Monies paid in by clients to enable their utility and debt repayments to be made are held in a separate bank account from the charity's own funds and cannot be used by the charity to fund its operations. The total balance in these separate accounts as at 31 December 2022 was £1,446,958 (2021: £1,573,029).

22. Transactions with Trustees

During the year, no remuneration was paid to any of the Trustees (2021: £nil) and no Trustees received travel expense reimbursements (2021: one Trustee for £269) from the charity. The charity paid a sum of £1,383 for Charity Trustee Insurance within its main insurance policy (2021: £1,383).

23. Related party transactions

During the year the charity was the sole member of CAP America, a non-stock corporation registered in the USA, whose principal activity is that of debt counselling. On 30 January 2019, the Directors issued a 'Letter of Comfort' to CAP America, undertaking to financially support CAP America to the full extent of any liabilities incurred by them that are unable to be satisfied by the assets of CAP America, not exceeding (USD) $300,000 per annum. As at 31 December 2022 the corporation had reserves of (USD) $86,147 (2021: $101.469), and the deficit for the year was (USD) $15,322 (2021: surplus $16,723). During the year, the charity donated £40,000 (2021: £50,000) to support CAP America. As at 31 December 2022 there was an outstanding balance of £1,719 owed by the corporation.

On 17 February 2023, CAP ceased to be a member of CAP America and an affiliation agreement that was signed on 2 December 2022 became effective.

On 23 May 2022, the Directors issued a new 'Letter of Comfort' to CAP Australia, undertaking to financially support CAP Australia to the full extent of any liabilities incurred by them that are unable to be satisfied by the assets of CAP Australia, not exceeding (AUD) $300,000, until 22 May 2024. At 31 December 2022 CAP Australia had net assets of (AUD) $748,404 (2021: $1,181,166).

During 2022 the charity donated £nil (2021: £20,000) to CAP Canada, a charity registered in Canada, of which Ellie Gage is a Trustee. On 19 October 2021, the Directors issued a new 'Letter of Comfort' to CAP Canada undertaking to financially support them to the full extent of any liabilities incurred by them that are unable to be satisfied by the assets of CAP Canada, not exceeding (CAN) $300,000, until 19 October 2023. At December 2022 CAP Canada had net assets of (CAN) $223,873 (2021: $350,738).

At the end of the year there were debtor balances outstanding with our international affiliates as follows:

	Total 2022	**Total 2021**
	£	£
CAP Canada	**2,621**	4,947
CAP New Zealand	**14,980**	25,730
CAP Australia	**7,070**	13,792
CAP America	**1,719**	-

With the following amounts included in the sales day book during the year:

	2022	**2021**
	£	£
CAP Canada	**7,972**	8,528
CAP New Zealand	**56,127**	57,760
CAP Australia	**25,438**	27,608
CAP America	**2,199**	-

24. Pension commitments

The charity operates a defined contribution pension scheme, Christians Against Poverty Group Stakeholder Pension Plan, for all employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by Christians Against Poverty to the fund and in 2022 amounted to £883,529 (2021: £837,663). All contributions due have been fully paid and the balance outstanding at the end was included in unrestricted liabilities.



capuk.org

©2023

Charity Registered No: 1097217 (England & Wales) SC038776 (Scotland)
Company Limited by Guarantee, Registered in England & Wales No: 4655175.
CAP is authorised and regulated by the Financial Conduct Authority.

christians against poverty

CAP

CHRISTIANS AGAINST POVERTY

England & Wales - Charity number 1097217

Accounts

christians against poverty

CAP

Restoring hope for 25 years

Annual report and accounts 2021



always hope.

Contents

4 Introduction from the UK Chief Executive

5 Introduction from the Chair of Trustees

6 Who we are

8 2021: the year in numbers

10 Stewarding our income well

12 Strategic report
12 How we delivered on our aims and objectives

18 Our three-year strategy (2020-2022)

20 Financial review
20 How we managed the money you gave us
21 Cash flow and investments
22 Principal risks and uncertainties

24 Trustee's report
24 Structure, governance and management
27 Directors, senior staff and advisors
28 Trustees' responsibilities in relation to the financial statements

29 Auditor's report

32 Financial statements for the year ended 31 December 2021
32 Statement of Financial Activities
33 Balance sheet
34 Statement of cash flows
35 Notes to the financial statements

Introduction

From our UK Chief Executive and Chair of Trustees



Paula Stringer
UK Chief Executive

As UK Chief Executive, I'm pleased to present Christians Against Poverty's annual report and accounts. In 2021, CAP's 25th year, individuals and society as a whole continued to navigate the effects of the COVID-19 pandemic. While the worst may be in many respects over, the pandemic continues to create challenges for households throughout England, Wales, Northern Ireland and Scotland; in particular those living in the frighteningly narrow crawlspace of low income.

There has been a significant rise in the cost of living in the last twelve months (as a result of many factors, including the pandemic) and this has hit households who were already struggling hard. Many of these households are now expected to pay hundreds of pounds more per year in bills – money they simply don't have. In a country where we pride ourselves on banding together in times of difficulty, it's not right that those struggling most are being left behind.

Praise God for the UK Church. Through all the challenge and uncertainty, we've seen local churches rise up as a beacon of hope and light in their communities. The power of Jesus and his Church to mend what's broken and restore hope has been apparent within so many communities over the last 25 years, especially the last two. It's one of the many reasons I say with absolute pride and joy that CAP works with and through local churches, meeting people where they are and providing holistic, individually tailored support. Because of this partnership, CAP has been able to deliver emergency support to over one thousand families who were struggling to afford food, heating and other basic essentials, as well as providing our usual core services.

I want to say a huge thank you to the person who made all of this possible in the first place, all the way back in 1996: CAP's incredible Founder, Dr John Kirkby CBE. After more than 25 years of devoted service, John felt God leading him into something new and moved on from CAP in September 2021. We're so very grateful for the passion, love and sacrifice with which John has built this organisation over the years and for the foundations he has put in place for us to build on going forwards. John will always be CAP's Founder and we wish him all the best as he follows God's calling in the next chapter of his life.

Thank you, of course, to every supporter, church, staff member, volunteer and friend of CAP who shares our vision to see lives transformed, thriving churches and an end to UK poverty. It's because of every single one of you that people are able to escape from debt and poverty every year, that hope is restored and Jesus is welcomed into so many lives. Together we are inching ever closer to the world we want to see.
I pray this annual report inspires and encourages you.



Paula Stringer



Roger Hattam
Chair of Trustees

If we had entered 2021 in the hope that the momentous events of 2020 and the global pandemic were in the rear-view mirror, we were quickly brought back to reality. The world remained dislocated, not least for CAP's frontline teams whose normal activities were once again disrupted by changing regulations and the ongoing requirement for flexible working.

With these challenges in mind, it is even more encouraging to know that 8,402 individual adults and, by extension, 5,050 children received life-transforming support through CAP last year. Many also discovered a relationship with Jesus, the ultimate life-transformer, as a result of the incredible perseverance of our partner churches and frontline teams. Particularly pleasingly, we managed to end the year with an additional 28 Debt Centres, 35 Job Clubs, 28 Life Skills groups and 185 new churches trained to run the CAP Money Course, to continue and expand this ministry.

CAP celebrated its 25th birthday in 2021, a remarkable landmark and a testament to the goodness of God and the hard work of a generation of countless people. They've lived out their faith and brought their skills and talents to the mission of stemming the tide of UK poverty. In this anniversary year, we saw the deep generosity of our supporters through an overall income of £15.2m, exceeding our expectations. This is more than a number – crucially it enables us to plan the development and growth of our services and impact with a level of certainty which we couldn't have expected. Thank you for being a vital part of that.

Central to all of this was John Kirkby. I echo Paula's sentiments entirely – John's unswerving passion, faith and drive have been a pivotal part of CAP's journey, and a cause for inspiration to all of us. We remain indebted to him and his wife Lizzie for everything they've done over the years for CAP, for Jesus, and for people experiencing material and spiritual poverty. We're pleased that John remains a part of CAP's international advisory team and we wish God's continued blessing on his and Lizzie's lives and ongoing ministry.

Like so many charities, we wish CAP didn't need to exist. But whilst there is poverty in the UK, we will work tirelessly alongside the Church to fight it and seek holistic restoration in people's lives. We're unashamedly motivated by the good news of a God that cares and invites us to do the same.

One verse that John was constantly reminding the Trustee team of is Hebrews 10:35: 'So don't lose your confidence, since it holds a great reward for you'. Our confidence remains only in our God through whom we seek to serve.



Roger Hattam

Who we are

Trustees' and Directors' report

Let no debt remain outstanding, except the continuing debt to love one another, for whoever loves others has fulfilled the law.

Romans 13:8

Christians Against Poverty is committed to its vision of seeing transformed lives, thriving churches and an end to UK poverty, framed by four charitable objectives. This report demonstrates how we delivered on these aims between January and December 2021, as well as any challenges we faced and how we dealt with them. The report also includes an update on the progress of our three-year strategy, which we are currently midway through.

Everything we do is framed by four charitable aims and objectives:*

- The relief of poverty for persons in the United Kingdom and elsewhere who are in conditions of need, hardship or distress by reason of their social and/or economic circumstances, by providing and promoting advice and other services.
- The advancement of education of the public in all matters relating to the management of their personal finances.
- The advancement of the Christian faith.
- Raising awareness of debt, poverty and its causes in the UK and inspiring churches and individuals to partner with us.

In this report, we will demonstrate how we have delivered on these objectives, as well as any challenges we've faced and how we've dealt with them. We'll also update you on the progress of our three-year strategy, introduced in last year's report.

*We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and planning our activities, and are confident that CAP meets the public benefit requirements.

Our four big aims



The relief of poverty in the United Kingdom



Advancing personal finance education



The advancement of the Christian faith



Raising awareness of debt, poverty and its causes in the UK

2021

The year in numbers

As a result of the pandemic, our numbers are generally lower than in previous years. However, we know that each and every number represents a life changed and is a cause for celebration.

Over the course of 2021:



13,452
benefitted from CAP Debt Help
(including individual adults with an active account and their children)



1,877
adults became debt free



1,091
households received emergency support
(such as food shops and fuel top-ups)



3,013
people took part in the CAP Money Course



7,326
new Debt Help appointments were booked in by the New Enquiries team



273
people made a response to Jesus [1]

1 | Including both adults and children who either made a faith commitment for the first time or who made a recommitment.

At the end of the year, across the UK [2], there were:



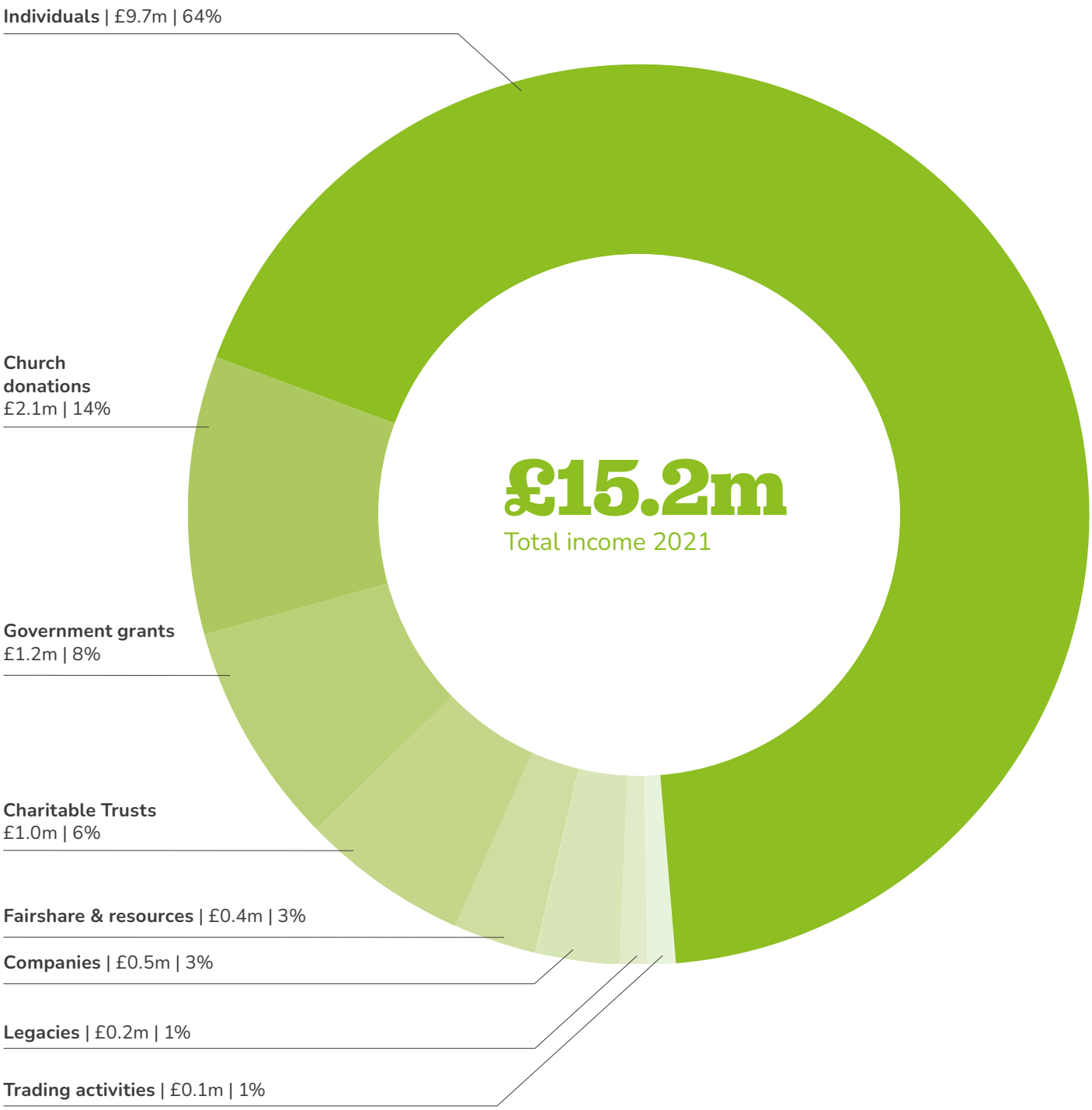




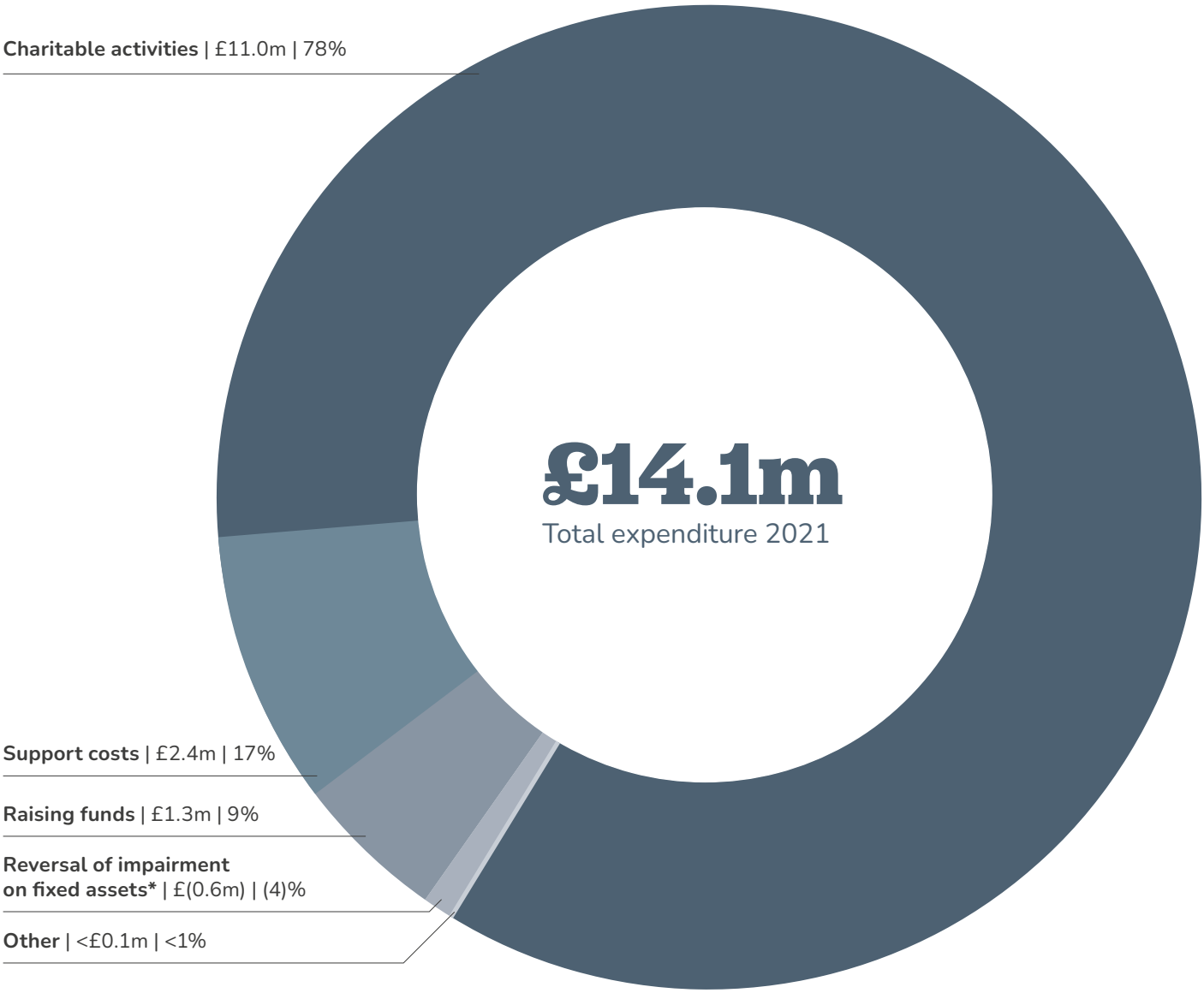
2 | This includes centres based in England, Wales, Northern Ireland and Scotland.

Stewarding our income well

How we raised our money



How we spent our money



*This is a one off adjustment relating to the increase in value of our buildings. For further information please see note 11 to the accounts.

Strategic report

How we delivered on our aims and objectives

Relieving poverty

Lifting the weight of debt

Relieving poverty through lifting the weight of debt remains a top priority for CAP, and in 2021 we saw an increase in clients receiving initial advice and setting off on their journey out of debt. 3,198 households received this advice compared to 1,781 the previous year. Whilst client numbers continue to be lower than we would have expected to see before the pandemic, we're encouraged that more people are starting to reach out for support and the overall numbers are going up.

Whilst good progress has been made, we recognise the challenges faced by our network of Debt Centres, as they've experienced several transitions between phone and in-person appointments in line with Government advice since the first lockdown. This has led to a slower increase in appointments with new clients.

The changing factors and appointments backlog has resulted in a reduction in the number of households repaying their debts through a CAP Plan. However, following changes to the Debt Relief Order (DRO) criteria in 2021, we continue to see an upward trend in clients becoming debt free through an insolvency solution.

A total of 1,877 clients became debt free in 2021 and we were delighted to reach a milestone in what was our 25th year, with more than 20,000 individuals having become debt free since 2010.

We've been working hard to ensure we provide the best quality service for every client who seeks help from CAP. In particular, our Debt Service Transformation project is well underway (see p19 for more on this). In the meantime, we've made major improvements to our customer service, made it quicker for clients to receive their initial debt advice, and reduced the time it takes for clients to become debt free through insolvency.

As we meet people with increasingly complex circumstances, we've invested in expanding our Vulnerable Clients team, training an additional six advisors in 2021. The team continues to work alongside our frontline staff to make further improvements in how we identify and adapt our service to the individual needs of our clients.

We know that poverty places pressure on households not only financially, but also mentally, physically and socially – that's why we're committed to providing both practical and emotional support throughout every individual's journey out of debt. As such, CAP's frontline staff and volunteers have continued to support clients with compassion and excellence.

As well as the usual assistance and encouragement, 1,091 client households received emergency support last year. This included 738 fuel top-ups*, 965 food shops, and 336 other types of urgently needed items such as school uniform and interview clothing, prepaid prescription certificates and essential kitchen equipment. Many frontline workers have reported back that this weight lifted has allowed clients the space to focus on other areas of their lives, such as sorting out their debts, reconnecting with friends and family, and prioritising their mental health.

Rebekka's story



Mental ill-health and an abusive past relationship left Rebekka in thousands of pounds worth of debt. For years, she struggled to afford basic necessities like food, gas and electricity, while demanding letters piled up on her doormat. When she finally got in touch with CAP, she said, 'It was the first time I hadn't felt judged'. With the support of Vicki and Johnny from her local CAP centre, Rebekka was able to become debt free, having repaid everything she owed.

At 23, she feels she can leave her old life behind and step into a new future. 'It's not just changed my life, it's changed my whole mindset about money,' she says. 'I'm not always thinking about it now and I can focus on my mental health. Mentally, I'm so much more relaxed because I don't have the weight of debt – I walk with my back more straight.'

*This includes 552 fuel vouchers processed in partnership with Auriga, and 186 manual fuel top-ups including oil.

