



Amid a cost of living crisis, see belief in action

Annual report and accounts 2022



A woman with vibrant red hair styled in a high bun, wearing dark-rimmed glasses and a white blouse with blue floral embroidery. She is smiling warmly at the camera, standing in a lush garden with green foliage and pink flowers in the background. A green speech bubble overlay contains text about her financial journey.

**‘I’ve gone from
wanting to
die to really
wanting to live.’**

Amanda

Amanda became overwhelmed by debt during the cost of living crisis, and couldn't see a way out. Support she received from CAP changed everything. Amanda came to faith in Jesus and is now on top of her finances.

Belief in action, on **every** page

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Poverty

We thought 2020, the first year of the COVID-19 pandemic, was challenging – but 2022 was on another level entirely.

Poverty became a real threat, and a living reality, for a much larger proportion of people. Demand for debt support soared, with a dramatic increase in first enquiries to CAP. Meanwhile, we saw an urgent need to add our voice to the coalition of UK poverty charities speaking up for change.

I truly believe our campaigning work, calling on Government to support the most vulnerable people, has allayed some of the potentially catastrophic impact of the cost of living crisis. Together with others,

we've driven the issue onto the media agenda and into public consciousness, and the Government has listened and responded to some degree. Going forward, we must keep calling for better and earlier help which addresses the root causes of poverty.

What's been really tough in 2022 is seeing the impact of the cost of living on our own ability to grow. CAP supporters have been incredibly faithful, and churches especially have persevered with us despite pressures on their own income. But still, we wish we could achieve more for people in poverty in the UK.

Looking ahead, we aim to transform our operating model to meet growing demand, which means digitising more services so they can be scaled up easily. That remains a key part of our long-term plan. And we'll do it in partnership with churches, which serve our communities best when they do so in word and deed, meeting the call of the gospel to care for the most vulnerable.



action

I want to thank Simon Gates, a CAP Trustee for six years, who stepped down in 2022 due to work relocation. Simon oversaw elements of finance and risk management for CAP, and was instrumental in masterminding our head office move to a new building. I'm grateful for the time and energy he has given.

It is also my pleasure to announce that Lisa Pearce will be joining CAP as Interim Chief Executive in July 2023, albeit sad that this will follow the departure of our current Chief Executive, Paula Stringer, as she moves to a new role at the BBC. On behalf of all the Trustees, I am grateful for everything Paula has brought to CAP over the past five years, and I am looking forward to welcoming Lisa. Lisa's knowledge of CAP, combined with her experience in Christian charity leadership and business development, will provide continuity as well as a strong focus.

As 2023 unfolds, inevitably the cost of living crisis will become old news. Inflation will ease. Energy costs will stabilise. The media will move on.

But CAP won't. The impact of 2022 will be with many people for years to come – and we too will stay the course.

This is God's mission, so we will keep putting our belief into action, every day. We'll walk with people in debt, share our faith, and support people who come to us for as long as they need. Thank you for being part of it.



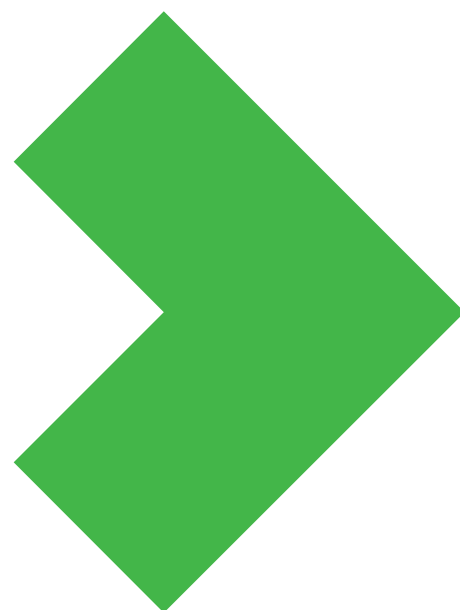
Roger Hattam
Trustee Director – Chairman

**'The Spirit of the Sovereign Lord
is on me, because the Lord has
anointed me to proclaim good
news to the poor.'**

Isaiah 61:1



Crisis



2022: the year the cost of living rocketed to levels not seen in a generation. Inflation hit a 40-year high. Prices of energy and other goods soared, partly as a result of the war in Ukraine. And more and more people found themselves in a poverty crisis, overwhelmed with fear and worry.

But in the midst of it all, Christians Against Poverty made a difference.

I want to thank every supporter, every church, every volunteer, staff member and friend of CAP who has turned belief into action, to transform people's lives this year. We don't accept a society where poverty exists – and together, driven by our faith, we fought for change.

My name is Paula Stringer, and I'm the UK Chief Executive of CAP. I'm pleased to bring you our annual report and accounts for 2022 – in which we lay out the impact of this amazing charity amid enormous need and significant challenges.

You'll see in the following pages that thousands of people have been supported by CAP's accredited debt advice service and specialist tools. I'm proud of the impact of this work, which gives people dignity and hope. We praise God that almost 2,000 people became debt free in 2022!

hope

You'll also celebrate with me, I hope, to know that at least 240 people responded to Jesus as a result of CAP's work. Along with our staff and volunteers, I believe Christ can mend broken lives and restore people's hope – so it fills me with joy to see God at work through our amazing team.

Speaking of the team, there was a milestone moment for all of us in 2022 when we moved into our new head office at Jubilee House, Bradford. This modern, well-equipped, fully-accessible building not only gives staff a much more suitable working environment, it also saves an estimated £81,000 a year in running costs.

But amid all the good news, there's no denying that 2022 was exceptionally challenging for CAP. The cost of living crisis not only increased demand for our services, it hit our own finances too.

Like many charities, we saw a drop in donations and a fall in fundraising income. In response, our leadership

team conducted a review which led to some tough decisions. Early in 2023, we announced the need to make some significant budgetary savings across the charity, including redundancies. Through collective consultation with our staff, we have worked to mitigate the impact of redundancies as far as possible. Right now, we're working closely with church partners and staff, and remain totally committed to protecting front-facing debt advice roles.

When I look back, I see how God has been faithful to CAP – and the people we serve. So we go forward with trust and hope. Because, together, we can drive change for people in desperate need. Together, we will see transformed lives, thriving churches and an end to UK poverty.



Paula Stringer
UK Chief Executive

What you **need** to know about CAP

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

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

So we take action.

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

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

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

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

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

- 1) The relief of poverty for persons in the United Kingdom and elsewhere who are in conditions of need, hardship or distress by reason of their social and/or economic circumstances, by providing and promoting advice and other services.**
- 2) The advancement of education of the public in all matters relating to the management of their personal finances.**
- 3) The advancement of the Christian faith.**
- 4) Raising awareness of debt, poverty and its causes in the UK and inspiring churches and individuals to partner with us.**

Read on to see how we delivered against these four aims in 2022.



CAP exists to:



Relieve poverty
in the UK



Advance personal
finance education



Advance the
Christian faith



Raise awareness
of debt, poverty and
its causes in the UK



‘A CAP Debt Advisor phoned to tell me I was debt free. I literally danced around my living room!’

In her own words:

Amanda's story

'Do you have a drawer in your house filled with bits and bobs? For me, that was where I stuffed the bills. Dozens of them, unopened and unpaid. I was getting deeper into debt, but I had no idea how to get out.

'Debt destroys everything – your relationships, your mental health, your confidence. Believe me, I know.

'My name is Amanda, and the help I got from CAP saved my life.'

'It started when my mum was diagnosed with cancer. I stopped work to care for her – and the bills started to mount up. I wasn't spending on luxuries, it was just the cost of living. Council Tax, rent, my phone... my gas and electricity bills doubled.

'It became too much. I was sinking into depression. One day, early in January – it was cold and snowing – a bailiff knocked on the door demanding money. I took an overdose that night. I just couldn't see a way out.

'Debt does that to you. It creeps up and devastates your life. But at my darkest time, hope arrived.

'I reached out for help and Jane, the local CAP Debt Coach, came to visit. She asked me to hand over the bills hidden in my drawer. "Don't worry about any of it," she said. "Just leave it with me."

