

christians
against
poverty

CAP

Restoring hope for 25 years

Annual report and
accounts 2021



always hope.

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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.

A handwritten signature in dark ink that reads "Paula". The signature is elegant and cursive, with a large initial 'P'.

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.

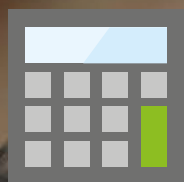
*We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and planning our activities, and are confident that CAP meets the public benefit requirements.



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

Individuals | £9.7m | 64%

Church donations
£2.1m | 14%

Government grants
£1.2m | 8%

Charitable Trusts
£1.0m | 6%

Fairshare & resources | £0.4m | 3%

Companies | £0.5m | 3%

Legacies | £0.2m | 1%

Trading activities | £0.1m | 1%

£15.2m
Total income 2021

How we spent our money

Charitable activities | £11.0m | 78%

Support costs | £2.4m | 17%

Raising funds | £1.3m | 9%

Reversal of impairment
on fixed assets* | £(0.6m) | (4)%

Other | <£0.1m | <1%

£14.1m
Total expenditure 2021

*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.

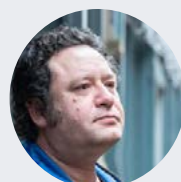
As a result, all Fresh Start services were wound up by the end of 2021. Churches can continue to use the existing resources to provide their own support, but Fresh Start is no longer classed as a CAP service. We celebrate and commend the hard work of our partner churches and frontline staff who have 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	<p>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.</p> <p>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.</p> <p>We have recently achieved cyber essentials certification, which was critical to secure continuous cyber security insurance cover and to receive ongoing statutory funding.</p>
Safeguarding of vulnerable adults	<p>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.</p> <p>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.</p>
Reputation	<p>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.</p> <p>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.</p>
Impact	<p>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.</p>
Compliance	<p>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.</p>

Risk	Mitigation
Financial sustainability	<p>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.</p> <p>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.</p>
Safety, security and wellbeing of staff and volunteers	<p>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.</p>
Coronavirus (COVID-19) pandemic	<p>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.</p>
Operational pressures	<p>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.</p>

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](https://www.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.

Notes to the financial statements for the year ended 31 December 2021

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.

Notes to the financial statements for the year ended 31 December 2021

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.

Notes to the financial statements for the year ended 31 December 2021

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.

Notes to the financial statements for the year ended 31 December 2021

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

Notes to the financial statements for the year ended 31 December 2021

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

Notes to the financial statements for the year ended 31 December 2021

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

Notes to the financial statements for the year ended 31 December 2021

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:

	31 Dec 2021 £'000	31 Dec 2020 £'000
Operating leases which expire:		
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

Notes to the financial statements for the year ended 31 December 2021

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.

Notes to the financial statements for the year ended 31 December 2021

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.

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