Tackling the causes of debt and poverty

Our group services, CAP Job Clubs and CAP Life Skills, are designed to tackle unemployment and low income – two of the most common causes of debt and poverty in the UK, and hardships that more and more people are facing at this time.

The delivery of all our services relies on staff and volunteers from churches across the UK, who historically have had to travel to our head office in Bradford for training. Online training is significantly more cost-effective and convenient for trainees, and the necessity during the 2020 lockdown proved that this was both more possible and effective than we had thought. As such, in 2021, we continued to run and develop online training for 57 new group service managers and coaches.

In order to ensure that trainees continue to network and share best practice – an important part of the training process – we've held knowledge-sharing webinars and hosted an in-person 'celebration day' in Bradford. We plan on providing a blend of online and in-person training going forwards.

A note on Fresh Start

In 2021, the decision was made to stop offering Fresh Start as one of CAP's core services. Launched in 2015 as CAP Release Groups and rebranded as Fresh Start three years later, the service was designed to provide support for people struggling with dependencies such as online shopping, smoking and gambling.

Our other services all closely align to the areas of finance and poverty, where CAP is a highly respected voice, holding more than 25 years of expertise. We've come to recognise that Fresh Start doesn't align as closely and that there are other, much more experienced providers of support for people facing dependencies. We're committed to stewarding our supporters' funding well, and so we feel it is the best use of resources to focus on developing and maintaining our other services.

As a result, all Fresh Start services were wound up by the end of 2021. Churches can continue to use the existing resources to provide their own support, but Fresh Start is no longer classed as a CAP service. We celebrate and commend the hard work of our partner churches and frontline staff who have delivered the service over the years – 2,227 people have been helped in total.



Clare's story

Clare struggled to adjust to everyday life after having worked in the military for 20 years. As a single mum, she says it felt 'virtually impossible to get work'. Through her local CAP Job Club, Clare found support, community and a way forward. The practical lessons she learned proved pivotal in landing a managerial role for an Age UK shop. 'One thing Steve [Job Club Coach] said in the mock interview week was, "You know everything, just show them your passion!" The first interview I did after that, I got the job! They said one thing that stood out was my passion.' In 2021, Clare took to the stage at The Gathering, CAP's annual staff conference, and shared her inspiring story with more than 2,000 people.



Paul's story

After the end of a long-term relationship and experiencing a mental health breakdown, Paul moved to a new town to start afresh. He wanted a new beginning, community and family, and found himself at a local church. It was here that he heard about CAP Life Skills. 'If I hadn't found God and the community through Life Skills when I moved, I don't know where I'd have been. It has been everything to me. It has saved my life,' says Paul. 'There are lessons to help you with finances, shopping, prioritising needs and necessities, and there are moments when we cook and eat together as well.' Paul has gone on to volunteer at the Life Skills group and is helping other people find new ways to live on a low income.

How we delivered on our aims and objectives

Providing financial education

Financial education is key in transforming lives and ultimately bringing an end to debt and poverty in the UK. Through our Debt Help service and Life Skills groups, we equip people with the skills to manage their money long after their immediate difficulties are solved, and we are the UK's largest provider of face-to-face financial education through the CAP Money Course.

Like our other group services, training for new CAP Money Coaches in 2021 was, for the most part, delivered online. This enabled us to run training sessions more frequently and without the limitations of being based in one particular region, which helped to increase access to the course for many churches. 551 coaches were trained, meaning 185 new churches are now equipped to run the CAP Money Course in their community.

In total, 787 CAP Money Courses were run in 2021, bringing vital financial education to 3,013 delegates.

Last year we also began the process of refreshing the CAP Money Course. We collected extensive data through conversations with delegates and coaches, and were inspired to hear stories of how CAP Money has helped people experience the freedom that comes from taking control of finances. This research provided crucial insight ahead of 2022, when we will be redesigning the course materials.



Kieran & Zoe's story

Partners Kieran and Zoe struggled to get by on a low income and found themselves accumulating debt in order to buy basic essentials. With the help of a CAP Money Course run by their local church, they discovered how to budget and put money aside for the future – including for their wedding. Zoe says, 'It's really good to know you're not alone – other people struggle with money – it's not just you! [The CAP Money Course] made me realise it's not something to be ashamed of. Talking about it is the first step to being free from it.' Kieran and Zoe shared their uplifting story through our supporter communications in 2021 to encourage and inspire people to get involved.

Advancing the Christian faith

As ever, CAP is committed to equipping and supporting local churches to proclaim and share the good news of Jesus. As part of this, we appointed a Head of Mission, Alice Smith, in 2021 to oversee and develop this area of work.

2021 saw us begin offering one-to-one coaching sessions for frontline staff with a focus on evangelism and discipleship. These cover a mix of personal development and strategy for their CAP service. We also continued to provide resources and tools online to equip and encourage frontline staff to share Jesus with the clients they meet.

We ran three online evangelistic events which saw around 800 people watch live, many of whom were CAP clients. All three events included testimonies, music and a gospel presentation, and we saw around 20 people respond, with many more indicating that they wanted to explore faith further.

Some churches also hosted in-person events, such as the Bournemouth CAP centre, who put on a collaborative event with the other outreach projects their church is connected to and saw 25 people respond to the gospel. At Christmas, the Crawley CAP centre invited 50 clients to a festive event, with dinner, a Santa's grotto for the children, live entertainment, a gospel message, and a hamper for each family. 10 people responded to Jesus as a result.

Overall, 273 faith responses were recorded in 2021. Whilst these numbers continue to be lower than we would have expected to see pre-pandemic, each one represents a person now walking with Jesus and sharing the gospel with others around them.



Simon's story

While working with CAP to resolve his debts, Simon joined his local church community and discovered a personal relationship with Jesus, and that's just the start of the story. Today, Simon's faith pours out of him through a desire to help others who have faced similar challenges and share the good news of the gospel. He's now a CAP Befriender and CAP Money Coach, volunteers at the church food bank and even set up a choir in his church. His incredible story played a central role in our CAP Sunday services in 2021, inspiring churches and individuals across the UK to join in and help transform more lives. In October, Simon also featured in BBC's Songs of Praise alongside our UK Chief Executive, Paula, as part of CAP's 25th anniversary celebration.

Raising awareness of poverty in the UK

At CAP, we don't just want to provide a solution to debt and poverty, we want to tackle the issue at its source. This starts with constantly raising awareness of the issues CAP clients are facing, encouraging policy changes that can improve the lives of those living in poverty, and ensuring people hear about the positive work of the Church. In 2021, as usual, this work was extensive and the following are just a few highlights.

Advocacy and policy work

Together with over 50 other anti-poverty charities, CAP supported the Keep the Lifeline campaign, urging the Government not to cut the Universal Credit uplift launched during the 2020 lockdown. As it became increasingly obvious that the uplift would be removed, we also raised our voice to the Treasury about making changes to the taper rate, which is what we saw the Chancellor do.

Plus, after years of campaigning for better conduct by enforcement agents, we were presented with an opportunity to be part of a working group that has established a framework for the first independent regulator of bailiffs in England and Wales.

We also led our own campaign called Simplify the Solution, the aim of which was to highlight the changes needed to the Debt Relief Order (DRO). These long overdue updates were preventing many people from accessing a suitable debt solution. We were delighted to see a number of significant changes as a result of this campaign, some of which we believe were heavily influenced by our input. Crucial reforms were made to the DRO eligibility criteria in England and Wales, enabling an estimated 13,000 more people to access a DRO over the following twelve months.

We published four reports in 2021, each exploring key issues faced by people in poverty and highlighting the need for change. For example, these explored financial and mental wellbeing in relation to financial difficulty (*Shipshape or Sinking Ship?*) and the impact of an increasingly digital world for those who don't have access to the internet (*The Digital Divide*).

At the start of the year, CAP's External Affairs team launched an external-facing blog via Medium, with the goal of sharing our views with outside audiences. This has opened up the opportunity to comment on national events and policy changes in an accessible way and has reached over 3,000 readers so far. In addition, the team hosted two webinars to encourage industry contacts to signpost people to CAP's debt service.

Our frontline teams in CAP centres across the UK are also a key part of our policy and advocacy work, with many hosting visits with MPs in 2021. One such visit took place at the CAP Debt Centre in Chelmsford with Vicky Ford, the then Minister for Children, who was interested to hear about the needs of the local community. The team was able to talk to Mrs Ford about the importance of simple and stigma-free social security and the provision of free school meals, discussing changes that would help move towards these.

Public relations

CAP reached more than 457 million people through the press and media last year, at an estimated value of almost £5 million. We added around 50 new journalists to our contact book, built many new relationships with the media and received high profile coverage through the BBC, ITV, Sky, The Guardian, UCB, Premier, TBN UK, God TV, Channel 4, Channel 5 and many more. We now receive several media requests every week, with the record in 2021 being 16 requests in one day.

2021 also saw the launch of CAP's new debt referrals campaign, which focuses on encouraging those in problem debt to seek help from CAP. The #BreakFree campaign kicked off in November in Scotland and the East of England with a multi-channel approach across the media, online and digital channels.

Our local Debt Centre Managers and people helped by CAP have been at the heart of the campaign. Through their moving testimonies and passion for transforming lives in local communities, #BreakFree has reached over half a million people through local newspapers and broadcasters so far. The campaign will be continuing across Wales, Northern Ireland and other areas of England in 2022.



Anthony's story

After becoming debt free, single dad Anthony wanted to raise awareness of UK poverty by sharing his story. Despite not feeling too confident at first, 2021 saw Anthony take on interviews for BBC Breakfast and Channel 4, a guest slot on BBC Radio, an appearance on Sky News and several national newspaper features. He's now full of confidence and even went to Westminster to speak to MPs about his experience of debt and poverty. Many other CAP clients also shared their stories in the media to help build a better understanding of UK poverty, encourage people to seek help, and urge those in power to make changes.

How we delivered on our aims and objectives



Inspiring churches and individuals to partner with us

In order for CAP's work to exist and thrive, we need both churches and individuals to partner with us, whether that means being involved in delivering our services or giving financially. We have several teams across CAP who work extremely hard to enable this.

Partnering with churches

In 2021, we saw 29 churches open a new CAP Debt Centre, 34 launch a CAP Job Club, and 28 launch CAP Life Skills. 183 individuals from local churches trained to run these services. We also undertook various work to aid church partnership in the future, including exploring which areas across the UK are in greatest need of CAP's services, and improving the user experience for churches looking to open a service. We looked in depth at the spread of denominations within our partnerships, identifying three areas to focus on going forward: Anglican, Pentecostal and Independent Evangelical.

Delivering church talks

Church talks are an essential tool for inspiring churches and individuals to get involved with our work, and in 2021 our dedicated Speaker team delivered 244 of these, amidst the ongoing challenges posed by COVID-19 restrictions. 269 people set up a regular Life Changer gift as a result, at an estimated lifetime value of more than £600,000. We also invested in developing the skills of our speakers by delivering the first Advanced Speaker Academy. This provided in-depth training to high-performing speakers and equipped them to deliver bespoke presentations.

Regular giving

At the end of 2021, 29,149 people were giving a regular gift to CAP – we call these people Life Changers. Gaining new Life Changers continued to be a challenge, mostly due to the ongoing impact of the pandemic on face-to-face events such as church talks, exhibitions and fundraising dinners.

We've worked hard to engage new Life Changers through a number of campaigns and strategies, including partnering with TBN UK, a Christian TV channel, to produce a programme exploring the church, UK poverty and CAP's work. We were also grateful to the generous supporters who created a match-funding pot for regular giving to incentivise new Life Changers, which was used across a number of acquisition campaigns.

Retention of existing Life Changers remained strong throughout 2021, with 93.9% continuing to give.

Appeals, grants and trusts

Our fundraising appeals performed well in 2021, raising in excess of £421k (against a target of £325k). We continued to be supported by three multi-year grants from the Souter Foundation, Jerusalem Trust and Bramhall Foundation, and received funds from a range of other grants and trusts, raising just over £958k for a variety of projects. The Laing Foundation provided a bursary to help our partner churches run their CAP Debt Centres.

Prayer community

At CAP, support isn't just about financial giving. In 2021, we were pleased to grow our prayer community through a social media campaign. This saw 1,274 new supporters join with us to pray for those facing poverty in the UK.

International development

While international development doesn't sit within our four formal objectives, it is an area which we're passionate about and committed to. Poverty is rife around the world as well as in the UK, and throughout 2021, we provided support to our affiliate charities* in New Zealand, Australia, Canada and the USA as they tackled the issue in their respective nations.

In 2021, CAP America continued to work with local churches to roll out the CAP Money Course and launch Debt Centres. There are now 24 churches running the CAP Money Course and four CAP Debt Centres. CAP UK has provided financial support in order to help CAP America innovate and establish themselves as a ministry in the USA.

One of the founding members of the CAP Canada team, Will MacLaughlin, was appointed as CEO in 2021.

Sam Garaway completed his first full year as CEO of CAP New Zealand, during which the organisation underwent a significant restructure.

Meanwhile, CAP Australia has taken the first steps towards pioneering a new model to help people experiencing financial distress. Pilot groups have been successful and the team expects that this will become the charity's main service in 2022.



Working together to take on poverty around the world: trustees and senior leaders from each of CAP's five branches met online last year due to COVID restrictions.

*The affiliate charities are separate organisations who use the CAP brand and model but do not form part of a group structure.

Our three-year strategy
(2020 - 2022)

Back in 2020, we launched a three-year interim strategy based around strengthening our service provision, improving staff wellbeing and ensuring financial sustainability. These will all have a significant impact on our main charitable objectives going forwards. 2021 marked the midway point of this plan, and we were able to make progress in each area.



Strategic aim 1

To deliver a sustainable and scalable debt service

2021 saw the continuation of our landmark Debt Service Transformation programme, which aims to improve both the Debt Help service we provide for clients and the experience of those on the frontline who deliver it. Several streams of work took place including an in-depth exploration of clients' needs and the experience of frontline staff.

We also continued to strengthen the way we serve vulnerable clients in particular, and worked to ensure all clients are receiving an industry-wide Standard Financial Statement.

As we work to deliver a sustainable and scalable debt service, diversity and inclusion has been a focal point – we are committed to making it accessible to everyone (see p25 for more on our diversity and inclusion work).

We also began to refresh and update the CAP Money Course – a key tool to support our debt service (see p14 for more on this).

Strategic aim 2

To make CAP the healthiest organisation to work for

In 2021, we continued to look at ways to improve the health and wellbeing of our staff, both based at head office and on the frontline. As guidance and regulations around COVID-19 continued to fluctuate in 2021, establishing healthy working patterns and hybrid working policies for staff was imperative. Our Internal Communications team helped to keep staff up-to-date and make sure everyone's voice was heard.

We also started to look in more depth at change management, including best practice for communicating change to staff and looking after the health and wellbeing of people with varying personality types.

Another part of our work towards this strategic aim has been in the area of diversity and inclusion. We're keen to create a culture where every person feels included, is able to participate and has the opportunity to thrive, and this feeds into the areas of recruitment, internal communication and staff policies considerably (see p25 for more on this).

Strategic aim 3

To ensure financial sustainability for the future

To continue building financial sustainability in 2021, we further strengthened relationships across the debt industry, secured statutory funding, and rolled out Finance Business partnering. Plus, a range of new fundraising strategies and products were developed, ready to be launched in 2022.

The purchase of our new head office building will impact financial sustainability in the future, as it is considerably more cost effective than the current premises. Having purchased the new building, we began to market our property portfolio. This will continue into 2022.

Funding is another key part of ensuring financial sustainability. Previous funding from the Scottish Government to strengthen existing CAP services, particularly across Scotland, ended in March 2021, enabling an opportunity to bid for further funding. This resulted in a grant of £170k, which has been used to resource the Debt Operations team that focuses specifically on Scotland-based clients, and a church network bursary scheme for 2021/22.

Financial review

How we managed the money you gave us

Overview

Our overall financial objective is to achieve a healthy balance between our fundraising, our financial reserves and the resources required to run our services effectively and fulfil our charitable objectives.

Our aim in 2021 was to start to build back and recover from the organisational shock and upheaval caused by the COVID-19 pandemic. We did not return to a pre-pandemic budget as some activities, like travel and events, were likely to be reduced or cancelled. Our immediate actions were focused on keeping people safe and ensuring our essential operations were functioning. As we moved into a recovery phase, we planned to restore CAP to a scalable and sustainable state across our services and support functions.

As 2021 unfolded, we received incredible financial support from individuals and trusts, which along with many areas of reduced expenditure have enabled us to provide extra support to families and individuals in crisis. Operationally, we trialled online training for the frontline which was very successful, we carried out hybrid events and conferences and we looked at new emerging ways of working, establishing a new way forward in the post-pandemic world. We also continued to receive statutory income from The Money and Pensions Service (MaPS) and the Scottish Government to enable us to increase our debt advice capacity.

In 2021, our income totalled £15.2m (2020: £15.4m) and expenditure totalled £14.1m (2020: £14.2m). This resulted in a surplus of £1.1m (2020: £1.1m) which is an unexpected and outstanding outcome. In another year that began with so much financial uncertainty within the charity sector, we continue to be incredibly grateful to all our staff and supporters who made this possible.

Income

In 2021, our income totalled £15.2m (2020: £15.4m). Our main sources of income continue to be donations from individuals and churches, which total £12.0m (2020: £12.6m) or 78% (2020: 82%) of our total income.

Regular income, most of which was received on a monthly basis, was £9.5m (2020: £9.1m) which represents 62% (2020: 59%) of total income received. Life Changer giving from individuals is our most important source of regular income and provides financial stability for the charity. In 2021, Life Changer income increased by 4% to £7.0m (2020: £6.7m) including associated Gift Aid. At the end of 2021, there were 29,149 Life Changers, each giving an average of £17 per month excluding Gift Aid.

Our one-off income decreased by 23% to £5.7m (2020: £6.3m) primarily due to receiving a significant individual gift of £1m in 2020. We also received slightly less from private trusts in 2021 than we did in 2020. However, we did receive additional income in the form of government grants which offset this.

During 2021, the Government continued to provide funding through the Money and Pensions Service (MaPS) to support the rising need for debt advice capacity in England. We were successful in renewing our grants with MaPS and received £736k in 2021 (2020: £165k). This funding will also continue into 2022. Additional funding has been secured for the successful submission of Debt Relief Orders (DROs) which totalled £217k (2020: £40k).

We received £0.5m (2020: £0.5m) in donations from creditors as Fair Share contributions, where a percentage of monies disbursed to our clients' creditors through a Debt Management Plan is paid back to the charity. 100% of payments made by clients through their Debt Management Plan goes towards paying off their debts. In 2021, funds disbursed to creditors on behalf of our clients for debt and priority payments totalled £6.9m (2020: £8.1m).

Expenditure

Total expenditure in 2021 saw an overall decrease of 1.3% or £186k, to £14.1m (2020: £14.2m). Expenditure for charitable activities (including associated support costs) increased by £1.7m to £13.2m (2020: £11.5m) and the cost of raising funds increased by £0.2m to £1.5m (2020: £1.3m). Other costs at a credit of £641k relate to an impairment reversal as the value of properties CAP is selling will reach a value greater than we had recorded in our accounts (2020: £1.4m impairment charge).

Due to COVID-19, there were many areas of savings incurred during the year, primarily within events and exhibitions, travel and conferencing. The largest underspends, however, were within salaries, with a £498k underspend for the year, with 22 vacancies across the organisation remaining at year end. CAP still continued to grow its staff base during the year, with an increase of 36 roles to 400 by the end of the year.

£534k was invested in a number of projects during the year including:

- Introducing a new HR and payroll system
- Investment in hybrid working solutions
- Debt Service Transformation

Fundraising

We would not be able to conduct our charitable activities without fundraising. However, as a result of the ongoing effects of the pandemic, we were still unable to hold in-person fundraising events for the majority of 2021. Expenditure for raising funds of £1.5m (2020: £1.3m) was focused on hosting online events, adapting church talks to be delivered digitally and investing in other means of reaching potential donors, such as television advertising.

Cash flow and investments

Reserves policy and management

Each year, the Trustees review our reserves policy and the level of required general free reserves to ensure that an appropriate level is held. We aim to maximise the funds we can spend to support our charitable aims. This is balanced against managing short-term financial risk and our obligations as a debt management company under FCA rules (CONC 10.2.5) to hold sufficient free reserves to meet our minimum prudential resources requirement of £55k.

Our total regular income represents 70% (2020: 71%) of total expenditure, which provides a good level of financial stability to the charity. Our reserves policy is based on the one-off income target that makes up the remainder of our income. The Trustees have set a target level of reserves at three months of one-off income based on the following year's budget, which for 2021 is £1.5m.

The reserves at 31 December 2021 were £8.1m (2020: £7.0m), of which £0.3m (2020: £0.2m) are restricted in nature and £3.1m (2020: £1.4m) is only realisable by disposing of tangible fixed assets and associated mortgages. Free (unrestricted) reserves at the end of 2021 were £4.7m (2020: £5.4m), which are £3.2m (2020: £4.2m) in excess of the minimum reserves set out in our reserves policy.

During the year, a property was purchased which will become the new CAP head office building. As the reduction in free reserves is due to the purchase of this new property and related new borrowings, the Trustees are comfortable that this level of free reserves still provides the organisation with appropriate resilience. Our five year plan will see these excess free reserves invested in digital transformation to enable our debt service to be scalable and sustainable for the future.