'Jane explained the only real option for me was to become insolvent, which meant my debt would be written off completely. She helped me apply for a Debt Relief Order, one route to erasing the debt, and bit by bit the cloud began to lift. When a CAP Debt Advisor phoned to tell me I was debt free, I literally danced around my living room!

'Alongside this, Jane invited me to church. I used to believe in God but I lost a baby to cot death 26 years ago, and gave up on faith. But I realised I needed God. Now, I'm part of a Bible group and God is in my life again.

'I can't put into words properly how much it all means... CAP saved my life. I have hope again. I've gone from wanting to die to really wanting to live.'



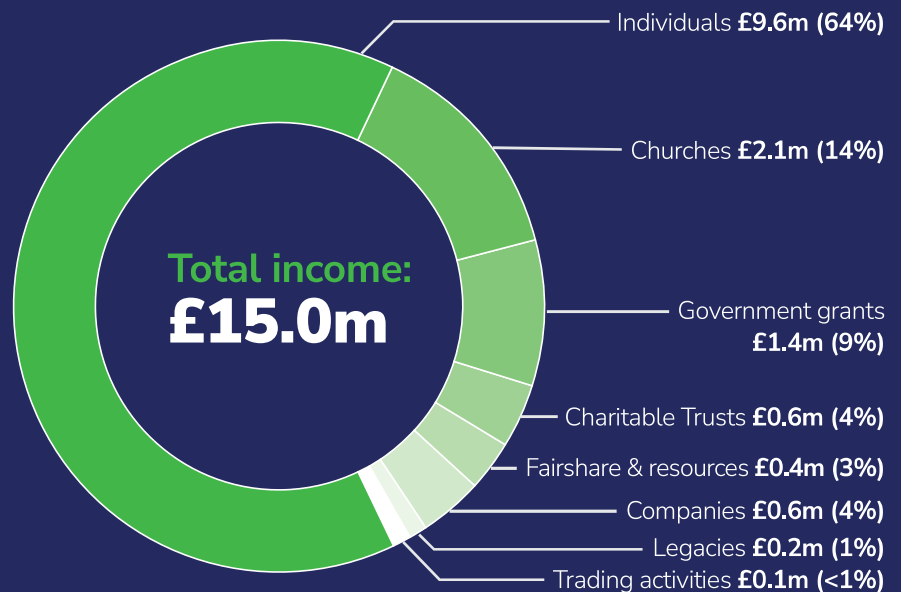


Support in **action**

Money in

In 2022, donations, legacy gifts and other income totalled £14.96 million, which was lower than the previous year's total of £15.2 million. This was mainly due to a drop in fundraising income.

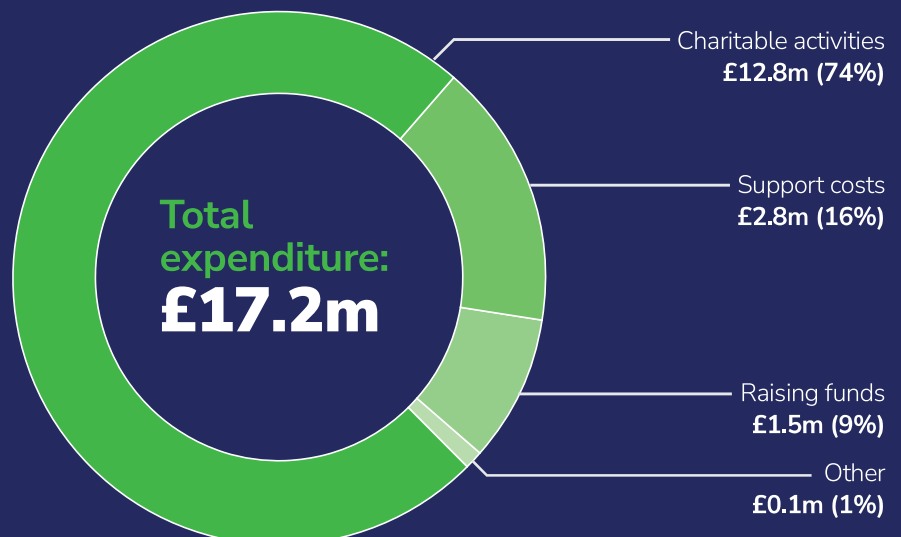
We are incredibly grateful to supporters who gave as generously as they could in 2022 – especially because we know finances are tight for many households. We also remember with deep gratitude all those who kindly left a gift to CAP in their will.



Money out

We used our resources wisely and carefully to have the greatest impact for people in debt. Our expenditure for 2022 totalled £17.24 million (more than £3 million higher than the previous year), leaving us with a deficit of £2.28 million.

There were two reasons for our increased expenditure. First, we invested in CAP's debt service to help more people, to further empower clients, and provide an improved experience for church partners. Secondly, we invested in our tech teams to advance systems which support client-facing technology.



To enable this spending increase, we chose to invest some reserves which had grown from surplus income in previous years. Our reserves dropped to £5.85 million by the end of 2022.

Aim 1

Relieving poverty in the UK

What did we do in 2022?

Lifting the weight of debt

Amid the worst cost of living crisis in a generation, calls to our free debt helpline increased by 20%. Our top priority is to help people out of debt – so CAP was there to provide vital advice.

Almost 34% more people received debt advice in 2022 compared to the previous year, through services delivered by both our head office and frontline staff. Part of the increase was due to low figures recorded in 2021, when we were easing out of the pandemic. But there's no doubt more people were driven to seek help in 2022 by the soaring cost of living.

Just under 2,000 people became debt free – an increase of 3.5% on the year before – so more than 22,000 people have now become debt free with help from CAP since 2010.

Meanwhile, demand for emergency support soared. Our partner churches did 60% more food shops for clients in crisis, and provided double the number of energy top-ups to people struggling to afford to heat their homes. Other emergency support included phone top-ups and buying school uniforms.

In autumn 2022, we worked with another charity, Turn2us, to launch a new benefits calculator online. The tool helps people check if they are entitled to extra benefits, and within three months it had been used by more than 21,000 people. Figures show more than £6m in annual income was found – which was previously unclaimed. Around 2,000 people are estimated to be better off thanks to the calculator.



16,246

Number of people – adults and children – CAP helped during the year



1,946

people became debt free



1,831

households received emergency support



281

UK Debt Centres (by the end of 2022)



15

new Debt Centres opened in 2022



CAP provides support and bursaries to help partner churches, but the number of UK Debt Centres fell by 6% in 2022. This was due to many churches focusing on rebuilding congregations, post-pandemic, rather than starting new ministries. Rising energy bills were also a factor in closing some Debt Centres.

Hayley's story:

Life skills faith

Hayley was struggling to get by on Universal Credit. So she joined a CAP Life Skills course at a local church – and it changed everything.

'I started looking at whether I could get food cheaper, I started to budget more, I scrutinised my bills to see if I could cut them down,' said Hayley. 'But also, after every

Life Skills session, someone prayed with me. And that made me think...'

Hayley became a Christian. 'Half the people from the CAP Life Skills course turned up to my baptism,' she smiled. 'Now, I'm hoping to get a job. Everyone is really proud of me and how much I've changed. It's been a good thing!'