The covenant on the charity's bank loans states that Net Assets must not fall below £2.5m. At the end of 2021, Net Assets were £8.1m.

Giving policy

Since 2014 we have established an annual 'giving pot' to support other organisations that share our goals and values. The criteria for selecting which organisations to support are:

- CAP's own international work
- Other UK-based organisations that share our core values, namely those that help the vulnerable and marginalised, work through the Church and have an evangelistic focus

During the year we made donations of:

- £20k to CAP Canada
- £50k to CAP America
- £10k to Kintsugi Hope

Investment powers and policy

The charity's investment policy is reviewed annually by the Finance, Audit and Risk committee. In 2021, the policy has been maintained to continue to invest the surplus liquid funds in fixed term deposits, a 32-day notice account or a 95-day notice account with the charity's bankers.

Principal risks and uncertainties

Overview

The Board of Trustees holds responsibility for ensuring the charity has robust systems of internal control and risk management in place. All directorates perform regular risk assessments that consider both existing and emerging risks. The charity maintains a register of all key risks as part of the risk management strategy, which is regularly reviewed for effectiveness by the Board and the Finance, Audit and Risk Committee. The Committee also receives reports from our external auditors and reviews progress against any recommendations.

This strategy has identified the following important potential risks and how they will be mitigated. They are not set out in any priority order.

In our recent budget discussions, the Board and senior management have made prioritisation and investment decisions to move us toward increasing operational resilience, including the Debt Service Transformation programme.

Risk	Mitigation
Cyber security attacks	Our IT systems are regularly tested for external attacks and additional security and penetration testing is commissioned from an independent security consultant, using Cyber Essentials as a framework. We have increased staff awareness of IT security measures and carry out reviews and testing of our business continuity plan. Other mitigations include data anonymisation, cyber security insurance and major incident management processes. The majority of our staff working from home due to ongoing pandemic-related restrictions has increased this risk, which has been mitigated by the use of IT security checklists and staff self-certified compliance agreements, alongside increased risk awareness and training. We have recently achieved cyber essentials certification, which was critical to secure continuous cyber security insurance cover and to receive ongoing statutory funding.
Safeguarding of vulnerable adults	Our safeguarding and whistleblowing policies are regularly reviewed, with refresher training regularly conducted for all staff. We also have training in place for affiliated churches to ensure good safeguarding practice. We commission an external safeguarding audit every three years from an organisation that specialises in safeguarding in the faith sector. We employ a dedicated Safeguarding Lead to ensure our continued focus in this area.
Reputation	Negative media coverage of the charity sector has led to greater interest and focus on the activities and communications of charities. Ongoing mitigation comes from continuing to build our brand and reputation publicly, including developing and maintaining key relationships within the media, credit industry, Government and Christian sector of society. However, all of these come into play after the mitigations in other risk areas have failed. Our ultimate mitigation is not to create a crisis or scandal in the first place.
Impact	We continually measure outcomes for our clients and publish them regularly, including through our annual client report (most recently published in June 2022). We conduct regular client surveys to measure the ongoing impact of our services over time.
Compliance	We are authorised and regulated by the Financial Conduct Authority and subject to an annual CASS audit (Client Money). We hold the Advice Quality Standard which is achieved by an external audit of our advice processes and demonstrates our commitment to best practice and delivering quality advice to our clients.

Risk	Mitigation
Financial sustainability	As with any charity that is heavily reliant on voluntary donations for its income, a large reduction in funding could have a serious impact on the charity's ability to carry out its charitable activities. We mitigate this through our fundraising strategy and a drive to grow regular income. We have been heavily reliant on a face-to-face model for reaching new supporters, which was disrupted during 2020 and 2021 with pandemic-related restrictions. We are enhancing our digital presence and trialling new fundraising channels to attract new supporters.
Safety, security and wellbeing of staff and volunteers	We have a Health and Safety Board to ensure we are covering all risk areas, including our head office and frontline staff, safeguarding, business continuity and disaster recovery. One of our key strategic priorities for the next three years is a focus on health and wellbeing. We continue to carry out emergency response training for all staff on a regular basis.
Coronavirus (COVID-19) pandemic	Five-year income forecasts with scenario modelling have been prepared, and additional expenditure controls and cash flow monitoring are in place. We're continually monitoring Government guidance and adapting client appointments and staff working arrangements accordingly. Planning has commenced to support an expected increase in demand for our services now that the Government support measures have been withdrawn.
Operational pressures	We have increased our awareness of the importance of building and testing operational resilience following two major disruptions to our service (a temporary pause in taking on new clients towards the end of 2019 called Time to Breathe, and the COVID-19 pandemic). We have developed tools to forecast and predict high levels of workload and pressure in our debt operations service, which will alert us to the need to make adjustments to manage this pressure in the system. We know that many of our processes and systems are difficult and time consuming to change or adapt to new requirements or regulatory changes.

Trustees' report

Structure, governance and management

The Board of Trustees

The Trustees, who are also Directors of Christians Against Poverty for the purposes of company law, meet several times a year (five times in 2021) to review strategy and operational or financial performance in conjunction with the charity's UK Chief Executive and other members of the senior management team. These meetings are also attended by a staff representative and a centre representative, so their views can be taken into consideration through the decision-making process.

The Trustees have authority to appoint as Trustee any person who, by virtue of personal or professional qualification, is able to make a contribution to the pursuit of the charity's objectives or management. When recruiting new Trustees, the existing Trustees will not only look at the person's qualifications, but also at their passion and support for the charity's vision and aims to ensure they can play a full part in managing the charity's growth. Prospective Trustees are interviewed by the Chair and UK Chief Executive of the charity and will attend a board meeting to meet other Trustees and the senior management team prior to their official appointment. In this way, we can ensure that they are a good fit for the charity and that they are fully aware of their responsibilities as a Trustee.

Trustees are appointed for three years, after which time their role is reviewed to ensure that they are still a good fit for the charity. They then have the opportunity to serve for a further three years or stand down.

Trustee term of duty

A Trustee can serve for a maximum of three terms of three years each, after which time up to two Trustees at any given time may serve as 'history carriers': Trustees who can pass on their experience of the culture and ethos of the charity to newer board members. Further Trustee training is carried out on an ongoing basis, making use of the Charity Commission website and other charity publications.

Indemnity

The charity purchased and maintained Trustee Liability Insurance throughout the financial year in respect of itself and its Trustees.

Structure and management

The charity is constituted as a company limited by guarantee (Company number 4655175), formed on 3 February 2003, and is therefore governed by its Memorandum and Articles of Association dated 5 February 2007. The company took over the operations of Christians Against Poverty as constituted under a Declaration of Trust dated 29 August 1996, on 1 June 2003. The day-to-day implementation of the strategic plan, together with the development of strategy, is led by the UK Chief Executive and senior management team, which consists of members of each area of the charity.

Key performance indicators, including amount of free reserves, balanced scorecard, and Debt Operations capacity, are used to measure and review performance against the strategic plan with monthly meetings ensuring that corrective action is taken where needed. Monthly management accounts are also used to ensure that financial targets are being met. If any significant matters of policy or key decision-making arise during these meetings, these will be referred to the Trustees for approval.

Finance, Audit and Risk Committee

The Finance, Audit and Risk Committee is responsible for monitoring the integrity of the charity's financial reporting and internal controls. This includes reviewing the annual report and accounts, and the effectiveness of external audit services. The committee also reviews the charity's risk management process, top strategic and operational risks, and adequacy of internal controls and mitigations.

Our fundraising practices

Every person who supports our work is important to us and we believe that giving to CAP should be a positive experience. We strive to maintain the highest standards in supporter relations, ensuring that each person is treated as an individual, with fairness and respect. For this reason, CAP voluntarily subscribes to the Fundraising Regulator, which assumed responsibility for regulating all fundraising from July 2016. The regulator investigates and takes action, where appropriate, on issues of public concern.

In previous annual reports, we've only reported on complaints regarding our fundraising practices which were escalated to the Fundraising Regulator. In the interest of openness and transparency, we've chosen to also include instances of feedback which we classified internally as complaints. In 2021, we received 34 complaints which were dealt with by our in-house customer service team in line with our complaints policy. None were escalated to the Fundraising Regulator.

Most of our fundraising work is carried out by centrally employed staff, including an in-house supporter phone team and a separate team dedicated to building and maintaining relationships with major donors, or volunteers wishing to support the charity. No third party organisations (such as telemarketing teams) are contracted to raise funds.

The monitoring and control of our fundraising activities is paramount, and it is vital to ensure that our supporters have a great experience and are treated fairly. For example, where someone is considered to be vulnerable, we remove them from phone calls and only send occasional mailings that do not ask for donations. We remove extremely vulnerable people from the database entirely, and it is our policy to respond quickly when notified that someone may fall into this category.

All CAP staff are trained in line with a safeguarding policy to ensure any members of the public who are at risk are appropriately protected.

We comply with General Data Protection Regulations (GDPR) which came into action in 2018.

Salary policy and pay for senior staff

The annual salary for the UK Chief Executive role was £85,223 in 2021, an increase from £84,379 in the previous year.

At a rate of £6,783 per month, the Founder received £61,044 in salary between January and September 2021, when Dr John Kirkby left the role. The annual salary for the Founder role in the previous year was £80,586.

The annual salaries for the Chief Operating Officer and Chief People and Culture Officer roles were both £69,185, up from £68,500 in the previous year. For other Directors in the senior management team, annual salaries were between £55,467 and £59,576. In the previous year, Directors received between £54,918 and £58,986.

We're committed to fairness for all and so an element of compression continues to be applied to the most senior salaries to achieve the agreed ratio of 1:5 between the lowest and highest paid roles across the charity, excluding internship roles.

The Trustees consider that they and the senior management team comprise the key management personnel of the charity who are in charge of directing, controlling, running and operating the charity on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in notes 22 and 23 to the accounts.

Employees

The work of Christians Against Poverty relies on the commitment and hard work of its valued staff, both those directly employed at head office and those employed by our partner churches in our centre network.

Full training is given to each member of staff in their specific roles, including for interns through our internship programme. We are committed to equality in recruiting, training, promotion and career development and continually seek to promote from within alongside seeking external candidates.

The health and wellbeing of our staff is paramount and we are committed to offering flexible working arrangements and a range of benefits.

Diversity and inclusion

The charity is committed to supporting the employment of disabled people and helping existing staff, as well as anyone with additional support needs, as part of the recruitment process. In addition, we are committed to the retention of employees that become disabled while in our employment. We do this through training, career development, general awareness and support. We're keen to create a culture that reflects and embraces diversity in all areas and levels of the organisation. A Diversity and Inclusion Board was set up in 2021, headed up by a Programme Manager, tasked with reviewing and improving our approach in this area. This relates to education, church engagement, theology, client engagement, communication, supporter engagement, employment and policy. Because of capacity and the depth of work needed to deliver lasting progress, it was agreed that the programme would initially be focused on race and ethnicity. As an organisation, we care and want to be better at building an environment where all protected characteristics can be given appropriate attention, and so we will focus on others as time goes on, including gender, sexuality and disability.

The ongoing impact of COVID-19 and hybrid working

The COVID-19 pandemic meant one member of head office staff was furloughed in January 2021 for childcare reasons. No other staff members were furloughed throughout the year.

As a result of the changing nature of the workplace during the pandemic, a hybrid approach to working was implemented for head office staff from July. This has been well received, allowing greater flexibility in choosing to work from home or in the office. The hybrid working policy will be reviewed continually but is expected to remain indefinitely.

Head office staff returned to working from home in line with Government guidelines from mid-December.

Directors' engagement with employees

Regular communication with staff through monthly staff meetings, team meetings and podcasts ensure that employees are kept informed of any decisions taken by the senior management team. Staff also receive a quarterly update on the charity's financial position alongside information on how any current economic factors are affecting the performance of the organisation. Both a staff representative and a centre representative attend the quarterly Trustee Board meetings so their views can be taken into consideration through the decision-making process regarding strategic and operational matters.

Structure, governance and management

Volunteers

CAP values the work of its volunteers at head office in Bradford and across the UK. The welfare of those giving up their free time is important to us and we continue to ensure all policies and procedures are reviewed regularly. This provides the charity with clear boundaries and marks out for volunteers the extent of their remit. There is a dedicated staff member who oversees their work and ensures the wellbeing of all our volunteers.

The number of volunteers within our centre network is difficult to quantify, but we acknowledge that without their invaluable contribution our clients would not receive the help and support that they do. The Trustees, therefore, wish to acknowledge the enormous contribution made by employees and volunteers, both at head office and within the centre network.

Work in Scotland

The Office of the Scottish Charity Regulator requires us to report separately on our work in Scotland. While we do not report our income and expenditure separately for our Scottish activities, the statistics at the end of 2021 were as follows:

26 Debt Centres
12 Job Clubs
6 Life Skills groups
136 Households debt free
18 Job Club and Life Skills courses run

In 2021, the Scottish Government provided a grant of £249k to CAP, which has been used to resource our Scotland Debt Operations team.

Work in Northern Ireland

95 Households debt free
279 Debt Help appointments booked
16 Job Club and Life Skills courses run

Regulatory

Debt counselling and debt management are regulated activities under the Financial Services and Markets Act 2000. The charity is authorised and regulated by the Financial Conduct Authority (FCA) to provide debt counselling and debt management services.

In addition to the above we also hold the Advice Quality Standard mark (AQS). Organisations that hold the standard have demonstrated that they are easily accessible, effectively managed, and employ staff with the skills and knowledge to meet the needs of their clients. As part of achieving the standard, we also satisfied the requirements of the Money and Pensions Service (MaPS) Debt Advice Quality Framework.

Directors, senior staff and advisors

Directors (Trustees)

Roger Hattam – Chair

Matthew Frost

Lisa Pearce

Simon Gates

Joy Blundell

Jane Pleace

Ema Ojiako

Chine McDonald (resigned 25 March 2021)

Secretary

Stephen Bonfield

Leadership team

Paula Stringer – UK Chief Executive

Jon Day – Chief Operating Officer

Ellie Gage – Chief People and Culture Officer

John Kirkby – Founder (to 30 September 2021)

Dan Lane – Director of Engagement

Angie Rusbridge – Director of Finance, Risk and Compliance

Jake Hutton – Director of Debt Operations

Steve Wade – Director of Technology and Digital Transformation (to 17 December 2021)

Chris Cupples – Director of Church Network

Principal and registered office

Jubilee Mill
North Street
Bradford
BD1 4EW

Auditor

RSM UK Audit LLP
5th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

Solicitors

Hempsons
The Exchange
Station Parade
Harrogate
HG1 1TS

Bankers

Lloyds Bank PLC
Hustlergate
Bradford
BD1 1NT

Charity number

UK: 1097217
Scotland: SC038776

Company number

4655175

Trustees' responsibilities in relation to the financial statements

The charity Trustees (who are also the directors of Christians Against Poverty for the purposes of company law) are responsible for preparing a Trustees' annual report, strategic report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the charity Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charity for that period.

In preparing the financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and 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 operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to 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.

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

Statement as to disclosure to our auditor

In so far as the Trustees are aware at the time of approving our Trustees' annual report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charity's auditor is unaware.
- The Trustees, having made enquiries of fellow Trustees and the charity's auditor that they ought to have individually taken, have each taken all steps that he or she is obliged to take as a Trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

A proposal to re-appoint RSM UK Audit LLP as auditor of the charity will be put to the Annual General Meeting.

Strategic report

In accordance with section 414C (11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the company has prepared a Strategic Report, which includes information that would have previously been included in the Trustees' report. The Trustees and Directors report contains all information required in a Directors report by the Companies Act 2006. The Trustees authorise both the Strategic Report and the Trustees' report below.

Approval

This report was approved by the Board of Trustees on 25 July 2022 and signed on its behalf.



Roger Hattam
Chair of Trustees

Auditor's report

Independent auditor's report to the Trustees and members of Christians Against Poverty

Opinion

We have audited the financial statements of Christians Against Poverty (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities incorporating the Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit: the information given in the directors' report and the strategic report prepared for the purposes of company law and included within the Trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the directors' report and the strategic report, included within the Trustees' annual report, have been prepared in accordance with applicable legal requirements.

Independent auditor's report to the Trustees and members of Christians Against Poverty

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities set out on page 28, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team: obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks; inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud having obtained an understanding of the effectiveness of the control environment.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are the rules and principles set by the Financial Conduct Authority (FCA) as regulator for the financial services industry in the UK and GDPR. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these laws and regulations. In relation to FCA, we inspected compliance documentation, including but not limited to, internal procedures' manuals, reports from external compliance advisers, risk and breaches registers, regulatory returns and correspondence with the FCA as well as considering compliance with the conditions for authorisation, including with any restrictions or requirements placed on the firm, and other regulatory obligations.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgements and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at **frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Use of this report

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's Trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's Trustees 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, its members as a body, and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK AUDIT LLP

LUCY ROBSON (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Fifth Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

DATE 25/07/22

Financial statements

Statement of Financial Activities for the year ended 31 December 2021 (incorporating an income and expenditure account)

	Note	Unrestricted funds 2021 £'000	Restricted funds 2021 £'000	Total 2021 £'000	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Total 2020 £'000
Income from							
Donations and legacies	2	12,756	628	13,384	13,399	926	14,325
Other trading activities	3	119	-	119	98	-	98
Investments		1	-	1	2	-	2
Charitable activities	4	467	-	467	541	-	541
Other income	5	25	1,184	1,209	162	232	394
Total income		**13,368**	**1,812**	**15,180**	**14,202**	**1,158**	**15,360**
Expenditure on							
Raising funds		1,476	32	1,508	1,313	-	1,313
Charitable activities		11,506	1,687	13,193	10,524	1,016	11,540
Other		(641)	-	(641)	1,393	-	1,393
Total expenditure	6	**12,341**	**1,719**	**14,060**	13,230	1,016	14,246
Net income		1,027	93	1,120	972	142	1,114
Net movement in funds		**1,027**	**93**	**1,120**	**972**	**142**	**1,114**
Reconciliation of funds							
Total funds brought forward		6,846	161	7,007	5,874	19	5,893
Total funds carried forward		**7,873**	**254**	**8,127**	**6,846**	**161**	**7,007**

The notes on pages 35 to 51 form part of these financial statements.

Balance Sheet as at 31 December 2021

	Note	Unrestricted funds 2021 £'000	Restricted funds 2021 £'000	Total 2021 £'000	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Total 2020 £'000
Fixed assets							
Intangible fixed assets	10	368	-	368	369	-	369
Tangible fixed assets	11	4,633	6	4,639	1,788	10	1,798
Total		**5,001**	**6**	**5,007**	**2,157**	**10**	**2,167**
Current assets							
Debtors	12	1,012	176	1,188	905	193	1,098
Debtors: amounts falling due after one year	12	-	-	-	245	20	265
Cash and cash equivalents		4,316	78	4,394	4,602	(52)	4,550
Total		**5,328**	**254**	**5,582**	**5,752**	**161**	**5,913**
Creditors: amounts falling due within one year	13	(921)	(6)	(927)	(686)	(10)	(696)
Net current assets		**4,407**	**248**	**4,655**	**5,066**	**151**	**5,217**
Total assets less current liabilities		**9,408**	**254**	**9,662**	**7,223**	**161**	**7,384**
Creditors: amounts falling due after one year	14	(1,535)		(1,535)	(377)		(377)
Net assets		**7,873**	**254**	**8,127**	**6,846**	**161**	**7,007**
Funds							
Restricted funds				254			161
Unrestricted funds				7,873			6,846
Total funds	19			**8,127**			**7,007**

Approved by the Board of Directors and Trustees and authorised for issue on 25 July 2022 and signed on its behalf.



Roger Hattam
Chair of Trustees and Director

The notes on pages 35 to 51 form part of these financial statements.

Statement of cash flows as at 31 December 2021

	Total 2021 £'000	Total 2020 £'000
Cash flows from operating activities		
Net incoming resources	1,120	1,114
Depreciation on tangible fixed assets	106	127
Impairment of tangible fixed assets	(683)	1,365
Amortisation of intangible assets	50	42
Profit/(loss) on sale of assets	(1)	-
Less interest received	(1)	(2)
Add interest paid	41	28
Decrease in debtors	175	77
Increase/(decrease) in creditors	141	(26)
Net cash flow provided by operating activities	**948**	**2,725**
Cash flows from investment activities		
Proceeds on sale of assets	2	-
Purchase of tangible fixed assets	(2,264)	(48)
Purchase of intangible fixed assets	(49)	(46)
Current asset investment	-	-
Interest received	1	2
Net cash flow used in investing activities	**(2,310)**	**(92)**
Cash flows from financing activities		
Cash inflows from new borrowing	1,495	-
Interest paid	(41)	(28)
Repayment of bank loans	(248)	(209)
Net cash flow used in financing activities	**1,206**	**(237)**
Change in cash and cash equivalents in the year	**(156)**	**2,396**
Cash and cash equivalents as at 31 December 2021	**4,394**	**4,550**
Cash and cash equivalents as at 31 December 2020	**4,550**	**2,154**

The notes on pages 35 to 51 form part of these financial statements.

1. Statement of accounting policies

Charity information
Christians Against Poverty is a company limited by guarantee domiciled and incorporated in England and Wales.

The registered office is Jubilee Mill, North Street, Bradford, BD1 4EW.

Christians Against Poverty meets the definition of a public benefit entity under FRS 102. The charity exists for the benefit of the public through the provision of services to members of the public suffering from problem debt, unemployment and low income, which are detailed in the charity's principal activities.

Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Charities Statement of Recommended Practice, Accounting and Reporting by Charities ("SORP") FRS 102 and the requirements of the Companies Act 2006.

The financial statements have been prepared under the historical cost convention.

The financial statements are presented in sterling which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £'000, except where otherwise indicated.

The charity's principal activities are described in detail on pages 6 to 7 along with the nature of the charity's operations. The company has adopted the following principal accounting policies, which should be read in conjunction with the financial statements set out on pages 32 to 34.

Basis of consolidation
The financial statements show information about the charity as an individual entity and not about its group, as the charity has taken advantage of the exemption provided by section 405 of the Companies Act 2006 not to prepare consolidated financial statements. The Trustees consider that the charity's subsidiary should be excluded from consolidation on the basis that it is immaterial for the purpose of giving a true and fair view.

Preparation of the accounts on a going concern basis
The Trustees (who are directors of Christians Against Poverty for the purposes of company law and the Trustees of Christians Against Poverty for the purposes of charity law) have reviewed the charity's financial position, taking into account the satisfactory levels of reserves and cash, the annual plan and the three-year financial plan, and its systems of financial and risk management.

As a result of their review, the Trustees believe that the charity is well placed to manage operational and financial risks successfully despite the ongoing uncertain economic outlook. Accordingly, the Trustees have a reasonable expectation that there are no material uncertainties about the charity's ability to continue in operational existence for the foreseeable future.

The Trustees, therefore, continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Funds held by the charity
Unrestricted funds represent funds received that are available to the Trustees to apply for the general purposes of the charity as set out in the governing document. Unrestricted funds include a revaluation reserve representing the amount by which the property valuation exceeds its historical cost.

Restricted funds represent funds received for a specific purpose as defined by the donor or funder.

Incoming resources
All incoming resources are included in the statement of financial activities when the charity is legally entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy. The following specific policies apply to the categories of income:

Legacies
Legacy income is recognised when the charity has been notified of entitlement, where receipt is probable and the amount of the legacy is quantifiable.

Government grants

Grant income is recognised when the charity has been notified of entitlement, where receipt is probable and the grant is quantifiable, provided that the terms of the grant do not impose future performance-related conditions. If entitlement is conditional on performance, such as a particular level of service to be delivered, the grant is not recognised until these conditions have been met. Any grants that are received before the revenue recognition criteria are met are recognised in the entity's financial statements as a liability.

Resources expended

All expenditure of the charity is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Irrecoverable VAT is attached to the specific expense incurred.

Costs of generating voluntary income consist of the direct costs of fundraising staff together with quantifiable direct costs. Other support costs are allocated on the basis of headcount.

Charitable activities consist of the direct costs of staff involved in the delivery of activities and services to the charity's beneficiaries. Direct costs are included where quantifiable and all other support costs are allocated on the basis of headcount.

Intangible fixed assets other than goodwill

Intangible assets acquired and developed separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following basis:

Software development	10 years on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited/charged to the statement of financial activities.

Tangible fixed assets

Fixed assets are measured at cost, net of depreciation and any impairment losses. All fixed assets with a value in excess of £500 are capitalised.

Depreciation is calculated to write down the cost or valuation, less estimated residual values of all fixed assets over their expected useful lives. It is calculated at the following rates:

Freehold buildings	2% on cost
Freehold land	Not depreciated
Computer equipment	33 1/3% on cost
Furniture and fittings	25% on written down value
Office equipment	20% on cost
Plant and equipment	10% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited to the statement of financial activities.

Fixed asset investments

The investment in the subsidiary is measured at cost less any accumulated impairment losses.

Impairment of fixed assets

At each reporting period end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of financial activities.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Cash and equivalents

Cash and cash equivalents includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities
Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Taxation
The charity is exempt from tax on income and gains falling within sections 472-489 of the Corporation Tax Act 2011 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

Pensions
The charity operates a defined contribution pension scheme, Christians Against Poverty Stakeholder Pension Plan, and the pension charge represents the amounts payable by the charity to the fund in respect of the period.

Termination benefits
Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Operating leases
Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The annual depreciation and amortisation charges for tangible and intangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect the current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the intangible fixed assets and note 11 for the carrying amount of the tangible fixed assets.

Where accounting estimates concerning legacy income recognised in prior years have been revised, the current year accounts have been adjusted to reflect the revised values expected. Accounting estimates have also been used concerning new legacy income to which the charity has become entitled.

2. Donations and legacies

	Unrestricted funds 2021 £'000	Restricted funds 2021 £'000	Total 2021 £'000	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Total 2020 £'000
Regular supporters	5,824	5	5,829	5,577	7	5,584
Individual gifts	2,175	247	2,422	3,275	309	3,584
Churches	2,084	-	2,084	1,936	2	1,938
Companies	293	167	460	205	154	359
Charitable trusts	749	209	958	860	454	1,314
Legacies	173	-	173	137	-	137
Total	11,298	628	11,926	11,990	926	12,916
Gift Aid	1,458	-	1,458	1,409	-	1,409
Total donations and legacies	12,756	628	**13,384**	13,399	926	**14,325**

3. Other trading activities

	2021 £'000	2020 £'000
Fundraising events	86	68
Rents received	33	30
Total	**119**	**98**

The amounts above are all unrestricted income.

4. Charitable activities

	2021 £'000	2020 £'000
Service companies	459	531
CAP Money resources	8	9
Services resources	-	1
Total	**467**	**541**

The amounts above are all unrestricted income.

5. Other income

	Unrestricted funds 2021 £'000	Restricted funds 2021 £'000	Total 2021 £'000	Total 2020 £'000
Government grants	25	1,184	1,209	394
Total	25	1,184	1,209	394

During the year the organisation claimed £1,576 (2020: £106,581) from the government in relation to the Covid-19 Job Retention Scheme.

The charity received funding from Government departments for the following projects:

Government department	Project	2021 £'000	2020 £'000
The Money and Pensions Service	Integrated Debt Advice and Financial Capability Evaluation	-	16
The Money and Pensions Service	COVID-19: Maintaining Debt Advice Capacity	23	55
The Money and Pensions Service	COVID-19: Increasing Debt Advice Capacity	713	119
The Money and Pensions Service	Administration of Debt Relief Orders	217	40
Housing and Social Justice Directorate (Scotland)	Debt Advice Provision Project	249	68

6. Total expenditure

	Direct costs 2021 £'000	Support costs 2021 £'000	Total costs 2021 £'000	Direct costs 2020 £'000	Support costs 2020 £'000	Total costs 2020 £'000
Expenditure on raising funds						
Expenditure on raising donations and legacies	1,302	205	1,507	1,212	101	1,313
Total	1,302	205	**1,507**	1,212	101	**1,313**
Expenditure on charitable activities						
CAP Debt Centres	8,308	1,755	10,063	7,326	1,277	8,603
CAP Job Clubs	529	118	647	341	66	407
CAP Fresh Start	339	83	422	196	35	231
CAP Life Skills	300	62	362	514	107	621
Kick Start	1	-	1	29	7	36
Client welfare	202	26	228	367	67	434
CAP Money	126	8	134	131	7	138
International	168	8	176	233	7	240
Raising awareness	998	163	1,161	756	74	830
Total	10,971	2,223	13,194	9,893	1,647	11,540
Other costs	42	-	42	28	-	28
Impairment on fixed assets	(683)	-	(683)	1,365	-	1,365
Total resources expended	11,632	2,428	**14,060**	12,498	1,748	**14,246**

Support costs and the basis of their allocation are as follows:

	Principal basis of allocation of activities	2021 £'000	2020 £'000
General management and support	Headcount	484	355
Financial management	Headcount	594	468
Human resources	Headcount	711	455
Supporter relations	Headcount	448	397
IT	Headcount	129	27
Governance	Headcount	62	46
Total		**2,428**	**1,748**

7. Analysis of grants given

Included within expenditure on charitable activities are the following amounts in relation to grants given:

	Grants to individuals 2021 £'000	Grants to churches 2021 £'000	Total 2021 £'000	Grants to individuals 2020 £'000	Grants to churches 2020 £'000	Total 2020 £'000
Insolvency fee bursary	121	-	121	288	-	288
Increasing debt advice capacity in Scotland	-	83	83	-	31	31
Church debt centre bursary	-	124	124	-	-	-
Total	121	207	328	288	31	319

During the year CAP was the recipient of some funding from the Scottish Government to increase debt advice capacity in Scotland. Some of this funding was awarded specifically to be given in grants to existing and new Debt Centre church partners to enable them to continue operating.

8. Employee emoluments

	2021 £'000	2020 £'000
Wages and salaries	9,640	8,723
Social security costs	871	789
Pension costs	837	759
Total	**11,348**	**10,271**

During the year there were £39,012 in redundancy payments (2020: £nil).

The number of employees whose emoluments (salaries, wages and benefits in kind) fell within the following band:

	2021	2020
£60,000 - £69,999	3	2
£70,000 - £79,999	1	-
£80,000 – £89,999	1	2

The key management personnel of the charity comprises the Chief Executive Officer, Founder, Chief Operating Officer, Chief People and Culture Officer, Director of Engagement and Influence, Director of Finance, Risk and Compliance, Director of Debt Operations, Director of Church Network and Director of Technology and Digital Transformation. The total employee benefits of the key management personnel were £707,276 (2020: £591,745).

The average monthly headcount was 391 staff (2020: 377) and the average number of full-time equivalent employees (including casual and part-time staff) during the year was:

	2021	2020
Head office	344	313
Total	**344**	**313**

9. Net income for the year

Is stated after charging	2021 £'000	2020 £'000
Auditor's remuneration		
External audit fees	27	29
Advisory services	30	17
Depreciation	105	127
Amortisation	50	42
Operating lease rentals	43	43
Impairment of fixed asset investments	-	-
Impairment of fixed assets	(683)	1,365
Interest payable	41	28

10. Intangible fixed assets

	Software development £'000	Total £'000
Cost		
At 1 January 2021	467	467
Additions	49	49
Disposals	-	-
At 31 December 2021	**516**	**516**
Accumulated amortisation		
At 1 January 2021	98	98
Charge for the year	50	50
Disposals	-	-
At 31 December 2021	**148**	**148**
Net book values		
At 31 December 2021	**368**	**368**
At 31 December 2020	**369**	**369**

11. Tangible fixed assets

	Freehold land and buildings £'000	Computer equipment £'000	Furniture and equipment £'000	Total £'000
Cost				
At 1 January 2021	3,454	706	89	4,249
Additions	2,186	76	2	2,264
Disposals	-	(8)	(12)	**(20)**
At 31 December 2021	**5,640**	**774**	**79**	**6,493**
Accumulated depreciation				
At 1 January 2021	397	638	51	1,086
Charge for the year	46	50	9	105
Disposals	-	(7)	(12)	(19)
At 31 December 2021	**443**	**681**	**48**	**1,172**
Accumulated impairment				
At 1 January 2021	1,365	-	-	1,365
Charge for the year	(683)	-	-	(683)
At 31 December 2021	**682**	**-**	**-**	**682**
Net book values				
At 31 December 2021	**4,515**	**93**	**31**	**4,639**
At 31 December 2020	1,692	68	38	1,798

At the beginning of 2022, offers were received on several of the properties held in freehold land and buildings. The offers indicated that the fair value for three of the properties was higher than the carrying value and therefore an impairment reversal of £682,703 (2020: impairment of £1,365,017) was recognised in the statement of financial activities for the year ended 31 December 2021.

Included in the net carrying amount of freehold land and buildings is £3,520,674 (2020: £1,374,141) pledged as security against the charity's bank loans.

Computer equipment costing £11,005 was purchased using a restricted government grant in 2020. The net book value of the equipment as at 31 December 2021 was £6,421.

12. Debtors

	Unrestricted funds 2021 £'000	Restricted funds 2021 £'000	Total 2021 £'000	Total 2020 £'000
Income tax recoverable	389	-	389	130
Trade debtors	57	-	57	25
Accrued income	408	176	584	1070
Prepayments	152	-	152	132
Other debtors	6	-	6	6
Total	**1,012**	**176**	**1,188**	**1,363**

Accrued income includes income that has been committed to CAP by various trusts that will be received in future years as follows:

	Unrestricted funds 2021 £'000	Restricted funds 2021 £'000	Total 2021 £'000	Total 2020 £'000
Receivable within one year	320	20	340	805
Receivable in more than one year	-	-	-	265
Total	**320**	**20**	**340**	**1,070**

13. Creditors - amounts falling due within one year

	Unrestricted funds 2021 £'000	Restricted funds 2021 £'000	Total 2021 £'000	Total 2020 £'000
Building fund loans	2	-	2	2
Bank loans	306	-	306	217
Other tax and social security	235	-	235	202
Accruals and deferred income	177	6	183	164
Trade creditors	161	-	161	91
Other creditors	40	-	40	20
Total	**921**	**6**	**927**	**696**

14. Creditors - amounts falling due after more than one year

	Total 2021 £'000	Total 2020 £'000
Bank loans	1,535	377
Total	**1,535**	**377**

Loans outstanding at the year end amounted to £1,842,596 (2020: £595,692) and these are repayable as follows:

	Total 2021 £'000	Total 2020 £'000
Within one year	308	219
Between two and five years	498	377
After more than five years	1,037	-

On 11 July 2013 a loan for £1,469,000 was taken out with Lloyds Bank PLC. This loan is fully secured against the freehold property known as Jubilee Mill, North Street, Bradford. The loan is repayable over a period of ten years and interest is fixed at 3.86% for its duration. The balance of the loan at 31 December 2021 was £272,015 (2020: £435,363) which represents 25% of the balance sheet value of the property.

In October 2015 a second loan was taken out for £404,000 with Lloyds Bank PLC for the purchase of a freehold property at 86 Captain Street, Bradford and the refinancing of the loan for the property at 33 Norman Terrace, Eccleshill. The loan is repayable over a period of eight years and interest is fixed at 4.20% for its duration. This loan is fully secured against the freehold properties known as Jubilee Mil, North Street, Bradford and 86 Captain Street, Bradford. The balance of the loan at 31 December 2021 was £104,913 (2020: £158,829) which represents 7% of the balance sheet value of the properties.

In July 2021 a third loan was taken out for £1,495,000 with Stewardship Services (UKET) Limited for the purchase of a freehold property at 1 Filey Street, Bradford. The loan is repayable over a period of 15 years and interest is fixed at 3.25% for its duration. The balance of the loan at 31 December 2021 was £1,464,168 which represents 70% of the balance sheet value of the property. The loan is fully secured against the property.

15. Other financial commitments

Operating lease payments represent rentals payable by the charity for certain items of computer equipment and for office space in Belfast. At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

Operating leases which expire:	31 Dec 2021 £'000	31 Dec 2020 £'000
Within one year	42	43
Between two and five years	72	111
After more than five years	3	6

16. Financial instruments

	31 Dec 2021 £'000	31 Dec 2020 £'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	647	1,101
Carrying amount of financial liabilities		
Measured at amortised cost	2,216	861

17. Movement of funds

Description of fund	Balance 1 Jan 2021 £'000	Incoming resources £'000	Resources expended £'000	Balance 31 Dec 2021 £'000	Balance 1 Jan 2020 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Balance 31 Dec 2020 £'000
General unrestricted funds	6,846	13,368	(12,341)	7,873	5,618	14,242	(13,270)	256	6,846
Restricted funds:									
Individual centres	-	1	(1)	-	-	3	(3)	-	-
Wales region	-	-	-	-	-	1	(1)	-	-
Scotland region	-	-	-	-	-	3	(3)	-	-
Northern Ireland expansion	-	7	(7)	-	-	12	(12)	-	-
Scotland debt advice	-	28	(28)	-	-		-	-	-
Debt Operations	-	387	(387)	-	-	459	(459)	-	-
Energy Coordinator	-	-	-	-	-	11	(11)	-	-
Social policy role	-	15	-	15	19	-	(19)	-	-
Client emergency aid	21	115	(81)	55	-	97	(76)	-	21
Insolvency bursary fund	-	112	(89)	23	-	185	(185)	-	-
Church bursary fund	-	136	(124)	12				-	
CAP Job Clubs	-	1	(1)	-	-	1	(1)	-	-
CAP Money	-	-	-	-	-	1	(1)	-	-
Kick Start	-	1	(1)	-	-	10	(10)	-	-
Staff benevolent fund	-	2	(2)	-	-	2	(2)	-	-
Apprenticeship Levy	-	2	(2)	-	-	-	-	-	
Financial capability project	-	-	-	-	-	16	(16)	-	-
Opportunity fund	100	-	-	100	-	100	-	-	100
Increasing debt advice capacity	-	716	(716)	-	-	109	(109)	-	-
Increasing debt advice capacity (Scotland)	-	249	(248)	1	-	68	(68)	-	-
Scotland funding manager role	40	36	(32)	44	-	40	-	-	40
Scotland promotion & engagement manager	-	4	-	4	-	-	-	-	-
Total restricted funds	161	1,812	(1,719)	254	19	1,118	(976)	-	161
Revaluation reserve	-	-	-	-	256	-	-	(256)	-
Total funds	**7,007**	**15,180**	**(14,060)**	**8,127**	**5,893**	**15,360**	**(14,246)**	-	**7,007**

17. Movement of funds (cont.)

The restricted funds for individual centres is made up of a number of small gifts towards the centralised costs of servicing 7 different centres at an average of £125 per centre.

The restricted funds for Debt Operations and Scotland debt advice are made up of a number of donations towards the salary costs of our debt advisors.

The funds received in relation to the Social policy role were to support the work of this role.

Client emergency aid represents money given towards emergency food shops for clients who have no food in the house when we first visit them.

The Insolvency Bursary Fund represents donations received towards CAP's insolvency bursary. This fund pays towards bankruptcy and Debt Relief Order fees for clients who have insufficient savings to fund the entire fee themselves.

The opportunity fund was created to enable donors to give into a fund that would be available for CAP to use in the event that any unexpected opportunities arose that would require funds. As at the end of 2021 none of this fund had yet been spent.

The restricted donation for Increasing debt advice capacity was a grant received to fund a cohort of new debt advisors who were recruited in 2020.

The Scotland funding manager role restricted funds is a donation made towards the costs of this particular role.

18. Capital commitments

The charity had no capital commitments at 31 December 2021 (2020: £nil).

19. Analysis of net assets between funds

	Unrestricted 2021 £'000	Restricted 2021 £'000	Total 2021 £'000	Unrestricted 2020 £'000	Restricted 2020 £'000	Total 2020 £'000
Intangible fixed assets	368	-	368	369	-	369
Tangible fixed assets	4,633	6	4,639	1,788	10	1,798
Cash at bank and in hand	4,316	78	4,394	4,602	(52)	4,550
Other net current assets	91	170	261	464	203	667
Creditors of more than one year	(1,535)	-	(1,535)	(377)	-	(377)
Total	**7,873**	**254**	**8,127**	**6,846**	**161**	**7,007**

20. Reconciliation of net debt

	Balance 1 Jan 2021 £'000	Cash flows £'000	Balance 31 Dec 2021 £'000
Cash at bank and in hand	4,550	(156)	4,394
Bank loans	(594)	(1,247)	(1,841)
Total	**3,956**	**(1,403)**	**2,553**

21. Budgeting and debt management services

Monies paid in by clients to enable their utility and debt repayments to be made are held in a separate bank account from the charity's own funds and cannot be used by the charity to fund its operations. The balance in these separate accounts as at 31 December 2021 were £1,573,029 (2020: £1,976,240).

22. Transactions with Trustees

During the year no remuneration was paid to any of the Trustees (2020: £nil). In total one Trustee received travel expense reimbursements of £269 (2020: £187) from the charity. The charity paid a sum of £1,383 for Charity Trustee Insurance within its main insurance policy (2020: £1,383). During the year one of the Trustees received a gift worth £52 in their capacity as a donor to the organisation.

23. Related party transactions

The charity is the sole member of CAP America, a non-stock corporation registered in the USA, whose principal activity is that of debt counselling. On 30 January 2019, the Directors issued a 'Letter of Comfort' to CAP America, undertaking to financially support CAP America to the full extent of any liabilities incurred by them that are unable to be satisfied by the assets of CAP America, not exceeding (USD) $300,000 per annum. As at 31 December 2021 the corporation had reserves of (USD) $102,839 (2020: $86,116), and the surplus for the year was (USD) $16,723 (2020: deficit of $32,541). During 2021 the charity donated £50,000 (2020: £100,000) to CAP America. As at 31 December 2021 there were no outstanding balances with the corporation.

On 2 December 2013, the Directors issued a 'Letter of Comfort' to CAP Australia, undertaking to financially support CAP Australia to the full extent of any liabilities incurred by them that are unable to be satisfied by the assets of CAP Australia. At 31 December 2021 CAP Australia had net assets of (AUD) $1,181,166 (2020: $1,057,518).