**'I feel
happier
and more
confident.'**

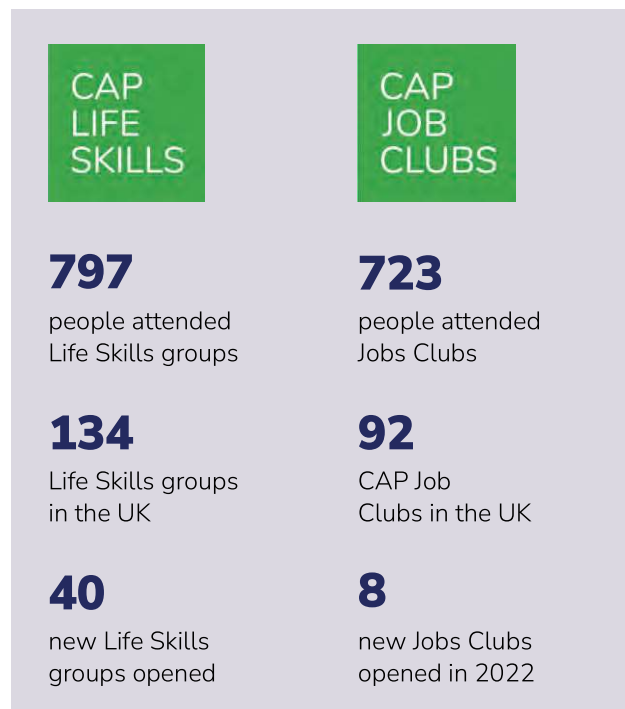
Tackling the causes of debt and poverty

Poverty is complex and very rarely caused by one event or circumstance alone. There is also a direct link between what causes debt and poverty and what holds people in that situation.

Two of the most common drivers of debt and poverty in the UK are persistent low income and unemployment. We tackle both through:

- 1) CAP Job Clubs. At these friendly clubs, people can get practical help and gain the tools they need to find work. Clubs meet weekly and are run by trained volunteers. Attendees follow an eight-week course which gives them all the help they need.
- 2) CAP Life Skills. In these groups, people learn how to live well on a low income. We share practical money-saving techniques, such as cooking on a budget, and help people develop the confidence and decision-making skills they need.

The number of UK Life Skills groups grew by 6% in 2022, as more churches made efforts to help people live well on a low income. We created fast-track training to quickly set up churches to provide this vital support.



The number of Job Clubs in the UK fell by 20% in 2022. Unemployment forecasts in 2021 caused a surge in churches launching clubs. But in 2022, changes in the jobs market, retiring Job Club Managers and problems recruiting volunteers saw an increase in the number of Job Clubs closing.



Aim 2

Providing financial education

What did we do in 2022?

We believe financial education is the key to unlock the end of UK poverty. That's why we champion and continually develop the CAP Money Course, a free course which teaches people budgeting skills and a simple system to control their money.

In just a few weeks, people learn a practical way of sticking to a budget, by seeing what they're spending,

how they could save, and how to prioritise. In 2022, churches ran 44% more CAP Money Courses compared to 2021, and we saw a 47% increase in the number of people taking part.

We also reviewed and refreshed the CAP Money Course in 2022. It's been fully overhauled, improved, and will be ready to go in late summer 2023.



4,435

people took part in a CAP Money Course

47%

more people completed a CAP Money Course compared to 2021

1,136

CAP Money Courses in 2022

500+

Money Coaches trained to provide relevant cost of living crisis guidance

163

new CAP Money Courses opened in 2022

482

churches ran a CAP Money Course

Abi's story:

No more fear

'My marriage had just ended and I was living by myself, working part-time, with three children. Before, my husband did all the money management. But now I was in fear the whole time, worrying how to pay the mortgage and feed the family.'

That was Abi's situation before she joined a couple of friends at the local CAP Money Course. She couldn't believe the impact it had.

'Everyone was non-judgemental and helpful, I felt free to talk about things. I used an online spreadsheet to think through budgeting for things like Christmas, holidays and car maintenance. I've never previously budgeted like that – but now I have little pockets of money ready. It's helped astronomically. I'm in control now.'

Through CAP, Abi learned how helpful certain apps can be in managing your money, opting to start using one herself. This helps her allocate funds to different pots. It means she not only has money for the essentials, she can also afford treats.

'I feel like I have savings, so I can take time off work and take the children on holiday. I don't feel worried about Christmas. The children have pocket money, which they never had before, and they can see I am much happier and more relaxed. It's changed so much in all our lives.'



**'It's changed
so much in
all our lives.'**

Aim 3

Advancing the Christian faith

What did we do in 2022?

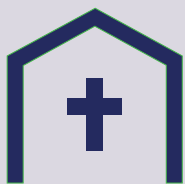
At CAP, we are driven by our faith. It gives us hope for humanity and compassion for the people we meet. We actively encourage those we work with to explore a deeper relationship with Christianity, if they want to, because it gives richer meaning and purpose to all our lives.

In 2022, we advanced Christianity through the Mustard Seed Mission Fund. We provide grants of up to £1,000 to CAP frontline workers and local churches, to help launch new initiatives around mission and evangelism.

More than 20 churches received grants, and ran projects including community meals, parent and toddler groups,

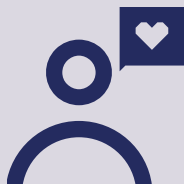
drop-in cooking courses, a community garden, and outreach to young people. More than three-quarters of churches said they reached people they wouldn't normally connect with – and half said it grew their confidence to share faith.

What's more, through all of CAP's services over the course of the year, at least 243 people responded to Jesus – either taking a first step of faith or recommitting their lives to Jesus. (The actual figure is likely to be higher; these were only the responses reported back by our teams).



243

people (at least) responded to Jesus



884

people were reached through projects supported by the Mustard Seed Mission Fund



186

volunteers took part in community outreach

Stuart's story:

A garment of praise

Stuart was baptised in 2022 after connecting with his local church because of support he received from CAP. He is also debt free, and has put gambling, smoking and depression behind him.

'Before, I felt alone, but now I feel I can fight whatever is put in front of me,' said Stuart. 'It's all due to CAP – and God.'

'Since I've come to faith there is light at the end of the tunnel. I'm free in myself.'

Aim 4

Raising awareness of poverty

What did we do in 2022?

When we share our knowledge and expertise, we can help create lasting change. That's why we speak out, mobilise others to campaign, and use our platform to influence policy to bring an end to UK poverty.

In 2022, in response to the cost of living crisis, we focused on six key areas.

1



Reports

Our 2022 client report, *On the edge*, outlined trends within our services. It contained shocking statistics: more than a third of CAP clients had considered or attempted suicide as a way out of debt before seeking help. Our *Lifelines to Safety* report looked at why people rely on credit in financial crises – and made recommendations to improve people's financial resilience.

2



Consultations

We took part in 21 consultations, including reviewing personal insolvency arrangements in England and Wales, and amending the Debt Relief Order eligibility criteria in Northern Ireland.

3



UK Parliament

We engaged with decision-makers over support during the cost of living crisis, and the adequacy of social security benefits. We joined a new advisory group set up to tackle poverty in the UK.

4



Inquiry evidence

In Scotland, our team gave evidence to the Low Income and Debt Problems Inquiry. For the first time, three CAP clients took part in an 'experts by experience' panel – marking a step forward in our work with people with lived experience. The inquiry led to a report called *Robbing Peter to Pay Paul*, and recommendations are already being actioned.

5



Events

We held a reception in the House of Lords, hosted by Bishop of Durham the Rt Rev Paul Butler, to launch our refreshed vision among MPs, industry contacts, supporters and charity peers.

6



Politics

We held fringe events at the Labour and Conservative party conferences to discuss the impact of the cost of living crisis on debt and poverty.

Campaigns in England

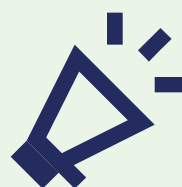
We campaigned for more support for low income households, and sponsored a collaborative billboard campaign in Westminster and Manchester on the day Liz Truss took office at Number 10. More than 3,000 supporters wrote to the Prime Minister on the issue.

Campaigns in Scotland

We joined other organisations to campaign for the Scottish Child Payment, a social security benefit available for all children under six, to be doubled – from £10 to £20 per week. This happened in April 2022, and it was increased again in November to £25 per week per child.

Resources

We published a children's book and created Bible study resources to help people understand poverty, and strengthened our call for people to stand with those in debt and poverty by campaigning and speaking out.



5,713

people wrote to a decision-maker such as their MP to call for an end to UK poverty

Aim 5

Collaborating with others

What did we do in 2022?

Collaboration is at the heart of how we do things. CAP churches, supporters, volunteers and friends are vital members of the team. By working with a thriving church community and our broader network, we see lives transformed.