During 2021 the charity donated £20,000 (2020: £20,000) to CAP Canada, a charity registered in Canada, of which Ellie Gage is a Trustee. In December 2014, the Directors issued a 'Letter of Comfort' to CAP Canada similar to the one issued to CAP Australia a year earlier. At December 2021 CAP Canada had net assets of (CAN) $350,738 (2020: $273,653).

At the end of the year there were debtor balances outstanding with our international affiliates as follows:

	Total 2021 £	Total 2020 £
CAP Canada	4,947	683
CAP New Zealand	25,730	15,463
CAP Australia	13,792	7,898
CAP America	-	-

With the following amounts included in the sales day book during the year:

	Total 2021 £	Total 2020 £
CAP Canada	8,528	5,715
CAP New Zealand	57,760	60,948
CAP Australia	27,608	31,592
CAP America	-	-

24. Pension commitments

The charity operates a defined contribution pension scheme, Christians Against Poverty Group Stakeholder Pension Plan, for all employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by Christians Against Poverty to the fund and in 2021 amounted to £837,663 (2020: £759,216). All contributions due have been fully paid and the balance outstanding at the end was included in unrestricted liabilities.

christians against poverty

CAP

© Christians Against Poverty 2022

capuk.org CAPuk CAPuk_org CAPukorg

Charity Registered No: 1097217 (England & Wales), SC038776 (Scotland).
Company Limited by Guarantee, Registered in England and Wales No. 4655175

always hope.

CHRISTIANS AGAINST POVERTY

England & Wales - Charity number 1097217

Accounts

Company Registration No. 04655175
Charity No. 1097217 (England and Wales), Charity No. SCO38776 (Scotland)

CHRISTIANS AGAINST POVERTY

ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

Contents

4 Introduction from the UK Chief Executive

5 Introduction from the Chair of Trustees

6 Who we are

8 2020: The year in numbers

10 Stewarding our income well

12 Real lives: Ron's story

14 Strategic report
- 14 How we delivered on our aims and objectives
- 18 Three-year strategy (2020-2022)
- 20 Financial review: how we managed the money you gave us
- 23 Principal risks and uncertainties

24 Trustees' report
- 24 Structure, governance and management
- 28 Directors, senior staff and advisors

30 Auditor's report

34 Financial statements
- 34 Financial activities
- 35 Balance sheet
- 36 Statement of cash flows
- 37 Notes to the financial statements

Introduction

From our UK Chief Executive and Chair of Trustees



Paula Stringer
UK Chief Executive

In early 2020, we reopened our phone lines following a pause in taking on new clients. I'm happy to say this decision, though difficult to make at the time, was worth it. After some intensive work, we managed to get our debt service working more efficiently and we're now able to provide an improved service for our clients, though we expect to make even more positive changes and improvements over the coming months and years.

March, of course, saw the beginning of the first national lockdown. As I write this, the world has been battling with COVID-19 for a whole year and people are praying for a return to life as usual. The problem is that 'life as usual', for some, will not be possible given the likely economic fallout from this time.

When the lockdown first came into place, we knew we had to do all we could to make sure we could continue serving people across the UK. More than ever, we knew people would need practical help and powerful hope. I'm pleased to say we managed to set up our entire operation remotely within just a few days, and our service was up and running through video and phone calls for the rest of the year.

However, the challenges posed by the lack of in-person contact in communities that so desperately need help can't be denied. Given that we deal with some of the most vulnerable people in this country, many of whom find it extremely difficult to engage virtually, we did see this affect our overall impact, as you'll recognise throughout this report.

Our group services in particular were severely hampered. That being said, we also saw some big successes through the move to digital service provision. We developed Kick Start, a series of bitesize online sessions equipping churches to support people in their communities through the crisis. This was a triumph, with 800 churches signing up in 2020.

We also set up an additional client phone line and launched an emergency appeal to raise funds to support people struggling as a result of the pandemic. The response from our supporters was phenomenal. People clearly saw the need; they saw how this crisis would accelerate debt and poverty, and they responded from the heart, with sheer compassion. I'm delighted to say, with the money raised, we were able to meet the emergency needs of 1,479 families.

I want to say thank you to every individual, church and organisation who supported us throughout 2020. Because of you, lives were still changed, people were still released from poverty, and our much-needed message of hope continued to be shared.



Paula Stringer



Roger Hattam
Chair of Trustees

Nobody could have foreseen the extent of dislocation to global life at the beginning of 2020. The devastating impact of the pandemic has left no sector untouched, but the impact on charities has been huge. Like so many others, CAP has had to adapt its entire operating model for clients and staff, while dealing with significantly reduced opportunities for normal fundraising activities.

So I'm delighted, humbled and grateful that CAP ended 2020 on such a positive note. As you'll discover throughout this report, we faced significant challenges, but I'm immensely impressed by the way the entire CAP team and partner churches persevered. I'm grateful that even in this difficult year, more than 16,000 people were able to benefit from CAP's services, with many hearing the words 'you're debt free' or encountering Jesus for the very first time.

The past year has reinforced the need for us to update and refocus elements of our services to ensure they remain relevant and efficient. We remain fully committed to helping the UK Church serve those in need and we will always retain the centrality of our faith, but we must continue to adopt new technology and channels. This will enable us to scale our operations and maximise our impact in the future.

I want to say thank you to everyone who faithfully and sacrificially supports this work. The generosity from supporters, churches and trusts in 2020 was overwhelming, so much so that our income at the end of the year (£15.4m) was £1.0m (6.9%) higher than in 2019. This stands us in good stead to invest in our ongoing operational transformation and ensure our services are fit for the future. It will also help us to prepare for the sad but inevitable increase in client numbers over the coming years.

A report from the Financial Conduct Authority in October 2020, prior to the winter lockdown, showed the impact of the pandemic on levels of vulnerability and poverty across the UK. Many households were worse off as a result, and the number of consumers with low financial resilience grew from 10.7m to 14.2m between March and October. This means the need for debt advice, and particularly for CAP's unique form of holistic care, is going to ramp up as the unprecedented levels of Government support begin to wind down in 2021.

I thank God that CAP is around in the midst of all of this, and for his generous provision which keeps this life-changing ministry going through whatever challenges come our way. Over the course of 2021, we will continue to improve our services, reviewing our Debt Operations model, increasing capacity, adapting our group services and providing support to those in need through the ongoing pandemic and beyond.

Thank you to Paula, the Core team, all CAP's staff and partner churches for leaning in to CAP's mission so faithfully and excellently throughout 2020. It certainly was a year like no other we've experienced and I'm grateful for everything you do.



Roger Hattam

Who we are

Trustees' and Directors' report

Our efforts to overcome the challenges of 2020 have demonstrated that Christians Against Poverty remains as committed as ever to seeing people freed from the grip of poverty and hope restored across the UK. We do this in partnership with local churches who provide CAP services in their communities – Debt Help, Job Clubs, Fresh Start, Life Skills, Kick Start and the CAP Money Course – all aimed at tackling some of the main causes of UK poverty.

As well as practical help, we are determined to provide each and every client with the holistic support they need to turn their situation around for the long-term. Our partnership with local churches means we have teams on the ground who can offer more immediate support and friendship where needed, as well as sharing the good news of Jesus.

This has been even more pertinent over the last twelve months on account of the COVID-19 pandemic. Not only are a growing number of households facing unemployment, low income and debt, but isolation, poor mental health and uncertainty have also spiked. More than ever, CAP and the Church are a vital tool in reassuring people that freedom can be reached, and that there is always hope.

Everything we do is framed by four charitable aims and objectives:*

- The relief of poverty for persons in the United Kingdom and elsewhere who are in conditions of need, hardship or distress by reason of their social and/or economic circumstances, by providing and promoting advice and other services.
- The advancement of education of the public in all matters relating to the management of their personal finances.
- The advancement of the Christian faith.
- Raising awareness of debt, poverty and its causes in the UK and inspiring churches and individuals to partner with us.

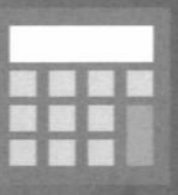
In this report, we will demonstrate how we have delivered on these objectives, as well as any challenges we've faced and how we've dealt with them. We'll also update you on the progress of our three-year strategy, introduced in last year's report.

*We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and planning our activities, and are confident that CAP meets the public benefit requirements.

Our four big aims



The relief of poverty in the United Kingdom



Advancing personal finance education



The advancement of the Christian faith



Raising awareness of debt, poverty and its causes in the UK

2020

The year in numbers

As a result of the pandemic, our numbers are generally lower than in previous years. However, we know that each and every number represents a life changed and is a cause for celebration.

Over the course of 2020:



14,154

benefitted from CAP Debt Help
(including individual adults with an active account and their children)



2,502

individual adults became debt free



1,479

families were supported through the emergency COVID-19 appeal



16,315

people were helped across CAP's services
(including CAP Debt Help clients, their children and group service members*)



4,856

new debt client bookings were made by the New Enquiries team



166

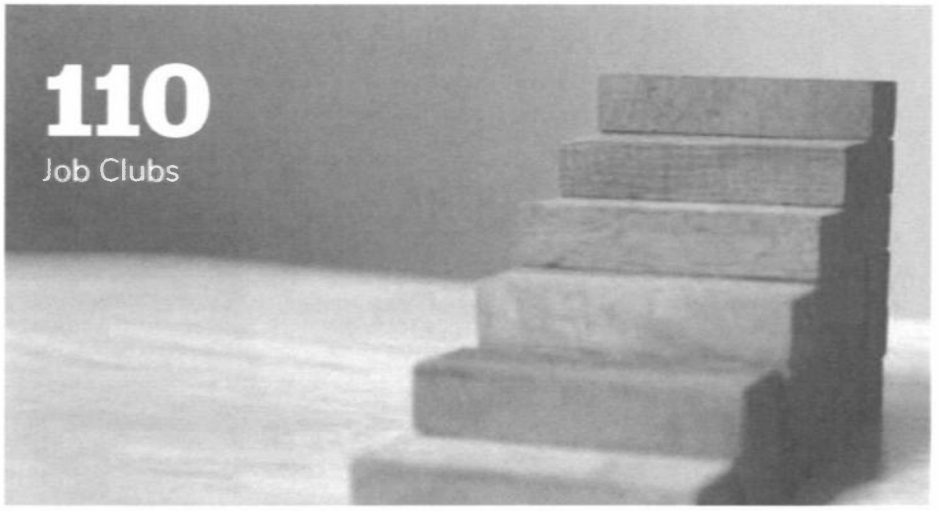
people made a response to Jesus

*This means any person who attended at least one CAP Job Club, CAP Life Skills or Fresh Start session.

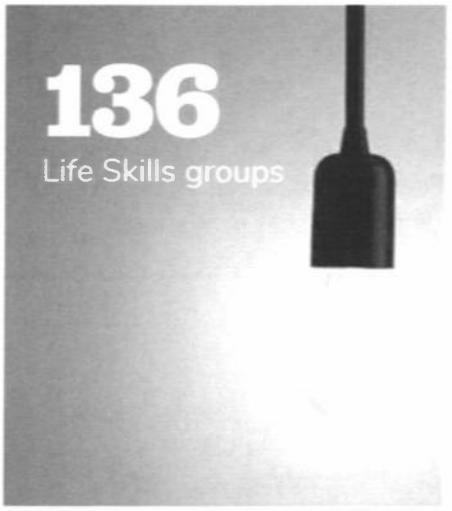
At the end of the year, across the UK, there were:



284
Debt Centres



110
Job Clubs



136
Life Skills groups

49
Fresh Start groups



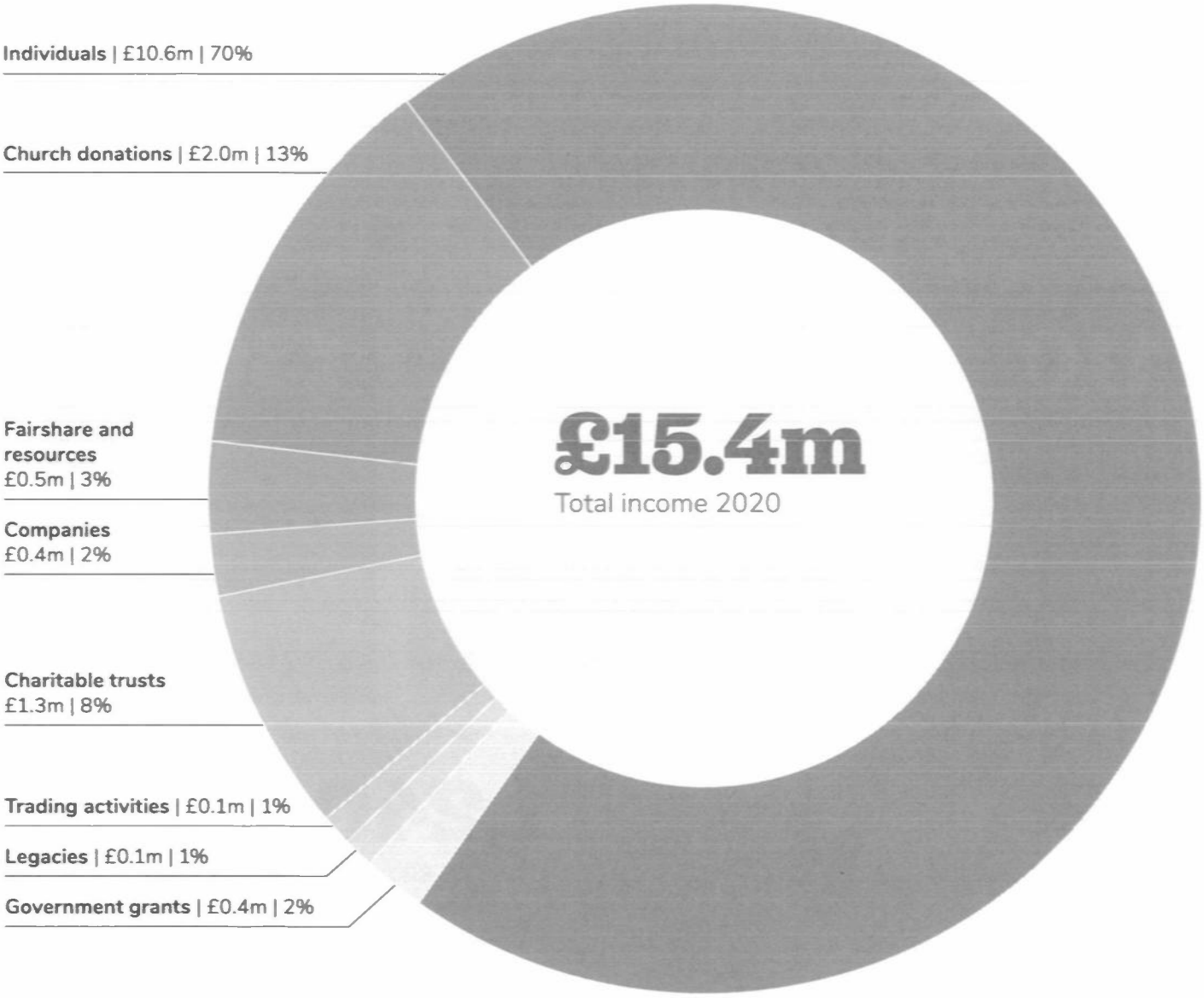


1,240
churches equipped to run the CAP Money Course

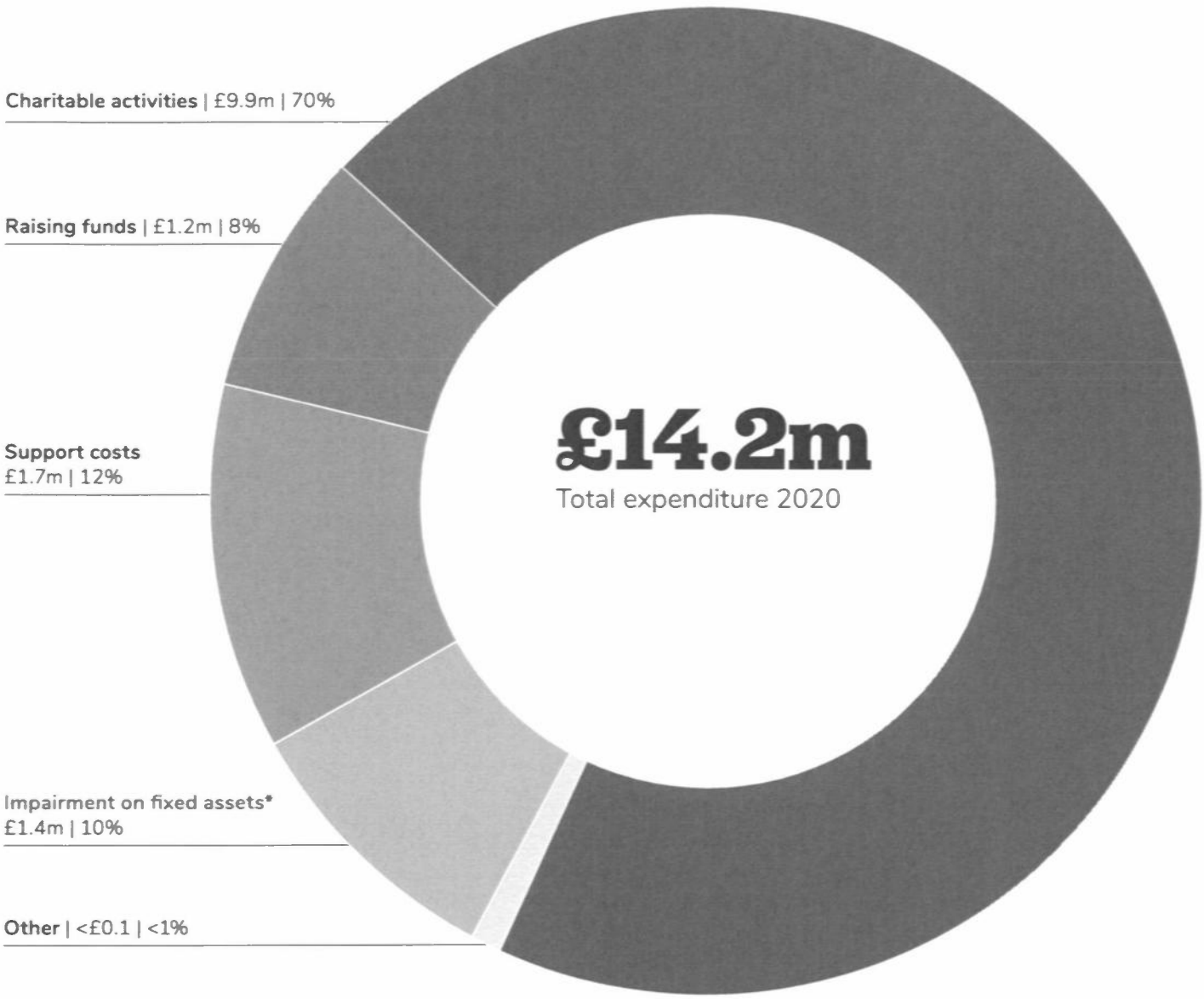


Stewarding our income well

How we raised our money



How we spent our money



*This is a one off adjustment relating to the decrease in value of our buildings.
For further information please see note 11 to the accounts.

Real lives

Ron's story



As time went by, things were getting more and more difficult with money. I found myself really dipping into a bad place with debt. I wasn't wanting to answer the door or take phone calls, because I was scared that people would get in touch looking for money. I didn't want to talk to anybody, not even friends and family. I felt like there was no way out. I was on a downward spiral and I just couldn't see a way to climb back up.

It took me a week and a half to make the first phone call to CAP. I kept putting it off, thinking, 'I'll do it tomorrow'. When I finally made that phone call one Monday morning, the person on the other end of the phone was so accommodating and so understanding.

My journey with CAP has been phenomenal. It's given me a whole new lease of life.

My Debt Coach was Alan. When we first met, there was still a bit of unease there as to what Alan might think, but that quickly passed. From the first appointment, I was reassured because I knew CAP was going to try and help me.

However, I knew I had to do some of the work myself. I'd spent six days getting prepared for the appointment, sifting through paperwork that I hadn't looked at in years. I had four and a half huge boxes of paper that I'd just been throwing letters into, some not even opened, year upon year. To go through that in a week was amazing. It was tiring, but I felt that by clearing away some of the past, I was at the start of the road to freedom.

My journey with CAP has been phenomenal. One of the things we worked through was a budget – I'm sticking to that. But it has helped in other areas as well. It's given me a whole new lease of life.

When I was in debt, I'd sit up all night, scared to go to sleep as I didn't know what tomorrow would bring. I sometimes thought about doing away with myself as I couldn't see a light at the end of the tunnel. Now my mental health is improving, because I don't need to constantly worry about the debt. I'm sleeping better at night. It's helping me to open up and socialise more after shutting everyone out for so long. I've joined a walking group so I'm getting out and about, talking to people and getting fitter – I never would have been in the right frame of mind to do that before. It's now onwards and upwards.



Strategic report

How we delivered on our aims and objectives



Relieving poverty in the UK

Lifting the weight of debt

From August 2019, we paused taking on new debt clients in a period which we called Time to Breathe. This came to an end in March 2020. Time to Breathe achieved its aims in that it gave us an opportunity to focus on servicing existing clients, protecting the health and wellbeing of our staff, and moving our Debt Operations department to a healthier place for the future.

Of course, March then saw significant changes across the UK with the introduction of the COVID-19 lockdown. The restrictions naturally impacted the face-to-face aspect of our debt service, as we were no longer able to visit clients in their homes. However, we very quickly adapted our service to operate primarily over the phone.

Throughout the year, our centre teams worked extremely hard to ensure clients continued to receive the high level of holistic support that CAP is well known for providing. Volunteer befrienders continued to check in with clients through text messages and over the phone, while an emergency appeal was set up during the first lockdown to help respond to clients' immediate needs.

We're looking to get back to face-to-face appointments as soon as possible while following Government guidelines and ensuring the safety of our clients and staff. At first, this may be a hybrid of some appointments held face-to-face and some over the phone, or meetings taking place in COVID-secure church and community spaces rather than the client's home.

Across the debt advice sector, there has been a reduction in new clients seeking debt help. There are a number of potential reasons for this, including many of our usual referral agencies (such as job centres and GP surgeries) being closed or operating at reduced capacity, an increase in people taking payment holidays, debt collection and enforcement having eased due to the pandemic. We're working hard to ensure those in need know about our services through PR and marketing as well as referrals. We expect to see a gradual but significant increase in the number of new clients seeking debt help over the coming years as the impact of the crisis sinks in across the UK.

In preparation for this increase in demand, we recruited and trained a record number of Debt Advisors in November 2020, with four times more applications than ever before and interviews conducted with over 30 candidates. This new cohort will greatly increase capacity going forwards. The improvement in recruitment we have seen is likely due to a more flexible approach to remote working as a result of the lockdown, as well as a more favourable job market.

Finally, we were able to adapt our training sessions for new frontline workers to run online, which meant we could continue to launch new centres across the UK, increasing the number of clients we can reach in the future.

Despite the challenges of 2020, we were able to celebrate with 2,502 clients who became debt free, and ended the year with a total of 284 Debt Centres across the UK.

Tackling the causes of debt and poverty

All of our group services were significantly impacted by the pandemic, including Job Clubs, Life Skills and Fresh Start. These services usually operate in a community-based, face-to-face capacity, which was either no longer allowed or very restricted for the majority of the year.

A small number of centres continued to run group services over video call. In 2021, we'll be working to equip more group services to run online as we know that they can offer a lifeline for people who are isolated, which is particularly pertinent at the moment.

A key highlight of 2020 was the development of a new CAP service: Kick Start. All delivered over group video call, Kick Start offers a range of short sessions to help people overcome issues typically being faced as a result of the pandemic, such as preparing for job interviews and dealing with grief and loss in a healthy way. We've seen a fantastic take-up of churches delivering Kick Start in their communities, so much so that we will be continuing the initiative for the foreseeable future (originally it was a temporary addition to the range of services we provide).

At the end of 2020, there were 110 Job Clubs, 49 Fresh Start groups and 136 Life Skills groups across the UK, as well as 800 churches signed up to run Kick Start.

Providing financial education

The CAP Money course has been impacted by the pandemic in the same way as our other group services. We've been working hard to equip coaches to adapt and deliver the course online where possible.

In July, we started to provide online training for new CAP Money Coaches and saw significant demand. This saw 150 new churches trained by the end of the year.

In total, including in the months prior to the lockdown, 827 CAP Money Courses were run throughout the year, with 3,225 delegates taking part. At the end of 2020, there were 1,240 UK churches trained and equipped to run the CAP Money Course in their community.

Kick Start also includes sessions dedicated to financial education, including how to manage money well and lift financial pressure.



Laura's story

I first got involved with CAP through one of the group services at my local church. I built some amazing friendships there. During the pandemic, the group hasn't been able to continue which is a shame.

But this year a few of us have been doing Kick Start together. We're doing sessions through the online videos and we've become really close. Through this period where it's been so difficult, it's been really nice to hear how everyone is coping. You find new ways of coping from other people's experiences.

Advancing the Christian faith

In 2020, 166 CAP clients were reported to have made a response to Jesus. As with many of our statistics, this was lower than we would usually see due to the restrictions on face-to-face meetings. However, we know that our centre teams have worked incredibly hard to keep in touch with their clients and ensure they still have the opportunity to hear the good news of the gospel. Many clients have taken part in Alpha courses, online discipleship groups and taken important steps on their journey towards a relationship with Christ.

How we delivered on our aims and objectives

Raising awareness of poverty in the UK

Despite the limitations caused by the pandemic, we continued to raise awareness of UK poverty, publicise CAP's services, speak up for the most vulnerable and marginalised in society, and contribute to seeing change on a national scale.

Through press and media publicity, we reached an estimated 136m people over the course of 2020. This is an extraordinary number of people hearing about the work of CAP, perhaps for the first time.

Through our advocacy and policy work, we spoke into a significant number of issues. In total, our External Affairs team had a voice of influence in 21 policy or regulatory changes. These spanned social security, utilities, credit and justice sectors, and resulted in fairer debt collection, reduced risk of debt and improved living standards for people on low incomes. Of particular significance was the team's work to support the Keep the *lifeline* campaign, which resulted in a six-month extension of the Government's Universal Credit and Tax Credit uplift.

We also published A *dark place*, a report which built on the findings of 2015's *The poor pay more* around energy self-disconnection and self-rationing. This resulted in Energy UK acting directly on our recommendations and Ofgem introducing new rules to increase the support provided by suppliers to customers self-disconnecting or struggling to pay energy debt. Plus, we were able to provide over £7,000 in fuel vouchers to clients in need via our great relationships with utilities providers.



Danielle's story

I was furloughed from work and shielding for most of the year due to being asthmatic. In the winter, I had a £60 debt on my meter that I didn't have the money to pay. I couldn't afford to put my heating or electricity on and it was cold. I phoned my provider and they told me to phone CAP – my life has changed since then!

Claire from the local CAP centre managed to get me an emergency fuel voucher so that I could top up my meter. I'm in a much better place now.

Inspiring churches and individuals to partner with us

Church partnership

Again, church partnership rates took a hit from the restrictions in 2020 as many churches naturally focused their attention on moving services online and supporting their congregations. The result was that we saw a dip in the amount of interest received from churches and fewer new services launched than we would have liked. That being said, we did see a number of new services launched over the course of the year, including 28 new Debt Centres, 15 Job Clubs, 8 Fresh Start groups and 20 Life Skills groups.

Fundraising

In 2020, we saw extraordinary generosity from our supporters, particularly through our emergency COVID-19 appeal.

Launched in April, the appeal raised over £500k in one-off income. £80k of this was ring-fenced for enabling our local centres to provide emergency aid to clients, including food shops, fuel top-ups, school uniforms and interview outfits to help people as they searched for work, all delivered in a COVID-secure way. In total, 1,479 clients were helped. The remaining funds raised above the target of £80k went into general funds.

As well as the generous support of individuals, we also saw incredible generosity from trusts and major givers. Both boosted our overall income for the year, which totalled £15.4m.

New monthly givers

Despite an increase in one-off gifts, we faced significant challenges within our fundraising. The pandemic meant that many of our usual activities for recruiting monthly givers (Life Changers) weren't able to go ahead, such as exhibitions and church talks. We adapted our church talks to be delivered online through live streams and recordings, delivering 154 in total and reaching an estimated audience of 10,000 people. However, engagement was lower than we would typically see from face-to-face talks.

As a result, the number of new Life Changers fell. Regular giving is a vital source of income as it keeps the charity sustainable and able to grow, and so this drop will no doubt have an effect going forward.

Nonetheless, the retention rate for existing Life Changers was higher than any previous year at 92%, so we are still in a healthy financial position, but recruiting new Life Changers will be vital going forwards. At the end of 2020, we had 29,633 supporters giving regularly to CAP.

International development

CAP has international affiliate charities in New Zealand, Australia, Canada and the USA. All four affiliates have kept going throughout the pandemic, in line with their country's respective regulations, and CAP UK has sought to offer support as needed. CAP New Zealand and CAP Canada both welcomed new CEOs – Sam Garraway and Mark Griffin respectively. Unfortunately Mark stepped down from this role in December, and CAP Canada has entered 2021 with a new CEO in place. There are no other major updates in this area.

Three-year strategy

2020-2022

In 2020, we launched a three-year interim strategy with a focus on three key aims. We were able to take steps forward in each of these areas over the course of the year.

Strategic aim 1: To deliver a sustainable and scalable debt service

Time to Breathe, which came to an end in March 2020, allowed us to reduce backlogs within our long-term teams and ultimately improve efficiency. In the first quarter of the year, ahead of the lockdown in March, we saw a record number of clients becoming debt free, demonstrating the impact of Time to Breathe. In order to make sure we don't have to pause new client bookings again in the future, we have been working on developing a 'Smart Client Motorway' as part of a wider debt service transformation process.

The transformation process also included reviewing the way we currently process insolvency cases, including Debt Relief Orders and bankruptcy, and updating these to ensure clients can become debt free more quickly.

We also increased our capacity to support vulnerable clients and those with multiple complex needs, with a view to keep reviewing and enhancing this key aspect of our service.

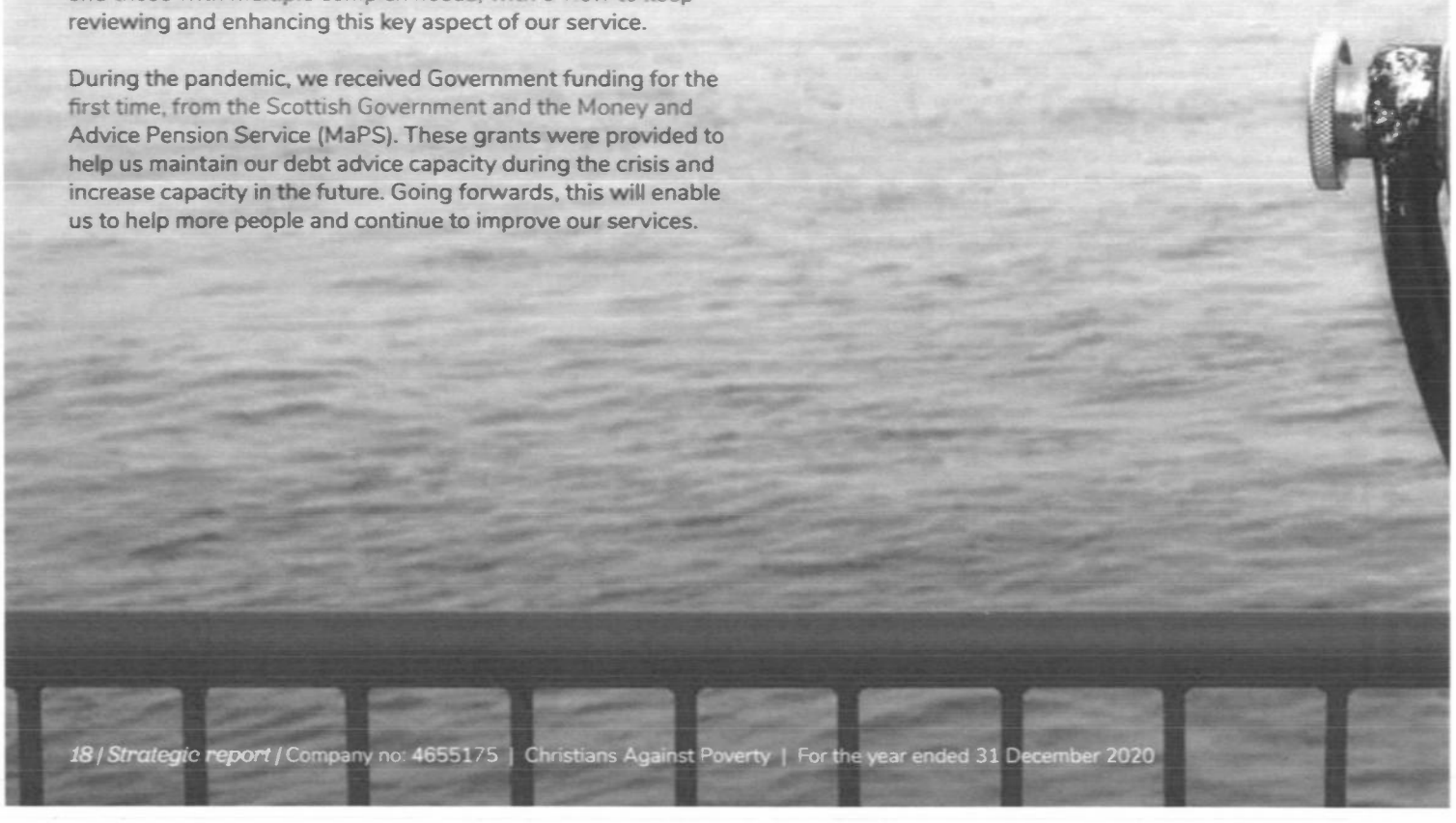
During the pandemic, we received Government funding for the first time, from the Scottish Government and the Money and Advice Pension Service (MaPS). These grants were provided to help us maintain our debt advice capacity during the crisis and increase capacity in the future. Going forwards, this will enable us to help more people and continue to improve our services.

Strategic aim 2: To make CAP the healthiest organisation to work for

We were able to take some important steps forward in improving the health and culture of CAP in 2020. One of the first developments we made was in recruiting an Internal Communications Lead, starting in March 2020. This was in response to feedback from staff that internal communication was an area in need of improvement. The new role has proved invaluable during the pandemic as clear and timely updates have been paramount for staff, especially those working remotely.

We focused on other key areas including wellbeing initiatives and resources, staff personal development and clear people management competencies, as well as launching a diversity and inclusion project which will continue into 2021.

We also began to rethink what it looks like to be a 'Christ-centred' organisation and how we can ensure we are delivering a healthy spiritual culture for all our head office and frontline staff members.



Finally, we began our Head Office for the Future project, looking at the functionality of the space and facilities we currently provide for our staff. Going forwards, we want to ensure our head office space:

- Is financially sustainable
- Is accessible
- Is safe and comfortable for staff
- Allows staff to work to their full potential
- Complements CAP culture, including enabling us to hold Jesus at the centre of our work
- Encourages creativity, collaboration and communication
- Demonstrates our commitment to energy efficiency
- Meets both present and future business needs



Strategic aim 3: To ensure financial sustainability for the future

In terms of finance, the pandemic meant we decided to either reduce or stop all but essential expenditure in order to protect our frontline services from potential income shocks, given that face-to-face fundraising events were unable to go ahead due to Government restrictions. Despite this challenge, we were able to take steps forward in our strategic aim of ensuring financial sustainability for the future.

One area of focus was feeding into the Head Office for the Future project, given the rising maintenance costs, fire safety risk and accessibility challenges of our current buildings. This included recommending options for office accommodation to the Core team and Trustees, and space requirements for a flexible hybrid working environment. Both were signed off and this project will continue in 2021.

2020 saw us aiming to strengthen our long-term funding model while navigating a volatile fundraising environment. We also secured statutory funding to increase our debt service capacity for 2020-21.

We also progressed in our Finance Transformation Project, developed a five-year forecasting model for income and expenditure, developed a new costing model, began the process of outsourcing payroll processing, and prepared for the introduction of finance business partnering in 2021.

Financial review

How we managed the money you gave us

Overview

Our overall financial objective is to achieve a healthy balance between fundraising, financial reserves and the resources required to run our services effectively and fulfil our charitable objectives.

At the beginning of 2020, we planned to invest additional resources in our debt service and technical team to support our priority aim of building sustainability and scalability. We also began the implementation of a new Human Capital Management (HCM) and payroll system. As the pandemic meant fundraising became uncertain, we reduced or stopped all but essential expenditure to protect our services from any potential income shocks. We continued with our investment plan as the long-term sustainability of our services remains a priority.

As 2020 unfolded, we received incredible financial support from individuals, the private sector, and trusts. Our emergency COVID-19 appeal in April and our Christmas appeal both raised significant amounts that enabled us to continue our services and provide extra support to families and individuals in crisis. We successfully accessed funding from the Money and Pensions Service (MaPS) to recruit and train additional Debt Advisors to prepare for increasing demand for our services going forwards.

In 2020, our income totalled £15.4m (2019: £14.4m). With an expenditure of £14.2m (2019: £13.7m), this resulted in a surplus of £1.1m (2019: £0.7m). In a year that has brought so much financial uncertainty to the charity sector, this is a remarkable outcome and we're incredibly grateful to all our staff and supporters who helped make this possible.

Income

In 2020, our income grew by 7% to £15.4m (2019: £14.4m with 18% growth). Our main source of income continues to be donations from individuals and churches, which equates to £12.6m (2019: £10.9m) or 82% (2019: 76%) of our total income.

Regular income, most of which was received on a monthly basis, was £9.1m (2019: £9m) which represents 59% (2019: 63%) of total income received. Regular giving from individuals (Life Changers) is our most important source of regular income and provides financial stability for the charity. In 2020, Life Changer income increased by 4% to £6.7m (2019: £6.6m), including associated Gift Aid. At the end of 2020, there were 29,633 Life Changers, each giving an average of £19 per month excluding Gift Aid. This is a £1 increase per Life Changer per month compared with 2019.

One-off income increased by 17% to £6.3m (2019: £5.4m), primarily due to a £1.5m increase in donations from individuals. Included within this were two large donations of £1m and £400k, along with donations received through appeals being £550k greater than budgeted.

Due to the impact of the pandemic, the Government has forecast a large increase in unmet need for debt advice over the next two years. To address this need, funding was made available through MaPS to maintain and increase debt advice capacity in England. We were successful in our application for funds and received £165k in 2020. This funding will continue into 2021. Additional funding has been secured for the successful submission of Debt Relief Orders (DROs), which totalled £40k in 2020.

We received £0.5m (2019: £0.6m) in donations from creditors as Fairshare contributions, where a percentage of monies disbursed to our clients' creditors through a CAP Debt Management Plan is paid back to the charity. 100% of payments made by clients through their CAP Debt Management Plan go towards paying off their debts. In 2020, funds disbursed to creditors on behalf of our clients for debt and priority payments totalled £8.1m.

Expenditure

Total expenditure in 2020 saw an overall increase of 4%, or £0.5m, to £14.2m (2019: £13.7m). Expenditure on charitable activities (including associated support costs) decreased by £0.9m to £11.5m and the cost of raising funds increased by £0.1m to £1.3m (2019: £1.2m). Other costs increased by £1.4m, due to a one-off item.

Due to the pandemic, there were many areas of savings incurred during the year. The main costs that these related to were within events and exhibitions, printing and postage, travel and hospitality, training and conferencing. These underspends, along with a large increase in one-off donations, have had a significant impact on the impressive financial performance during the year. The Trustees are aware that these savings and reduced underspends could be a 'one-off' and the 2021 budget has been prepared prudently to account for this.

During the year, our average full-time equivalent headcount remained stable at 313 (2019: 311). Additional posts were recruited to enable us to tackle the expected increase in demand for our debt service and other vital support roles across the charity. However, most of these appointments happened towards the end of the year.

Discretionary spend in supporting our clients through bursaries increased from £0.2m to £0.3m. Through this, we have been able to support over 1,000 clients with insolvency solutions.

Fundraising

Our charitable activities wouldn't be possible without fundraising. However, as a result of the pandemic, we were unable to hold any in-person fundraising events for the majority of 2020. Expenditure on raising funds of £1.3m (2019: £1.2m) was instead focused on hosting online events, adapting church talks to be delivered digitally, and investing in other means of reaching potential donors, such as television advertising.

How we managed the money you gave us

Cash flow and investments

Reserves policy and management

Each year, the Trustees review our reserves policy and the level of required general free reserves to ensure that an appropriate level is held. We aim to maximise the funds we can spend to support our charitable aims. This is balanced against managing short-term financial risk and our obligations as a debt management company under FCA rules (CONC 10.2.5) to hold sufficient free reserves to meet our minimum prudential resources requirement of £54k.

Our total regular income represents 71% (2019: 63%) of total expenditure, which provides a good level of financial stability to the charity. Our reserves policy is based on the one-off income target that makes up the remainder of our income. The Trustees have set a target level of reserves at three months of one-off income based on the following years' budget, which for 2021 is £1.2m.

The reserves at 31 December 2020 were £7m (2019: £5.9m), of which £0.2m (2019: nil) are restricted in nature and £1.4m (2019: £2.6m) is only realisable by disposing of tangible fixed assets. Free (unrestricted) reserves at the end of 2020 were £5.4m (2019: £3.2m), which are £4.2m (2019: £2.2m) in excess of the minimum reserves set out in our reserves policy. The Trustees are comfortable that this increased level of free reserves provides the organisation with resilience over the next few years, in which we are expecting fundraising to be more volatile, given the economic uncertainty during and following the pandemic.

We will also utilise some of these reserves to achieve our strategic aims, in particular, the investment needed in technology to support our debt service transformation plans, and to facilitate a flexible hybrid working environment in our Head Office for the Future project.

The covenant on the charity's bank loans states that Net Assets must not fall below £2.5m. At the end of 2020, Net Assets were £7m.