Church partners

We're grateful for the 482 churches which ran a CAP Money Course, more than 250 churches involved in CAP Debt Centres, and others which ran Job Clubs or Life Skills groups. CAP's vital work simply wouldn't happen without churches.

Church talks

50 CAP speakers came together for a time of inspiration and training, and in 2022 the team gave 40% more talks than the previous year. More than 460 people started supporting CAP regularly as a result – which could potentially generate £1m in income.

Generous supporters

By the end of 2022, more than 28,000 people were giving a regular donation to CAP. We call them Life Changers because their generosity has a significant impact on so many people. Despite the challenging economic climate, 92% of Life Changers faithfully donated throughout 2022 and 2,437 supporters even increased their regular gift.

Appeals, grants and trusts

Supporters donated generously to CAP appeals during 2022, giving £458,738 over the year – well above our target of £325,000. From trusts, we received £605,293 in grants. In addition, CAP benefited from multi-year support from the Souter Foundation, Jerusalem Trust and Bramall Foundation.

Fundraising partnerships

We were Charity of the Year for the mutual financial savings company, Foresters Friendly Society, in 2022 – and their members raised £55,577 for CAP. We also partnered with United Christian Broadcasters for a fundraising campaign which raised over £64,000 and involved a full day's takeover of their radio stations. In addition, Christian conference, Word Alive, made CAP a recipient of their collection, resulting in a generous gift of £14,000.

Prayer community

Prayer fuels the work of CAP, and we were delighted that 1,120 new people joined our prayer community in 2022.

‘The generosity of CAP supporters reflects their deep commitment to tackling UK poverty. To see such faithful giving during a cost of living crisis is humbling, and we’re grateful to share this mission with so many amazing supporters.’

Alex Jones, Head of Fundraising



346

church talks



1,120

people joined our prayer community



461

people started donating regularly



5,713

people wrote to a decision-maker such as their MP about UK poverty



28,653

people now support CAP with a regular donation

Global growth

CAP in the UK continued to support and collaborate with CAP teams in America, Australia, New Zealand and Canada*. We hosted a week-long gathering for representatives from CAP international teams, facilitating discussions on how we can maximise the benefits of our global affiliation and resource new CAP countries.

Work to establish a new CAP organisation in the Republic of Ireland (CAP Ireland) is underway, with an official board now in operation and a Chief Executive Officer being recruited. They are a registered company limited by guarantee and have applied to become a registered charity which we expect to be approved during 2023.

Other international highlights include:

- Money Mentors, a holistic financial support programme developed and piloted by CAP Australia.
- CAP Canada celebrated hitting ambitious targets to provide debt support.
- CAP America worked with a small number of churches to test and develop the best service model.
- Progress made in CAP New Zealand’s journey to become bi-cultural, as the nation addresses disadvantages suffered by Maori and Pacifica people.

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

Our three-year strategy

Back in 2020, we launched a three-year strategy based on strengthening our service provision, improving staff wellbeing and ensuring financial sustainability. 2022 marked the final year of this strategy – and we made progress in all three areas.

Strategic aim 1:



Deliver a sustainable and scalable debt service

We continued to deliver and adjust our debt service within the rapidly-changing debt advice industry. Funding from the Money and Pensions Service and the Scottish Government strengthened the debt advice we were able to give to our clients.

We also worked with specialists to redesign the journey a client takes through our debt service – from start to finish and including technical interfaces. This vital work will continue in 2023.

Strategic aim 2:



Make CAP the healthiest organisation to work for

In 2022 we grew our organisational cultural awareness – particularly around race and ethnicity. All leaders and managers took part in training from an external agency, Next Leadership, and relevant staff received recruitment training.

We developed a new tool which prompts staff to consider different perspectives, to support diversity, inclusion and accessibility in product development.

A group of staff members with lived experience of inclusion and accessibility challenges has also been established to act as consultants on new products.

A new women's network was set up among staff, to facilitate peer support, collective learning and open discussion. Meanwhile, our new accessible head office is a big step in maintaining a healthy, diverse and inclusive workforce.



Strategic aim 3:



Ensure financial sustainability for the future

Significantly, we moved our head office into Jubilee House, a modern, well-equipped and accessible building, which also saves an estimated £81,000 in annual running costs.

Early in 2022 we met standards for the Cyber Essentials quality mark, which shows we're protected against cyber attacks. This is an important accreditation required to be eligible for Government funding.

We secured £1,364,558 from the Scottish Government and the Money and Pensions Service for delivering debt services across Scotland and England.

To grow our supporter base, we ran several fundraising events and trialled new approaches to share CAP with more people. Around 11,000 new people joined us to pray, give or campaign.



Looking forward

In 2023, with a forecast of increasing costs and decreasing income, we have developed an interim strategy. It will focus on:

- strategic and financial stability
- ensuring the sustainability of our services
- developing and strengthening our relationships with churches
- organisational wellbeing



In the longer term we aim to:

- continue to strengthen our organisational infrastructure
- grow the number of individuals and churches working to end poverty in the UK
- increase the impact we have as a charity

Financial review

How we managed the money you gave us

Overview

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

Following 2021, when we were building back and recovering from the COVID-19 pandemic, 2022 was a year of resetting and restrengthening in many areas. We looked long-term with the aim of building organisational resilience and invested in areas that needed to be strengthened, particularly within tech and our digital capabilities along with investment into new strategic priorities, such as Debt Service Transformation and the CAP Money Course refresh, through utilising reserves that had built up over the last few years. We also prioritised cyber security work to meet the Cyber Essentials standard and mitigate the risk of cyber attacks.

We continued with our office relocation programme, completing the refurbishment and fit out of Jubilee House (the freehold office building purchased in 2021) and moved into our new premises in October 2022. We sold three properties, including Jubilee Mill, during 2022 and the net proceeds were used towards the refurbishment of Jubilee House. We have two additional property assets that are on the market for sale which we expect to sell during 2023. In completing this programme, we have removed the financial risk associated with managing old buildings, with high and unpredictable maintenance costs, fire safety concerns and poor levels of accessibility for staff and visitors.

In 2022, our income totalled £15.0m (2021: £15.2m) and expenditure totalled £17.2m (2021: £14.1m) which resulted in a deficit of £2.3m (2021: £1.1m surplus).

Income

In 2022, our income totalled £15.0m (2021: £15.2m). Our main sources of income continue to be donations from individuals and churches, which totalled £11.9m (2021: £12.0m) or 79% (2021: 78%) of our total income. Many of our supporters wanted to help those impacted by the cost of living crisis through our work and we saw this in their response to our appeals and also in unsolicited income from individuals.

Regular income, most of which was received on a monthly basis, was £9.4m (2021: £9.5m) which represents 63% (2021: 62%) of total income received. Life Changer giving from individuals is our most important source of regular income and provides financial stability for the charity. In 2022, Life Changer income remained at £7.0m (2021: £7.0m) including associated Gift Aid. At the end of 2022, there were 28,653 Life Changers, each giving an average of £18 per month excluding Gift Aid.

Our one-off income remained fairly static with a slight decrease of 3% to £5.6m (2021: £5.7m). Although we received slightly less from private individuals and trusts in 2022 than we did in 2021, we did receive additional income in the form of government grants and donations from companies which offset this.

During 2022, the Government continued to provide funding through the Money and Pensions Service (MaPS) to support the rising need for debt advice capacity in England. We were successful in renewing our grants with MaPS and received £855k in 2022 (2021: £736k). This funding will also continue into early 2023. Additional funding was also secured for the successful submission of Debt Relief Orders (DROs) which totalled £260k (2021: £217k).

We continued our relationship with the Scottish Government and received funding of £246k (2021: £249k) from the Housing and Social Justice Directorate to support the provision of debt advice in Scotland.

In 2022, we received £0.4m (2021: £0.5m) in donations from creditors as Fair Share contributions, where a percentage of monies disbursed to our clients' creditors through a Debt Management Plan is paid back to the charity. 100% of payments made by clients through their Debt Management Plan go towards paying off their debts. In 2022, funds disbursed to creditors on behalf of our clients for debt and priority payments totalled £5.7m (2021: £6.9m).