Giving policy

One of CAP's core cultural values is generosity and since 2014 we've established an annual 'giving pot' to support other organisations that share our goals and values.

The criteria for selecting which organisations to support are:

- CAP's own international work
- Other UK-based organisations that share our core values, namely those that help the vulnerable and marginalised, work through the Church and have an evangelistic focus

During the year we made donations of:

£20k	CAP Canada
£100k	CAP America
£10k	Kintsugi Hope

Investment powers and policy

The charity's investment policy is reviewed annually by the Finance, Audit and Risk Committee. In 2020, the policy was maintained to continue to invest the surplus liquid funds in fixed term deposits or a 32-day notice account with the charity's bankers.

Principal risks and uncertainties

The Board of Trustees holds responsibility for ensuring the charity has robust systems of internal control and risk management in place. All directorates perform regular risk assessments that consider both existing and emerging risks. The charity maintains a register of all key risks as part of the risk management strategy, which is regularly reviewed for effectiveness by the Board and the Finance, Audit and Risk Committee. The Committee also receives reports from our external auditors and reviews progress against any recommendations.

This strategy has identified the following important potential risks and how they will be mitigated. They are not set out in any priority order.

Risk	Impact and mitigation
Cyber security attacks	Our IT systems are regularly tested for external attacks. Additional security and penetration testing is commissioned from an independent security consultant, using Cyber Essentials as a framework. We have increased staff awareness of IT security measures and carry out reviews and testing of our business continuity plan. Other mitigations include data anonymisation, cyber security insurance and major incident management processes. The majority of our staff working from home due to the pandemic-related restrictions has increased this risk, which has been mitigated by the use of IT security checklists and staff self-certified compliance agreements, alongside increased risk awareness and training.
Safeguarding of vulnerable adults	Our safeguarding and whistleblowing policies are regularly reviewed, with refresher training regularly conducted for all staff. We also have training in place for partner churches to ensure good safeguarding practice. We commission an external safeguarding audit every three years from an organisation that specialises in safeguarding in the faith sector. We employ a dedicated Safeguarding Lead to ensure our continued focus in this area.
Reputation	Negative media coverage of the charity sector has led to greater interest and focus on the activities and communications of charities. Ongoing mitigation comes from continuing to build our brand and reputation publically, including developing and maintaining key relationships within the media, credit industry, Government and Christian world. However, all of these come into play after the mitigations in other risk areas have failed. Our ultimate mitigation is not creating a crisis or scandal in the first place.
Impact	We continually measure outcomes for our clients and publish them regularly, including through our annual client report (most recently published in May 2021). We conduct regular client surveys to measure the ongoing impact of our services over time.
Compliance	We are authorised and regulated by the Financial Conduct Authority and subject to an annual CASS audit (Client Money). We hold the Advice Quality Standard which is achieved by an external audit of our advice processes and demonstrates our commitment to best practice and delivering quality advice to our clients.
Financial sustainability	As with any charity that is heavily reliant on voluntary donations for its income, a large reduction in funding could have a serious impact on the charity's ability to carry out its charitable activities. We mitigate this through our fundraising strategy and a drive to grow regular income. We have been heavily reliant on a face-to-face model for reaching new supporters, which was disrupted during 2020 with pandemic-related restrictions. We are enhancing our digital presence and trialling new fundraising channels to attract new supporters.
Safety, security, and wellbeing of staff and volunteers	We have a Health and Safety Board to ensure we are covering all risk areas, including our head office and frontline staff, safeguarding, business continuity and disaster recovery. One of our key strategic priorities for the next three years is a focus on health and wellbeing. We continue to carry out emergency response training for all head office staff on a regular basis.
Coronavirus (COVID-19) pandemic	Five-year income forecasts with scenario modelling have been prepared, and additional expenditure controls and cash flow monitoring are in place. We're continually monitoring Government guidance and adapting client appointments and staff working arrangements accordingly. Planning has commenced to support an expected increase in demand for our services when the Government support measures are withdrawn.

Trustees' report

Structure, governance and management

The Board of Trustees

The Trustees, who are also Directors of Christians Against Poverty for the purposes of company law, meet several times a year (five times in 2020) to review strategy and operational or financial performance in conjunction with the charity's Founder, UK Chief Executive and other members of the senior management team. These meetings are also attended by a staff representative and a centre representative, so their views can be taken into consideration through the decision-making process.

The Trustees have authority to appoint as Trustee any person who, by virtue of personal or professional qualification, is able to make a contribution to the pursuit of the charity's objectives or management. When recruiting new Trustees, the existing Trustees will not only look at the person's qualifications, but also at their passion and support for the charity's vision and aims to ensure they can play a full part in managing the charity's growth. Prospective Trustees are interviewed by the Chair and UK Chief Executive of the charity and will attend a board meeting to meet other Trustees and the senior management team prior to their official appointment. In this way, we can ensure that they are a good fit for the charity and that they are fully aware of their responsibilities as a Trustee.

Trustees are appointed for three years, after which time their role is reviewed to ensure that they are still a good fit for the charity. They then have the opportunity to serve for a further three years or stand down.

Trustee term of duty

A Trustee can serve for a maximum of three terms of three years each, after which time up to two Trustees at any given time may serve as 'history carriers': Trustees who can pass on their experience of the culture and ethos of the charity to newer board members. Further Trustee training is carried out on an ongoing basis, making use of the Charity Commission website and other charity publications.

Indemnity

The charity purchased and maintained Trustee Liability Insurance throughout the financial year in respect of itself and its Trustees.

Structure and management

The charity is constituted as a company limited by guarantee (Company number 4655175), formed on 3 February 2003, and is therefore governed by its Memorandum and Articles of Association dated 5 February 2007. The company took over the operations of Christians Against Poverty as constituted under a Declaration of Trust dated 29 August 1996, on 1 June 2003.

The day-to-day implementation of the strategic plan, together with the development of strategy, is led by the UK Chief Executive and senior management team, which consists of members of each area of the charity.

Key performance indicators, including amount of free reserves, balanced scorecard, and Debt Operations capacity, are used to measure and review performance against the strategic plan with monthly meetings ensuring that corrective action is taken where needed. Monthly management accounts are also used to ensure that financial targets are being met. If any significant matters of policy or key decision making arise during these meetings, these will be referred to the Trustees for approval.

Finance, Audit and Risk Committee

The Finance, Audit and Risk Committee is responsible for monitoring the integrity of the charity's financial reporting and internal controls. This includes reviewing the *Annual report and accounts*, and the effectiveness of external audit services.

The committee also reviews the charity's risk management process, top strategic and operational risks, and adequacy of internal controls and mitigations.

Our fundraising practices

Every person who supports our work is important to us and we believe that giving to Christians Against Poverty should be an amazing experience. We strive to maintain the highest standards in supporter relations, ensuring that each person is treated as an individual, with fairness and respect.

For this reason, CAP voluntarily subscribes to the Fundraising Regulator, which assumed responsibility for regulating all fundraising from July 2016. The regulator investigates and takes action, where appropriate, on issues of public concern. We received no formal complaints regarding CAP's fundraising practices in 2020.

Most of our fundraising work is carried out by centrally employed staff, including an in-house supporter phone team and a separate team dedicated to building and maintaining relationships with major donors.

The monitoring and control of our fundraising activities is paramount, and it is vital to ensure that our supporters have a great experience and are treated fairly. For example, where someone is considered to be vulnerable, we remove them from phone calls and only send occasional mailings that do not ask for donations. We remove extremely vulnerable people from the database entirely, and it is our policy to respond quickly when notified that someone may fall into this category.

We continue to comply with General Data Protection Regulations (GDPR) which came into action in 2018.

Salary policy and pay for senior staff

The annual salary for the UK Chief Executive role was £84,379 in 2020, an increase from £79,239 in the previous year. The Founder received £80,586 in salary, also in comparison to £79,239 in the previous year.

The annual salaries for the Chief Operating Officer (recruited in June 2020) and Chief People and Culture Officer (recruited in December 2020) roles were £68,500. For the other Directors in the senior management team, annual salaries were between £54,918 and £58,986.

We're committed to fairness for all and so an element of compression continues to be applied to the most senior salaries to achieve the agreed ratio of 1:5 between the lowest and highest paid roles across the charity.

The Trustees consider that they and the senior management team comprise the key management personnel of the charity who are in charge of directing, controlling, running and operating the charity on a day-to-day basis. All Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in notes 23 and 24 to the accounts.

Structure, governance and management

Employees

The work of Christians Against Poverty relies on the commitment and hard work of its valued staff, both those directly employed at head office and those employed by our partner churches in our centre network.

Full training is given to each member of staff in their specific roles, including for interns through our internship programme. We are committed to equality in recruiting, training, promotion and career development and continually seek to promote from within before seeking external candidates.

The charity is committed to supporting the employment of disabled people and helping existing staff, as well as anyone with additional support needs, as part of the recruitment process. In addition, we are committed to the retention of employees that become disabled while in our employment. We do this through training, career development, general awareness and support.

We're keen to create a culture that reflects and embraces diversity in all areas and levels of the organisation. Over the next three to five years, our Diversity and Inclusion Programme seeks to cover education, church engagement, theology, client engagement, communication, supporter engagement, employment and policy.

The health and wellbeing of our staff is paramount and we are committed to offering flexible working arrangements and a range of benefits.

COVID-19 response

As a result of the national lockdown, the majority of our head office staff moved to working from home and we have worked hard to continually support them both practically and emotionally in this transition. A small number of staff with business critical roles continued to work from head office, where rules were put in place to minimise risks.

On the understanding that staff with children at home may experience an impact on their working hours, we committed to offering a flexible working week (down to 75% of their usual working hours) with no impact on their salary until schools and childcare reopened.

To keep all our staff members up-to-date, we ensured timely communication following any Government announcements or changes.

Some staff were furloughed based on reduced workload in certain areas of the organisation and a small number for childcare reasons, supported by the Government's furlough scheme. The number of staff members furloughed each month between April and December 2020 was as follows:

April	2
May	24
June	57
July	23
August	11
September	7
October	3
November	2
December	2

Directors' engagement with employees

Regular communication with staff through monthly staff meetings, team meetings and podcasts ensure that employees are kept informed of any decisions taken by the senior management team. Staff also receive a quarterly update on the charity's financial position alongside information on how any current economic factors are affecting the performance of the organisation. Both a staff representative and a centre representative attend the quarterly Trustee board meetings so their views can be taken into consideration through the decision-making process regarding strategic and operational matters.

Volunteers

CAP values the work of its volunteers at head office in Bradford and across the UK. The welfare of those giving up their free time is important to us and we continue to ensure all policies and procedures are reviewed regularly. This provides the charity with clear boundaries and marks out for volunteers the extent of their remit. There is a dedicated staff member who oversees their work and ensures the wellbeing of all our volunteers.

The number of volunteers within our centre network is difficult to quantify, but we acknowledge that without their invaluable contribution our clients would not receive the help and support that they do. The Trustees, therefore, wish to acknowledge the enormous contribution made by employees and volunteers, both at head office and within our centre network, without whom we would not be able to transform lives across the nation.

Work in Scotland

The Office of the Scottish Charity Regulator requires us to report separately on our work in Scotland. While we do not report our income/expenditure separately for our Scottish activities, the statistics at the end of 2020 were as follows:

22	Debt Centres
12	Job Clubs
1	Fresh Start group
8	Life Skills groups
21	New churches trained to run the CAP Money Course
98	Debt free clients

In October, CAP was awarded a grant from the Scottish Government for the first time ever. The purpose of this was to help strengthen our debt service in the face of the pandemic and the predicted increase in demand. As a result, we were able to set up a frontline Debt Centre bursary scheme to get funding directly into the hands of local churches, ensuring they were equipped to support their community through the crisis and beyond.

Regulatory

Debt counselling and debt management are regulated activities under the Financial Services and Markets Act 2000. The charity is authorised and regulated by the Financial Conduct Authority (FCA) to provide debt counselling and debt management services.

In addition to the above we also hold the Advice Quality Standard mark (AQS). Organisations that hold the standard have demonstrated that they are easily accessible, effectively managed, and employ staff with the skills and knowledge to meet the needs of their clients. As part of achieving the standard, we also satisfied the Money Advice Service (MAS) Quality Framework for the quality and consistency of our debt advice.

Structure, governance and management

Directors, senior staff and advisors

Directors (Trustees)
Roger Hattam – Chair
Matthew Frost
Lisa Pearce
Simon Gates
Joy Blundell
Chine McDonald (resigned 25 March 2021)
Jane Pleace
Ema Ojiako

Secretary
Stephen Bonfield

Leadership team
Paula Stringer – UK Chief Executive
Jon Day – Chief Operating Officer (from 8 June 2020)
Ellie Gage – Chief People and Culture Officer (from 1 December 2020)
John Kirkby – Founder
Dan Lane – Director of Engagement & Influence
Angie Rusbridge – Director of Finance, Risk & Compliance
Jake Hutton – Director of Debt Operations
Steve Wade – Director of Technology & Digital Transformation (from 4 January 2021)
Chris Cupples – Director of Church Network

Principal and registered office
Jubilee Mill
North Street
Bradford
West Yorkshire
BD1 4EW

Auditor
RSM UK Audit LLP
5th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

Solicitors
Hempsons
The Exchange
Station Parade
Harrogate
HG1 1TS

Bankers
Lloyds Bank PLC
Hustlergate
Bradford
West Yorkshire
BD1 1NT

Charity number
UK: 1097217
Scotland: SC038776

Company number
4655175

Trustees' responsibilities in relation to the financial statements

The charity Trustees (who are also the directors of Christians Against Poverty for the purposes of company law) are responsible for preparing a Trustees' annual report, strategic report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charity for that period.

In preparing the financial statements the Trustees are required to:

A. Select suitable accounting policies and then apply them consistently;
B. Observe the methods and principles in the Charities SORP;
C. Make judgements and estimates that are reasonable and prudent;
D. State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
E. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to 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.

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

Statement as to disclosure to our auditor

In so far as the Trustees are aware at the time of approving our Trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charity's auditor is unaware, and
- the Trustees, having made enquiries of fellow Trustees and the charity's auditor that they ought to have individually taken, have each taken all steps that he or she is obliged to take as a Trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

A proposal to re-appoint RSM UK Audit LLP as auditor of the charity will be put to the Annual General Meeting.

Strategic report

In accordance with section 414C (11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the company has prepared a Strategic Report, which includes information that would have previously been included in the Trustees' report. The Trustees and Directors report contains all information required in a Directors report by the Companies Act 2006. The Trustees authorise both the Strategic Report and the Trustees' report below.

Approval

This report was approved by the board of Trustees on 21 September 2021 and signed on its behalf.



Roger Hattam
Chairman of the Trustees

Auditor's report

Independent auditor's report to the trustees and members of Christians Against Poverty

Opinion

We have audited the financial statements of Christians Against Poverty (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities incorporating the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report and the strategic report prepared for the purposes of company law and included within the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and the strategic report, included within the trustees' annual report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 29, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud having obtained an understanding of the effectiveness of the control environment.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are the rules and principles set by the Financial Conduct Authority (FCA) as regulator for the financial services industry in the UK and GDPR. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these laws and regulations. In relation to FCA, we inspected compliance documentation, including but not limited to, internal procedures' manuals, reports from external compliance advisers, risk and breaches registers, regulatory returns and correspondence with the FCA as well as considering compliance with the conditions for authorisation, including with any restrictions or requirements placed on the firm, and other regulatory obligations.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's trustees 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, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Claire Leece (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP,
Statutory Auditor

Chartered Accountants
Fifth Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

Date: 24 September 2021

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Financial statements

Statement of Financial Activities for the year ended 31 December 2020 (incorporating an income and expenditure account)

	Note	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Total 2020 £'000	Unrestricted funds 2019 £'000	Restricted funds 2019 £'000	Total 2019 £'000
Income from							
Donations and legacies	2	13,399	926	14,325	13,027	596	13,623
Other trading activities	3	98	-	98	92	-	92
Investments		2	-	2	2	-	2
Charitable activities	4	541	-	541	655	-	655
Other income	5	162	232	394	-	-	-
Total income		14,202	1,158	15,360	**13,776**	**596**	**14,372**
Expenditure on							
Raising funds		1,313		1,313	1,222		1,222
Charitable activities		10,524	1,016	11,540	11,664	735	12,399
Other		1,393		1,393	36		36
Total expenditure	6	13,230	1,016	14,246	12,922	735	13,657
Net income /(expenditure)		972	142	1,114	854	(139)	715
Net movement in funds		972	142	1,114	**854**	**(139)**	**715**
Reconciliation of funds							
Total funds brought forward		5,874	19	5,893	5,020	158	5,178
Total funds carried forward		6,846	161	7,007	**5,874**	**19**	**5,893**

The notes on pages 37 to 54 form part of these financial statements.

Balance Sheet as at 31 December 2020

	Note	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Total 2020 £'000	Unrestricted funds 2019 £'000	Restricted funds 2019 £'000	Total 2019 £'000
Fixed assets							
Intangible fixed assets	10	369	-	369	365	-	365
Tangible fixed assets	11	1,788	10	1,798	3,243	-	3,243
Investment	12	-	-	-	-	-	-
Total		2,157	10	2,167	**3,608**	**-**	**3,608**
Current assets							
Debtors	13	905	193	1,098	789	1	790
Debtors: amounts falling due after one year	13	245	20	265	650	-	650
Cash and cash equivalents		4,602	(52)	4,550	2,136	18	2,154
Total		5,752	161	5,913	**3,575**	**19**	**3,594**
Creditors: amounts falling due within one year	14	(686)	(10)	(696)	(715)		(715)
Net current assets		5,066	151	5,217	**2,860**	**19**	**2,879**
Total assets less current liabilities		7,223	161	7,384	**6,468**	**19**	**6,487**
Creditors: amounts falling due after one year	15	(377)		(377)	(594)		(594)
Net assets		6,846	161	7,007	**5,874**	**19**	**5,893**
Funds							
Restricted funds				161			19
Unrestricted funds				6,846			5,618
Revaluation reserve				-			256
Total unrestricted funds				6,846			5,874
Total funds	20			7,007			**5,893**

Approved by the Board of Directors and Trustees and authorised for issue on 21 September 2021 and signed on its behalf.



Roger Hattam Chair of Trustees and Director

The notes on pages 37 to 54 form part of these financial statements.

Statement of cash flows as at 31 December 2020

	Total 2020 £'000	Total 2019 £'000
Cash flows from operating activities		
Net incoming resources	1,114	715
Depreciation on tangible fixed assets	127	133
Impairment of tangible fixed assets	1,365	
Amortisation of intangible assets	42	42
Profit/(loss) on sale of assets	-	(1)
Less interest received	(2)	(2)
Add interest paid	28	36
Decrease/(increase) in debtors	77	(527)
(Decrease)/increase in creditors	(26)	71
Net cash flow provided by operating activities	2,725	**467**
Cash flows from investment activities		
Proceeds on sale of assets	-	4
Purchase of tangible fixed assets	(48)	(37)
Purchase of intangible fixed assets	(46)	-
Current asset investment	-	-
Interest received	2	2
Net cash flow used in investing activities	(92)	**(31)**
Cash flows from financing activities		
Cash inflows from new borrowing	-	-
Interest paid	(28)	(36)
Repayment of bank loans	(209)	(201)
Net cash flow used in financing activities	(237)	**(237)**
Change in cash and cash equivalents in the year	2,396	**199**
Cash and cash equivalents as at 31 December 2020	4,550	**2,154**
Cash and cash equivalents as at 31 December 2019	**2,154**	**1,955**

The notes on pages 37 to 54 form part of these financial statements.

Notes to the financial statements for the year ended 31 December 2020

1. Statement of accounting policies

Charity information

Christians Against Poverty is a company limited by guarantee domiciled and incorporated in England and Wales.

The registered office is: Jubilee Mill, North Street, Bradford, BD1 4EW.

Christians Against Poverty meets the definition of a public benefit entity under FRS 102. The charity exists for the benefit of the public through the provision of services to members of the public suffering from problem debt, unemployment and life-controlling dependencies, which are detailed in the charity's principal activities.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102'), the Charities Statement of Recommended Practice, Accounting and Reporting by Charities ('SORP') FRS 102 and the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in sterling which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £'000, except where otherwise indicated.

The charity's principal activities are described in detail on page 7 along with the nature of the charity's operations. The company has adopted the following principal accounting policies, which should be read in conjunction with the financial statements set out on pages 34 to 36.

Basis of consolidation

The financial statements show information about the charity as an individual entity and not about its group, as the charity has taken advantage of the exemption provided by section 405 of the Companies Act 2006 not to prepare consolidated financial statements. The Trustees consider that the charity's subsidiary should be excluded from consolidation on the basis that it is immaterial for the purpose of giving a true and fair view.

Preparation of the accounts on a going concern basis

The Trustees (who are Directors of Christians Against Poverty for the purposes of company law and the Trustees of Christians Against Poverty for the purposes of charity law) have reviewed the charity's financial position, taking into account the satisfactory levels of reserves and cash, the annual plan and the three-year financial plan, and its systems of financial and risk management.

As a result of their review, the Trustees believe that the charity is well placed to manage operational and financial risks successfully despite the ongoing uncertain economic outlook. Accordingly, the Trustees have a reasonable expectation that there are no material uncertainties about the charity's ability to continue in operational existence for the foreseeable future. The Trustees, therefore, continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Funds held by the charity

Unrestricted funds represent funds received that are available to the Trustees to apply for the general purposes of the charity as set out in the governing document. Unrestricted funds include a revaluation reserve representing the amount by which the property valuation exceeds its historical cost.

Restricted funds represent funds received for a specific purpose as defined by the donor.

Incoming resources

All incoming resources are included in the statement of financial activities when the charity is legally entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy. The following specific policies apply to the categories of income:

Legacies

Legacy income is recognised when the charity has been notified of entitlement, where receipt is probable and the amount of the legacy is quantifiable.

Gifts of fixed assets

Gifts of fixed assets are fully recognised as income in the year that the charity is legally entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy.

Government grants

Income from Government grants is recognised by applying the accrual model. Grants are recognised on a systematic basis over the periods in which the related costs are incurred if in relation to revenue, or over the expected useful life of the asset if in relation to capital.

Resources expended

All expenditure of the charity is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Irrecoverable VAT is attached to the specific expense incurred.

Costs of generating voluntary income consist of the direct costs of fundraising staff together with quantifiable direct costs. Other support costs are allocated on the basis of headcount.

Charitable activities consist of the direct costs of staff involved in the delivery of activities and services to the charity's beneficiaries. Direct costs are included where quantifiable and all other support costs are allocated on the basis of headcount.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably..

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following basis:

Software development	10 years on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited/charged to the statement of financial activities.

Tangible fixed assets

Fixed assets are measured at cost, net of depreciation and any impairment losses. All fixed assets with a value in excess of £500 are capitalised.

Depreciation is calculated to write down the cost or valuation, less estimated residual values of all fixed assets over their expected useful lives. It is calculated at the following rates:

Freehold buildings	2% on cost
Freehold land	Not depreciated
Computer equipment	33 1/3% on cost
Furniture and fittings	25% on written down value
Office equipment	20% on cost
Plant and equipment	10% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited to the statement of financial activities.

Fixed asset investments

The investment in the subsidiary is measured at cost less any accumulated impairment losses.

Impairment of fixed assets

At each reporting period end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the revelant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Cash and equivalents

Cash and cash equivalents includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities
Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Taxation
The charity is exempt from tax on income and gains falling within sections 472-489 of the Corporation Tax Act 2011 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

Pensions
The charity operates a defined contribution pension scheme, Christians Against Poverty Stakeholder Pension Plan, and the pension charge represents the amounts payable by the charity to the fund in respect of the period.

Termination benefits
Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Operating leases
Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The annual depreciation and amortisation charges for tangible and intangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect the current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the intangible fixed assets and note 11 for the carrying amount of the tangible fixed assets.

Where accounting estimates concerning legacy income recognised in prior years have been revised, the current year accounts have been adjusted to reflect the revised values expected. Accounting estimates have also been used concerning new legacy income to which the charity has become entitled.

2. Donations and legacies

	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Total 2020 £'000	Unrestricted funds 2019 £'000	Restricted funds 2019 £'000	Total 2019 £'000
Regular supporters	5,577	7	5,584	5,325	11	5,336
Individual gifts	3,275	309	3,584	1,909	248	2,157
Churches	1,936	2	1,938	2,078	12	2,090
Companies	205	154	359	516	73	589
Charitable trusts	860	454	1,314	1,857	252	2,109
Legacies	137	-	137	42	-	**42**
Total	11,990	926	12,916	11,727	596	12,323
Gift Aid	1,409	-	1,409	1,300	-	1,300
Total donations and legacies	13,399	926	14,325	13,027	596	**13,623**

3. Other trading activities

	2020 £'000	2019 £'000
Fundraising events	68	62
Rents received	30	30
Total	98	**92**

The amounts above are all unrestricted income.

4. Charitable activities

	2020 £'000	2019 £'000
Service companies	531	627
CAP Money resources	9	26
Services resources	1	2
Total	541	**655**

The amounts above are all unrestricted income.

5. Other income

	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Total 2020 £'000	Total 2019 £'000
Government grants	162	232	394	-
Total	162	232	394	-

During the year the organisation claimed £106,581 from the Government in relation to the COVID-19 Job Retention Scheme.

The charity received funding from Government departments for the following projects:

Government department	Project	2020 £'000	2019 £'000
The Money and Pensions Service	Integrated Debt Advice and Financial Capability Evaluation	16	-
The Money and Pensions Service	COVID-19: Maintaining Debt Advice Capacity	55	-
The Money and Pensions Service	COVID-19: Increasing Debt Advice Capacity 2020	119	-
The Money and Pensions Service	Administration of Debt Relief Orders	40	-
Housing and Social Justice Directorate (Scotland)	Debt Advice Provision Project	68	-

6. Total expenditure

	Direct costs 2020 £'000	Support costs 2020 £'000	Total costs 2020 £'000	Direct costs 2019 £'000	Support costs 2019 £'000	Total costs 2019 £'000
Expenditure on raising funds						
Expenditure on raising donations and legacies	1,212	101	1,313	1,145	77	1,222
Total	1,212	101	1,313	1,145	77	**1,222**
Expenditure on charitable activities						
CAP Debt Centres	7,326	1,277	8,603	7,480	1,280	8,760
CAP Job Clubs	341	66	407	434	85	519
Fresh Start	196	35	231	210	40	250
CAP Life Skills	514	107	621	686	131	817
Kick Start	29	7	36	-	-	-
Client welfare	367	67	434	455	91	546
CAP Money	131	7	138	121	7	128
International	233	7	240	403	7	410
Raising awareness	756	74	830	913	56	969
Total	9,893	1,647	11,540	10,702	1,697	12,399
Other costs	28	-	28	36	-	36
Impairment on fixed assets	1,365	-	1,365	-	-	-
Total resources expended	12,498	1,748	14,246	11,883	1,774	**13,657**

Support costs and the basis of their allocation are as follows:

	Principal basis of allocation of activities	2020 £'000	2019 £'000
General management and support	Headcount	355	441
Financial management	Headcount	468	341
Human resources	Headcount	455	345
Supporter relations	Headcount	397	438
IT	Headcount	27	120
Governance	Headcount	46	89
Total		1,748	**1,774**

7. Analysis of grants given

	Grants to individuals 2020 £'000	Grants to churches 2020 £'000	Total 2020 £'000	Grants to individuals 2019 £'000	Grants to churches 2019 £'000	Total 2019 £'000
Insolvency fee bursary	288	-	288	175	-	175
Increasing debt advice capacity in Scotland	-	31	31	-	-	-
Total	288	31	319	175	-	175

During the year CAP was the recipient of funding from the Scottish Government to increase debt advice capacity in Scotland. Some of this funding was awarded specifically to be given in grants to existing and new Debt Centre church partners to enable them to continue operating.

8. Employee emoluments

	2020 £'000	2019 £'000
Wages and salaries	8,723	8,355
Social security costs	789	742
Pension costs	759	686
Total	10,271	**9,783**

During the year there were no redundancy payments (2019: £16,580).

The number of employees whose emoluments (salaries, wages and benefits in kind) fell within the following band:

	2020	2019
£60,000 - £69,999	2	-
£70,000 - £79,999	-	3
£80,000 – £89,999	2	-

The key management personnel of the charity comprises the UK Chief Executive Officer, Founder, Chief Operating Officer, Chief People and Culture Officer, Director of Engagement and Influence, Director of Finance, Risk and Compliance, Director of Debt Operations, Director of Church Network and Director of Technology and Digital Transformation. The total employee benefits of the key management personnel were £591,745 (2019: £602,472).

The average monthly headcount was 377 staff (2019: 366) and the average number of full-time equivalent employees (including casual and part-time staff) during the year was:

	2020	2019
Head office	313	311
Total	313	**311**

9. Net income for the year

Is stated after charging	2020 £'000	2019 £'000
Auditor's remuneration		
External audit fees	29	23
Advisory services	17	16
Depreciation	127	133
Amortisation	42	42
Operating lease rentals	43	44
Impairment of fixed asset investments	-	-
Impairment of fixed assets	1,365	-
Interest payable	28	36

10. Intangible fixed assets

	Software development £'000	Total £'000
Cost		
At 1 January 2020	421	421
Additions	46	46
Transfers	-	-
Disposals	-	-
At 31 December 2020	467	467
Accumulated amortisation		
At 1 January 2020	56	56
Charge for the year	42	42
Disposals	-	-
At 31 December 2020	98	98
Net book values		
At 31 December 2020	369	369
At 31 December 2019	**365**	**365**

11. Tangible fixed assets

	Freehold land and buildings £'000	Computer equipment £'000	Furniture and equipment £'000	Total £'000
Cost				
At 1 January 2020	3,454	659	89	4,202
Additions	-	48	-	48
Disposals	-	(1)	-	(1)
At 31 December 2020	3,454	706	89	4,249
Accumulated depreciation				
At 1 January 2020	337	581	41	959
Charge for the year	60	57	10	127
Disposals	-	-	-	-
At 31 December 2020	397	638	51	1,086
Accumulated impairment				
At 1 January 2020	-	-	-	-
Charge for the year	1,365	-	-	1,365
At 31 December 2020	1,365	-	-	1,365
Net book values				
At 31 December 2020	1,692	68	38	1,798
At 31 December 2019	3,117	78	48	3,243

At the beginning of 2021, independent valuations were carried out on all of the properties held in freehold land and buildings as part of a buildings options appraisal. The valuations indicated that the fair value for three of the properties was significantly lower than the net book value and therefore an impairment charge of £1,365,017 was recognised in the statement of financial activities for the year ended 31 December 2020.

Included in the net carrying amount of freehold land and buildings is £1,374,141 (2019: £2,663,140) pledged as security against the charity's bank loans.

During the year computer equipment costing £11,005 was purchased using a restricted government grant. The net book value of the equipment as at 31 December 2020 was £10,088.

12. Investments

	2020 £	2019 £
Shares in group undertakings	-	-
Total	-	-

	Total £
Cost	
At 1 January 2020	100
Additions	-
Disposals	(100)
At 31 December 2020	-
Accumulated impairment	
At 1 January 2020	100
Impairment loss	-
Eliminated on disposal	(100)
At 31 December 2020	-
Net book values	
At 31 December 2020	-
At 31 December 2019	-

The charity owns 100 £1 Ordinary shares, being 100% of the issued share capital, in CAP Life Limited, whose principal activity is that of life insurance brokers. During 2019 CAP Life Limited was entered into a Member's Voluntary Liquidation ('MVL') by its directors and was subsequently dissolved on 2 October 2020. A distribution in specie of £22.43 per share was made on 10 December 2019 which related to the historic cost of fixtures and fittings. During the year CAP paid for professional fees amounting to £4,266 (2019: £5,100) on behalf of the company.

The charity is the sole member of CAP America, a non-stock corporation registered in the USA, whose principal activity is that of debt counselling. On 30 January 2019, the Directors issued a 'Letter of Comfort' to CAP America, undertaking to financially support CAP America to the full extent of any liabilities incurred by them that are unable to be satisfied by the assets of CAP America, not exceeding (USD) $300,000 per annum. As at 31 December 2020 the corporation had reserves of (USD) $86,116 (2019: $118,657), and the deficit for the year was (USD) $32,541 (2019: surplus of $118,657). As at 31 December 2020 there were no outstanding balances with the corporation.

13. Debtors

	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Total 2020 £'000	Total 2019 £'000
Income tax recoverable	130	-	130	102
Trade debtors	25	-	25	55
Accrued income	857	213	1,070	1,176
Prepayments	132	-	132	94
Other debtors	6	-	6	13
Total	1,150	213	1,363	**1,440**

Accrued income includes income that has been committed to CAP by various trusts that will be received in future years as follows:

	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Total 2020 £'000	Total 2019 £'000
Receivable within one year	785	20	805	425
Receivable in more than one year	245	20	265	650
Total	1,030	40	1,070	**1,075**

14. Creditors - amounts falling due within one year

	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Total 2020 £'000	Total 2019 £'000
Building fund loans	2		2	2
Bank loans	217		217	209
Other tax and social security	202		202	201
Accruals and deferred income	154	10	164	121
Trade creditors	91		91	140
Other creditors	20		20	42
Total	686	10	696	**715**

15. Creditors - amounts falling due after more than one year

	Total 2020 £'000	Total 2019 £'000
Bank loans	377	594
Total	377	**594**

Loans outstanding at the year end amounted to £595,692 (2019: £804,585) and these are repayable as follows:

	Total 2020 £'000	Total 2019 £'000
Within one year	219	211
Between two and five years	377	594
After more than five years	-	-

On 11 July 2013 a loan for £1,469,000 was taken out with Lloyds Bank PLC. This loan is fully secured against the freehold properties known as Jubilee Mill, North Street, Bradford and The Jubilee Centre, Jermyn Street, Bradford. The loan is repayable over a period of ten years and interest is fixed at 3.86% for its duration. The balance of the loan at 31 December 2020 was £435,363 (2019: £592,528), which represents 43% of the balance sheet value of the properties.

In October 2015 a second loan was taken out for £404,000 with Lloyds Bank PLC for the purchase of a freehold property at 86 Captain Street, Bradford and the refinancing of the loan for the property at 33 Norman Terrace, Eccleshill. The loan is repayable over a period of eight years and interest is fixed at 4.20% for its duration. The balance of the loan at 31 December 2020 was £158,829 (2019: £210,557), which represents 70% of the balance sheet value of the properties. The loan is secured against the two properties.

16. Other financial commitments

Operating lease payments represent rentals payable by the charity for certain items of computer equipment and for office space in Belfast. At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

Operating leases which expire:	31 Dec 20 £'000	31 Dec 19 £'000
Within one year	43	43
Between two and five years	111	131
After more than five years	6	29

17. Financial instruments

	31 Dec 20 £'000	31 Dec 19 £'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,101	1,244
Carrying amount of financial liabilities		
Measured at amortised cost	861	1,108

18. Movement of funds

Description of fund	Balance 1 Jan 2020 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Balance 31 Dec 2020 £'000	Balance 1 Jan 2019 £'000	Incoming resources £'000	Resources expended £'000	Balance 31 Dec 2019 £'000
General unrestricted funds	5,618	14,242	(13,270)	256	6,846	4,764	13,776	(12,922)	5,618
Restricted funds:									
Individual centres	-	3	(3)	-	-	-	18	(18)	-
Wales region	-	1	(1)	-	-	-	1	(1)	-
Scotland region	-	3	(3)	-	-	-	4	(4)	-
North East region	-	-	-	-	-	-	4	(4)	-
Northern Ireland expansion	-	12	(12)	-	-	-	75	(75)	-
CAP America	-	-	-	-	-	48	22	(70)	-
Debt Operations	-	459	(459)	-	-	-	80	(80)	-
Energy Coordinator	-	11	(11)	-	-	-	22	(22)	-
Social policy role	19	-	(19)	-	-	-	50	(31)	19
Advocacy	-	-	-	-	-	-	20	(20)	-
Client emergency aid	-	97	(76)	-	21	110	3	(113)	-
Insolvency bursary fund	-	185	(185)	-	-	-	153	(153)	-
Client 'Discovery Breaks'	-	-	-	-	-	-	64	(64)	-
CAP Job Clubs	-	1	(1)	-	-	-	1	(1)	-
CAP Life Skills	-	-	-	-	-	-	58	(58)	-
CAP Fresh Start	-	-	-	-	-	-	15	(15)	-
CAP Money	-	1	(1)	-	-	-	-	-	-
CAP Kick Start	-	10	(10)	-	-	-	-	-	-
Staff benevolent fund	-	2	(2)	-	-	-	2	(2)	-
Financial capability project	-	16	(16)	-	-	-	4	(4)	-
Opportunity fund	-	100	-	-	100	-	-	-	-
Increasing debt advice capacity	-	109	(109)	-	-	-	-	-	-
Increasing debt advice capacity (Scotland)	-	68	(68)	-	-	-	-	-	-
Scotland funding manager role	-	40	-	-	40	-	-	-	-
Total restricted funds	19	1,118	(976)	-	161	158	596	(735)	19
Revaluation reserve	256	-	-	(256)	-	256	-	-	256
Total funds	5,893	15,360	(14,246)	-	7,007	**5,178**	**14,372**	**(13,657)**	**5,893**

18. Movement of funds (continued)

The restricted funds for individual centres is made up of a number of small gifts towards the centralised costs of servicing 8 different centres at an average of £414 per centre.

The restricted fund for Debt Operations is made up of a number of donations towards the salary costs of our Debt Advisors.

Client emergency aid represents money given towards emergency food shops for clients who have no food in the house when we first visit them.

The insolvency bursary fund represents donations received towards CAP's insolvency bursary. This fund pays towards bankruptcy and Debt Relief Order fees for clients who have insufficient savings to fund the entire fee themselves.

The restricted donation received for CAP Kick Start was towards the start-up costs of the new resource.

The Financial Capability project was commissioned research on the impact of our combined services of debt advice and financial education.

The opportunity fund was created to enable donors to give into a fund that would be available for CAP to use in the event that any unexpected opportunities arose that would require funds. As at the end of 2020 none of this fund had yet been spent.

The restricted donation for increasing debt capacity was a grant received to fund the recruitment of a cohort of new Debt Advisors.

The Scotland funding manager role restricted funds is a donation made towards the costs of this particular role.

19. Capital commitments

The charity had no capital commitments at 31 December 2020 (2019: £nil).

20. Analysis of net assets between funds

	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Total 2020 £'000	Unrestricted funds 2019 £'000	Restricted funds 2019 £'000	Total 2019 £'000
Intangible fixed assets	369	-	369	365	-	365
Tangible fixed assets	1,788	10	1,798	3,243	-	3,243
Cash at bank and in hand	4,602	(52)	4,550	2,136	18	2,154
Other net current assets	464	203	667	724	1	725
Creditors of more than one year	(377)	-	(377)	(594)	-	(594)
Total	6,846	161	7,007	**5,874**	**19**	**5,893**

21. Reconciliation of net debt

	Balance 1 Jan 2020 £'000	Cash flows £'000	Balance 31 Dec 2020 £'000
Cash at bank and in hand	2,154	2,396	4,550
Bank loans	(803)	209	(594)
Total	1,351	2,605	3,956

22. Budgeting and debt management services

Monies paid in by clients to enable their utility and debt repayments to be made are held in a separate bank account from the charity's own funds and cannot be used by the charity to fund its operations. The balance in this separate account as at 31 December 2020 was £1,976,240 (2019: £2,450,870).

23. Transactions with Trustees

During the year no remuneration was paid to any of the Trustees (2019: £nil). In total one Trustee received travel expense reimbursements of £187 (2019: £990) from the charity. The charity paid a sum of £1,383 for Charity Trustee Insurance within its main insurance policy (2019: £1,023).

24. Related party transactions

During 2020 the charity donated £nil (2019: £25,000) to CAP Australia, a charity registered in Australia.

On 2 December 2013, the Directors issued a 'Letter of Comfort' to CAP Australia, undertaking to financially support CAP Australia to the full extent of any liabilities incurred by them that are unable to be satisfied by the assets of CAP Australia. At 31 December 2020 CAP Australia had net assets of (AUD) $1,057,518 (2019: $340,639).

During 2020 the charity donated £20,000 (2019: £20,000) to CAP Canada, a charity registered in Canada, of which Ellie Gage is a Trustee. In December 2014, the Directors issued a 'Letter of Comfort' to CAP Canada similar to the one issued to CAP Australia a year earlier. At December 2020 CAP Canada had net assets of (CAN) $273,653 (2019: $112,036).

At the end of the year there were debtor balances outstanding with our international affiliates as follows:

	Total 2020 £	Total 2019 £
CAP Canada	683	739
CAP New Zealand	15,463	11,943
CAP Australia	7,898	7,216
CAP America	-	-

24. Related party transactions (continued)

With the following amounts included in the sales day book during the year:

	Total 2020 £	Total 2019 £
CAP Canada	5,715	4,391
CAP New Zealand	60,948	53,766
CAP Australia	31,592	28,801
CAP America	-	797

On 22 February 2016 The Light Church, a church of which John Kirkby was a Trustee during 2020, entered into a lease agreement for 86 Captain Street. This is a three-year lease at an annual rent of £25,000, with The Light Church being responsible for all utility costs. Under a separate agreement the church continues to use the auditorium at The Jubilee Centre at an annual rent of £5,000. Amounts invoiced to The Light Church during the year totalled £30,000 (2019: £30,000). There were no outstanding amounts at the balance sheet date.

25. Pension commitments

The charity operates a defined contribution pension scheme, Christians Against Poverty Group Stakeholder Pension Plan, for all employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by Christians Against Poverty to the fund and in 2020 amounted to £759,216 (2019: £686,012). All contributions due have been fully paid and the balance outstanding at the end was included in unrestricted liabilities

christians against poverty

CAP

@CAPuk capuk.org

© Christians Against Poverty April 2021

Registered Office: Jubilee Mill, North Street, Bradford, BD1 4EW. Charity Registered No: 1097217 (England & Wales), SC038776 (Scotland). Company Limited by Guarantee, Registered in England and Wales No. 4655175. CAP is authorised and regulated by the Financial Conduct Authority.

always hope.