Expenditure

Total expenditure in 2022 saw an overall increase of 22.6% or £3.1m, to £17.2m (2021: £14.1m) due to the planned investment of reserves and increased operating costs. We overcame the earlier recruitment challenges we faced, which had resulted in lower than anticipated expenditure in 2021. The return to a pre-pandemic level of in-person events such as staff conferences, exhibitions, and external functions increased our overall travel and associated costs..

Expenditure on charitable activities (including associated support costs) increased by £2.1m to £15.3m (2021: £13.2m). The average headcount in our Debt Operations increased by 38, which resulted in increased costs but also allowed us to serve more clients during the year. In 2021, we began our Debt Service Transformation project to redesign our debt service offering. In 2022, we invested £793k into the project and we now have a blueprint for a service with our clients and church partners at the centre.

We spent £176k reviewing and refreshing our CAP Money Course and also spent an additional £100k on supporting the work of our international CAP affiliate charities.

In order to facilitate our charitable activities, we had to invest in technology, and in particular, focused on attaining our Cyber Essentials accreditation.

Other costs of £128k increased by £769k compared with last year as included in 2021 was an impairment reversal of £683k. An impairment charge of £70k was recognised

in 2022 as the market value at the year end of the land CAP is currently selling was lower than we had recorded in our accounts.

Fundraising

We would not be able to conduct our charitable activities without fundraising and during 2022 we were able to return to some of our in-person fundraising events. Expenditure for raising funds increased by £0.3m to £1.8m (2021: £1.5m) and represents 11% (2021: 11%) of total costs.

Support costs

Support costs in 2022 totalled £2.8m (2021: £2.4m) and accounted for £0.4m of the £3.1m total increase in expenditure. Included in support costs was £373k in uncapitalised expenditure relating to the move to our new head office premises in October. During the year, we also invested £95k into refreshing our brand and our website which will help us to reach and serve more people.

Cash flow and investments

Reserves policy and management

Each year, the Trustees review our reserves policy and the level of required general free reserves to ensure that an appropriate level is held. We aim to maximise the funds we can spend to support our charitable aims. This is balanced against managing short-term financial risk and our obligations as a debt management company under FCA rules (CONC 10.2.5) to hold sufficient free reserves to meet our minimum prudential resources requirement of £56k.

The Trustees have set a target level of reserves at three months of one-off income based on the following year's budget, which for 2023 is £1.3m. The reserves at 31 December 2022 were £5.8m (2021: £8.1m), of which £0.2m (2021: £0.3m) are restricted in nature and £4.4m (2021: £3.1m) is only realisable by disposing of tangible fixed assets and associated mortgages. Free (unrestricted) reserves at the end of 2022 were £1.2m (2021: £4.7m), which are £0.1m (2021: £3.2m) under the minimum reserves set out in our reserves policy.

Total reserves reduced by £2.3m in 2022 due to the deficit for the year. Free reserves reduced by a further £1.2m due to additional investment in fixed assets, which are deducted as part of the free reserves calculation. Our five-year plan was to invest excess free reserves in digital transformation to enable our debt service to be scalable and sustainable for the future. Having utilised the majority of our excess free reserves in 2022, further investment in digital transformation will be limited to the level of additional funds we are able to raise in 2023 and beyond, which will be designated or restricted for this purpose.

The covenant on one of the charity's bank loans states that Net Assets must not fall below £2.5m. At the end of 2022, Net Assets were £5.8m.

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

The criteria for selecting which organisations to support are:

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

During the year we made donations of:

- £25k to Isaiah61 Movement
- £40k to CAP America

Investment powers and policy

The charity's investment policy is reviewed annually by the Finance, Audit and Risk committee. In 2022, the policy has been maintained to continue to invest any surplus liquid funds in fixed-term deposits with the charity's bankers.

Principal risks and uncertainties

Overview

The Board of Trustees holds responsibility for ensuring the charity has robust systems of internal control and risk management in place. All directorates perform regular risk assessments that consider both existing and emerging risks. The charity maintains a register of all key risks as part of the risk management strategy, which is regularly reviewed for effectiveness by the Board and the

Finance, Audit and Risk Committee. The Committee also receives reports from our external auditors and reviews progress against any recommendations.

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

Risk	Mitigation
Cyber security attacks	<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, two-factor authentication, cyber security insurance and major incident management processes.</p> <p>We have 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 partner 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 (last audit Sept 2021). We employ a dedicated Safeguarding Lead to ensure our continued focus in this area.</p>

Risk	Mitigation
Reputation	Negative media coverage of the charity sector has led to greater interest and focus on the activities and communications of charities. Ongoing mitigation comes from continuing to build our brand and reputation publicly, including developing and maintaining key relationships within the media, credit industry, Government and Christian sector of society.
Impact	We continually measure outcomes for our clients and publish them regularly, including through our annual client report (most recently published in June 2022). We conduct regular client surveys to measure the ongoing impact of our services over time.
Compliance	We are authorised and regulated by the Financial Conduct Authority and subject to an annual CASS audit (Client Money). We hold the Advice Quality Standard which is achieved by an external audit of our advice processes and demonstrates our commitment to best practice and delivering quality advice to our clients.
Financial sustainability	<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. We are enhancing our digital presence and trialling new fundraising channels to attract new supporters.</p> <p>High inflation, rising interest rates, high utilities costs and other cost of living pressures are having an impact on our income, our operational costs, our clients and our staff. We are taking action to reduce our operating costs and headcount numbers in 2023, in line with our lower income forecasts for the next five years.</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. Relocating to our new head office has addressed key accessibility and health and safety issues.</p> <p>The challenging economic environment and our need to reduce our costs have increased our concern for the mental wellbeing of our staff and volunteers. We have taken additional measures to support everyone during this difficult season.</p>
Operational pressures	<p>We have increased our awareness of the importance of building and testing operational resilience following two previous major disruptions to our service. We have developed tools to forecast and predict high levels of workload and pressure in our debt operations service, which will alert us to the need to make adjustments to manage this pressure in the system. We know that many of our processes and systems are difficult and time-consuming to change or adapt to new requirements or regulatory changes. We are investigating ways of using Robotic Process Automation (RPA) to speed up some of the routine tasks as a way of improving efficiency. Broken budgets and increasing financial and other distress experienced by large numbers of clients are adding to the time it takes to complete cases.</p> <p>Financial constraints for the next season will require us to reduce headcount numbers, therefore we are seeking to maximise efficiency gains through improved technology and RPA.</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, met four times in 2022 to review strategy and operational or financial performance, together with the charity's UK Chief Executive and other members of the senior management team. These meetings are also attended by a staff representative and a centre representative, so their views can be taken into consideration through the decision-making process.

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

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

Trustee term of duty

A Trustee is expected to serve for a maximum of three terms of three years each, after which time up to two Trustees at any given time may serve as 'history carriers': Trustees who can pass on their experience of the culture

and ethos of the charity to newer board members. Further Trustee training is carried out on an ongoing basis, making use of the Charity Commission website and other charity publications.

Indemnity

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

Structure and management

The charity is constituted as a company limited by guarantee (Company number 4655175), formed on 3 February 2003, and is therefore governed by its Memorandum and Articles of Association dated 5 February 2007. The company took over the operations of Christians Against Poverty as constituted under a Declaration of Trust dated 29 August 1996, on 1 June 2003. The day-to-day implementation of the strategic plan, together with the development of strategy, is led by the UK Chief Executive and senior management team, which consists of members of each area of the charity.

The Trustees meet regularly where, in full consultation with the senior management team, the main strategic and directional decisions are taken. Day-to-day operations are delegated to the UK Chief Executive and senior management team which has, within certain limits, delegated authority. Suitable benchmarks and milestones are agreed to provide a basis on which to measure achievements, with the senior management team reporting progress to the Trustees through the various committees. Monthly management accounts are also used to ensure financial targets are being met. If any significant matters of policy or key decision-making arise during these meetings, these will be referred to the Trustees for approval.

Finance, Audit and Risk Committee

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

Our fundraising practices

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

In previous annual reports, we've only reported on fundraising practice complaints which were escalated to the Fundraising Regulator. In the interest of openness and transparency, we've chosen to also include instances of feedback which we classified internally as complaints. In 2022, we received zero complaints which were dealt with by our in-house customer service team in line with our complaints policy, and none were escalated to the Fundraising Regulator.

The majority of our fundraising work is carried out by centrally employed staff including an in-house supporter phone team and a dedicated major donor team. Volunteer speakers also attend church services around the UK to inform congregations about the work of CAP, along with fundraising activities.

Although CAP has an in-house creative team that prepares supporter materials and appeals, we often work with freelance copywriters and agencies. All fundraising appeals must be signed off by us.

During 2022, we attended several exhibitions and festivals and hosted several fundraising dinners. As usual, these activities were run by CAP staff along with volunteers who tend to be supporters, family and friends of staff.

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

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

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

We have a vulnerable supporter policy, and all supporter-facing CAP staff and volunteers receive training in how to interact with vulnerable supporters. If a fundraiser suspects a person they are talking to may have vulnerabilities, they must end the conversation immediately. They should do this politely, without:

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

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

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

Salary policy and pay for senior staff

The annual salary for the UK Chief Executive role was £87,566 in 2022, an increase from £85,223 in the previous year.

The annual salaries for the Chief Operating Officer and Chief People and Culture Officer roles were both £75,239, up from £69,185 in the previous year. For other Directors in the senior management team, annual salaries were between £41,473 and £61,214. In the previous year, Directors received between £55,467 and £59,576. We're committed to fairness for all and so an element of compression continues to be applied to the most senior salaries to achieve the agreed ratio of 1:5 between the lowest and highest paid roles across the charity, excluding internship roles.

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

Employees

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

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

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

Diversity and inclusion

The charity is committed to supporting the employment of disabled people and helping existing staff, as well as anyone with additional support needs, as part of the recruitment process. In addition, we are committed to the retention of employees that become disabled while in our employment. We do this through training, career development, general awareness and support. We're keen to create a culture that reflects and embraces diversity in all areas and levels of the organisation. A Diversity and Inclusion Board was set up in 2021, headed up by a Programme Manager, tasked with reviewing and improving our approach in this area. This relates to education, church engagement, theology, client engagement, communication, supporter engagement, employment and policy. Because of capacity and the depth of work needed to deliver lasting progress, it was agreed that the programme would initially be focused on race and ethnicity. As an organisation, we care and want to be better at building an environment where all protected characteristics can be given appropriate attention, and so we will focus on others as time goes on, including gender, sexuality and disability.

Directors' engagement with employees

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

Volunteers

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

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

Work in Scotland

The Office of the Scottish Charity Regulator requires us to report separately on our work in Scotland. While we do not report our income and expenditure separately for our Scottish activities, the statistics at the end of 2022 were as follows:

22	Debt Centres
11	Job Clubs
6	Life Skills groups
122	Adults debt free
17	Job Club and Life Skills courses run

In 2022, the Scottish Government provided a grant of £246k to CAP, which has been used to resource our Scotland Debt Operations team.

Work in Northern Ireland

20	Debt Centres
4	Job Clubs
13	Life Skills groups
70	Adults debt free
17	Job Club and Life Skills courses run

Regulatory

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

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

Directors, senior staff and advisors

Directors (Trustees)

- Roger Hattam (Chair)
- Matthew Frost
- Lisa Pearce
- Simon Gates (resigned 11 October 2022)
- Joy Blundell
- Jane Pleace
- Ema Ojiako
- Robin Willison (appointed 18 April 2023)
- Catherine Nicholas-Vilkaitis (known as Kate Nicholas) (appointed 18 April 2023)
- Roger Mawle (appointed 18 April 2023)

Secretary

- Stephen Bonfield

Leadership team

- Paula Stringer (Chief Executive)
- Jon Day (Chief Operations Officer) (to 9 June 2023)
- Ellie Gage (Chief People and Culture Officer) (to 24 February 2023)
- Dan Lane (Engagement & Influence) (to 28 April 2023)
- Angie Rusbridge (Finance, Risk & Compliance)
- Jake Hutton (Debt Operations)
- Chris Cupples (Church Network) (to 31 May 2022)
- Tim Moger (Technology & Digital Transformation) (from 25 July 2022)
- Sarah Parkes (People Operations) (from 5 September 2022 to 19 May 2023)
- Lyn Weston (Church Network) (from 5 September 2022)

Principal and registered office

Jubilee House
1 Filey Street
Bradford
West Yorkshire
BD1 5LQ

Auditor

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

Solicitors

Hempsons
The Exchange
Station Parade
Harrogate
HG1 1TS

Bankers

Lloyds Bank PLC
Hustlergate
Bradford
West Yorkshire
BD1 1NT

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

Trustees' responsibilities in relation to the financial statements

The charity Trustees (who are also the directors of Christians Against Poverty for the purposes of company law) are responsible for preparing a Trustees' annual report, strategic report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

The Trustees are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement as to disclosure to our auditor

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

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

Auditor

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

Strategic Report

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

Approval

This report was approved by the board of Trustees on 30th June 2023 and signed on its behalf.



Roger Hattam
Chair of Trustees and Director

Auditor's report

Independent Auditor's report to the trustees and members of Christians Against Poverty



Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report and the strategic report prepared for the purposes of company law and included within the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and the strategic report, included within the trustees' annual report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 37, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to

enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

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

The audit engagement team identified the risk of management override of controls and revenue recognition: completeness of legacies and donations as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed in relation to management override of controls included but were not limited to testing journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates. Audit procedures performed in relation to the completeness of donations and legacy income included but were not limited to verification of transactions during the year and around year end to third party supporting documentation and receipt to bank statements, where applicable.

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

Use of our report

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Lucy Robson

Lucy Robson (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Fifth Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

Date: 01/07/23

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Financial statements

Statement of Financial Activities for the year ended 31 December 2022

(incorporating an income and expenditure account)

		Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
		2022	2022	2022	2021	2021	2021
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Income From							
Donations and legacies	2	12,279	825	13,104	12,756	628	13,384
Other trading activities	3	56	-	56	119	-	119
Investments		1	-	1	1	-	1
Charitable activities	4	431	-	431	467	-	467
Other income	5	-	1,365	1,365	25	1,184	1,209
Total income		12,767	2,190	14,957	13,368	1,812	15,180
Expenditure On							
Raising funds		1,779	30	1,809	1,476	32	1,508
Charitable activities		13,096	2,204	15,300	11,506	1,687	13,193
Other		128	-	128	(641)	-	(641)
Total expenditure	6	15,003	2,234	17,237	12,341	1,719	14,060
Net (expenditure)/income		(2,236)	(44)	(2,280)	1,027	93	1,120
Net movement in funds		(2,236)	(44)	(2,280)	1,027	93	1,120
Reconciliation of funds							
Total funds brought forward		7,873	254	8,127	6,846	161	7,007
Total funds carried forward		5,637	210	5,847	7,873	254	8,127

The notes on page 45 to 60 form part of these financial statements.

Balance sheet as at 31 December 2022

		Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
		2022	2022	2022	2021	2021	2021
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Fixed Assets							
Intangible fixed assets	10	328	-	328	368	-	368
Tangible fixed assets	11	5,699	3	5,702	4,633	6	4,639
Total		6,027	3	6,030	5,001	6	5,007
Current Assets							
Debtors	12	786	299	1,085	1,012	176	1,188
Cash and cash equivalents		1,039	(89)	950	4,316	78	4,394
Total		1,825	210	2,035	5,328	254	5,582
Creditors: amounts falling due within one year	13	(904)	(3)	(907)	(921)	(6)	(927)
Net current assets		921	207	1,128	4,407	248	4,655
Total assets less current liabilities		6,948	210	7,158	9,408	254	9,662
Creditors: amounts falling due after one year	14	(1,311)	-	(1,311)	(1,535)	-	(1,535)
Net assets		5,637	210	5,847	7,873	254	8,127
Funds							
Restricted funds				210			254
Unrestricted funds				5,637			7,873
Total funds	19			5,847			8,127

Approved by the Board of Directors and Trustees and authorised for issue on 30th June 2023 and signed on its behalf.



Roger Hattam

Chair of Trustees and Director

The notes on page 45 to 60 form part of these financial statements.

Statement of cash flows as at 31 December 2022

	Total 2022 £'000	Total 2021 £'000
Cash flows from operating activities		
Net (outgoing)/incoming resources	(2,280)	1,120
Depreciation on tangible fixed assets	150	106
Impairment of tangible fixed assets	70	(683)
Amortisation of intangible assets	52	50
(Profit)/loss on sale of assets	(279)	(1)
Less interest received	(1)	(1)
Add interest paid	58	41
Increase/(decrease) in debtors	103	175
Increase/(decrease) in creditors	164	141
Net cash flow (used in)/provided by operating activities	(1,963)	948
Cash flows from investment activities		
Proceeds on sale of assets	2,043	2
Purchase of tangible fixed assets	(3,047)	(2,264)
Purchase of intangible fixed assets	(12)	(49)
Current asset investment	-	-
Interest received	1	1
Net cash flow (used in)/provided by investing activities	(1,015)	(2,310)
Cash flows from financing activities		
Cash inflows from new borrowing	-	1,495
Interest paid	(58)	(41)
Repayment of bank loans	(408)	(248)
Net cash flow (used in)/provided by financing activities	(466)	1,206
Change in cash and cash equivalents in the year	(3,444)	(156)
Cash and cash equivalents as at 31 December 2022	950	4,394
Cash and cash equivalents as at 31 December 2021	4,394	4,550

The notes on page 45 to 60 form part of these financial statements.

Notes to the financial statements for the year ended 31 December 2022

1. Statement of accounting policies

Charity information

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

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

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

Accounting convention

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

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

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

The charity's principal activities are described in detail on pages 8 to 9 along with the nature of the charity's operations. The company has adopted the following principal accounting policies, which should be read in conjunction with the financial statements set out on pages 42 to 44.

Basis of consolidation

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

Preparation of the accounts on a going concern basis

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

As a result of their review, the Trustees believe that the charity is well-placed to manage operational and financial risks successfully given that the charity has recently taken action to rebalance expenditure to align with the predicted decline of income growth over the next 3 years, due to the ongoing uncertain economic outlook. Accordingly, the Trustees have a reasonable expectation that there are no material uncertainties about the charity's ability to continue in operational existence for the foreseeable future.

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

Funds held by the charity

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

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

Incoming resources

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

Legacies

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

Government grants

Grant income is recognised when the charity has been notified of entitlement, where receipt is probable and the grant is quantifiable, provided that the terms of the grant

1. Statement of accounting policies (continued)

do not impose future performance-related conditions. If entitlement is conditional on performance, such as a particular level of service to be delivered, the grant is not recognised until these conditions have been met. Any grants that are received before the revenue recognition criteria are met are recognised in the entity's financial statements as a liability.

Resources expended

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

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

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

Intangible fixed assets other than goodwill

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

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

Software development	10 years on cost
----------------------	------------------

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

Tangible fixed assets

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

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

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

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

Fixed asset investments

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

Impairment of fixed assets

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

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

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

Debtors

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

1. Statement of accounting policies (continued)

Cash and equivalents

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

Creditors and provisions

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

Financial instruments

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

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

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

Basic financial assets

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

Impairment of financial assets

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is

the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

Derecognition of financial liabilities

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

Taxation

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

1. Statement of accounting policies (continued)

Pensions

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

Termination benefits

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

Operating leases

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

Judgements and key sources of estimation uncertainty

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

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

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

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

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

2. Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Regular Supporters	5,872	7	5,879	5,824	5	5,829
Individual gifts	1,930	390	2,320	2,175	247	2,422
Churches	2,054	1	2,055	2,084	-	2,084
Companies	553	92	645	293	167	460
Charitable Trusts	320	285	605	749	209	958
Legacies	101	50	151	173	-	173
Total	10,830	825	11,655	11,298	628	11,926
Gift Aid	1,449		1,449	1,458	-	1,458
Total donations and legacies	12,279	825	13,104	12,756	628	13,384

3. Other trading activities

	2022	2021
	£'000	£'000
Fundraising events	38	86
Rents received	18	33
Total	56	119

The amounts above are all unrestricted income.

4. Charitable activities

	2022	2021
	£'000	£'000
Service Companies	418	459
CAP Money resources	11	8
Services resources	2	-
Total	431	467

The amounts above are all unrestricted income.

5. Other income

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Government grants	-	1,365	1,365	25	1,184	1,209
Total	-	1,365	1,365	25	1,184	1,209

During the year the organisation claimed £nil (2021: £1,576) from the government in relation to the COVID-19 Job Retention Scheme.

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

		2022	2021
Government department	Project	£'000	£'000
The Money and Pensions Service	COVID-19: Maintaining Debt Advice Capacity	-	23
The Money and Pensions Service	COVID-19: Increasing Debt Advice Capacity	855	713
The Money and Pensions Service	Administration of Debt Relief Orders	260	217
Housing and Social Justice Directorate (Scotland)	Debt Advice Provision Project	246	249

6. Total expenditure

	Direct costs	Support costs	Total costs	Direct costs	Support costs	Total costs
	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure on raising funds						
Expenditure on raising donations and legacies	1,512	297	1,809	1,303	205	1,508
Total	1,512	297	1,809	1,303	205	1,508
Expenditure on charitable activities						
CAP Debt Centres	9,797	1,931	11,728	8,307	1,755	10,062
CAP Job Clubs	413	73	486	529	118	647
CAP Fresh Start	-	-	-	339	83	422
CAP Life Skills	826	276	1,102	300	62	362
CAP Kick Start	4	-	4	1	-	1
Client welfare	218	19	237	202	26	228
CAP Money	167	10	177	126	8	134
International	268	10	278	168	8	176
Raising awareness	1,100	188	1,288	998	163	1,161
Total	12,793	2,507	15,300	10,970	2,223	13,193
Other costs	58	-	58	42	-	42
Impairment on fixed assets	70	-	70	(683)	-	(683)
Total resources expended	14,433	2,804	17,237	11,632	2,428	14,060

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

	Principal basis of allocation of activities	2022 £'000	2021 £'000
General management and support	Headcount	944	484
Financial management	Headcount	597	594
Human resources	Headcount	580	711
Supporter relations	Headcount	472	448
IT	Headcount	145	129
Governance	Headcount	66	62
Total		2,804	2,428

7. Analysis of grants given

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

	Grants to individuals	Grants to churches	Total	Grants to individuals	Grants to churches	Total
	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Insolvency fee bursary	87	-	87	121	-	121
Increasing debt advice capacity in Scotland	-	103	103	-	83	83
Church debt centre bursary	-	44	44	-	124	124
Mustard seed bursary	-	15	15	-	-	-
Total	87	162	249	121	207	328

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

8. Employee emoluments

	2022	2021
	£'000	£'000
Wages and salaries	10,765	9,640
Social security costs	1,036	871
Pension costs	883	837
Total	12,684	11,348

During the year there were £6,720 (2021: £39,012) in redundancy payments.

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

	2022	2021
	£'000	£'000
£60,000 - £69,999	3	3
£70,000 - £79,999	2	1
£80,000 - £89,999	1	1

The key management personnel of the charity comprises the Chief Executive Officer, Chief Operating Officer, Chief People and Culture Officer, Director of Engagement and Influence, Director of Finance, Risk and Compliance, Director of Debt Operations, Director of Church Network, Director of People and Culture and Director of Technology and Digital Transformation. The total employee benefits of the key management personnel were £612,696 (2021: £707,276).

8. Employee emoluments (continued)

The average monthly headcount was 410 staff (2021: 391) and the average number of full-time equivalent employees (including casual and part-time staff) during the year was:

	2022	2021
Head office	372	344
Total	372	344

9. Net income for the year

	2022	2021
Is stated after charging	£'000	£'000
Auditor's remuneration		
External audit fees	35	27
Advisory services	17	30
Depreciation	150	105
Amortisation	52	50
Operating lease rentals	77	74
Impairment of fixed assets	70	(683)
Interest payable	58	41

10. Intangible fixed assets

	Software development	Total
Cost	£'000	£'000
At 1 January 2022	516	516
Additions	12	12
Disposals	-	-
At 31 December 2022	528	528
Accumulated amortisation	-	-
At 1 January 2022	148	148
Charge for the year	52	52
Disposals	-	-
At 31 December 2022	200	200
Net book values		
At 31 December 2022	328	328
At 31 December 2021	368	368

11. Tangible fixed assets

	Freehold land and buildings	Computer equipment	Furniture and other equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2022	5,640	774	79	6,493
Additions	2,728	96	223	3,047
Disposals	(2,823)	(43)	(70)	(2,936)
At 31 December 2022	5,545	827	232	6,604
Accumulated depreciation				
At 1 January 2022	443	681	48	1,172
Charge for the year	71	65	14	150
Eliminated on disposal	(400)	(42)	(48)	(490)
At 31 December 2022	114	704	14	832
Accumulated impairment				
At 1 January 2022	682	-	-	682
Charge for the year	70	-	-	70
Eliminated on disposal	(682)	-	-	(682)
At 31 December 2022	70	-	-	70
Net book values				
At 31 December 2022	5,361	123	218	5,702
At 31 December 2021	4,515	93	31	4,639

During 2022 the market value of land held in freehold land and buildings, and intended for disposal, was assessed as being lower than its net book value. Therefore an impairment charge of £70,089 (2021: impairment reversal of £682,703) was recognised in the statement of financial activities for the year ended 31 December 2022.

Included in the net carrying amount of freehold land and buildings is £2,382,950 (2021: £3,520,674) pledged as security against the charity's bank loans.

Computer equipment costing £11,005 was purchased using a restricted government grant in 2020. The net book value of the equipment as at 31 December 2022 was £2,751 (2021: £6,421).

12. Debtors

	Unrestricted funds	Restricted funds	Total	Total
	2022	2022	2022	2021
	£'000	£'000	£'000	£'000
Gift aid recoverable	276	-	276	389
Trade debtors	74	-	74	57
Accrued income	222	299	521	584
Prepayments	212	-	212	152
Other debtors	2	-	2	6
Total	786	299	1,085	1,188

13. Creditors – amounts falling due within one year

	Unrestricted funds	Restricted funds	Total	Total
	2022	2022	2022	2021
	£'000	£'000	£'000	£'000
Building fund loans	2	-	2	2
Bank loans	122	-	122	306
Other tax and social security	256	-	256	235
Accruals and deferred income	322	3	325	183
Trade creditors	160	-	160	161
Other creditors	42	-	42	40
Total	904	3	907	927

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

	Total	Total
	2022	2021
	£'000	£'000
Bank loans	1,311	1,535
Total	1,311	1,535

Loans outstanding at the year end amounted to £1,434,409 (2021: £1,842,596) and these are repayable as follows:

	Total	Total
	2022	2021
	£'000	£'000
Within one year	123	308
Between two and five years	332	498
After more than five years	979	1,037

On 11 July 2013 a loan for £1,469,000 was taken out with Lloyds Bank PLC. This loan was fully secured against the freehold property known as Jubilee Mill, North Street, Bradford. The loan was repayable over a period of ten years and interest was fixed at 3.86% for its duration. This loan was repaid in full on 14th October 2022, at the time of the sale of Jubilee Mill. The balance of the loan at that date was £130,886 (31 December 2021: £272,015).

In October 2015 a second loan was taken out for £404,000 with Lloyds Bank PLC for the purchase of a freehold property at 86 Captain Street, Bradford and the refinancing of the loan for the property at 33 Norman Terrace, Eccleshill. The loan is repayable over a period of eight years and interest is fixed at 4.20% for its duration. This loan is fully secured against the freehold property known as 86 Captain Street, Bradford. The balance of the loan at 31 December 2022 was £48,688 (2021: £104,913) which represents 15% of the balance sheet value of the property.

In July 2021 a third loan was taken out for £1,495,000 with Stewardship Services (UKET) Limited for the purchase of a freehold property at 1 Filey Stret, Bradford. The loan is repayable over a period of 15 years and interest is variable for its duration. The interest rate on this loan increased in 2022 from 3.25% to 4.5% in line with the Stewardship Standard Lending Rate. The balance of the loan at 31 December 2022 was £1,384,221 (2021: £1,464,168) which represents 68% of the balance sheet value of the property. The loan is fully secured against the property.

15. Other financial commitments

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

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

	31 Dec 2022	31 Dec 2021
	£'000	£'000
Operating leases which expire:		
Within one year	67	67
Between two and five years	87	104
After more than five years	-	3

16. Financial instruments

	31 Dec 2022	31 Dec 2021
	£'000	£'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	596	647
Carrying amount of financial liabilities		
Measured at amortised cost	1,960	2,216

17. Movement of funds

Description of fund	Balance 1 Jan 2022	Incoming resources	Resources expended	Balance 31 Dec 2022	Balance 1 Jan 2021	Incoming resources	Resources expended	Balance 31 Dec 2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General unrestricted funds	7,873	12,767	(15,003)	5,637	6,846	13,368	(12,341)	7,873
Restricted funds								
Individual centres	-	-	-	-	-	1	(1)	-
Scotland region	-	39	(39)	-	-	-	-	-
Northern Ireland expansion	-	106	(48)	58	-	7	(7)	-
Republic of Ireland establishment	-	10	(10)	-	-	-	-	-
Scotland debt advice	-	-	-	-	-	28	(28)	-
Debt operations	-	348	(348)	-	-	387	(387)	-
Social policy	15	69	(84)	-	-	15	-	15
Client emergency aid	55	57	(112)	-	21	115	(81)	55
Insolvency bursary fund	23	108	(82)	49	-	112	(89)	23
Church Bursary fund	12	13	(12)	13	-	136	(124)	12
CAP Job Clubs	-	1	(1)	-	-	1	(1)	-
CAP Money refresh project	-	30	(11)	19	-	-	-	-
CAP Kick Start	-	-	-	-	-	1	(1)	-
Staff benevolent fund	-	1	(1)	-	-	2	(2)	-
Apprenticeship Levy	-	-	-	-	-	2	(2)	-
Opportunity fund	100	-	(100)	-	100	-	-	100
Debt service transformation	-	250	(250)	-	-	-	-	-
Increasing debt advice capacity	-	858	(858)	-	-	716	(716)	-
Increasing debt advice capacity (Scotland)	1	246	(247)	-	-	249	(248)	1
Scotland funding manager role	44	-	(25)	19	40	36	(32)	44
Scotland promotion & engagement manager	4	-	(4)	-	-	4	-	4
Warm Welcome initiative	-	1	(1)	-	-	-	-	-
York region	-	50	(1)	49	-	-	-	-
Call to prayer event	-	3	-	3	-	-	-	-
Total restricted funds	254	2,190	(2,234)	210	161	1,812	(1,719)	254
Total funds	8,127	14,957	(17,237)	5,847	7,007	15,180	(14,060)	8,127

17. Movement of funds (continued)

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

The funds received in relation to social policy were to support the work of the External Affairs team in work on social policy changes to benefit our clients.

Client emergency aid represents money given towards emergency food shops and other essentials for clients who are without when we first visit them.

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

The church bursary fund is made up of a number of donations which were raised for the purposes of giving grants to new and existing Debt Centre churches. These grants were to help them start or continue to run a Debt Centre service. The CAP Money refresh project is to update the materials and content of our CAP Money Course. The remainder of these restricted funds will be spent in 2023.

The opportunity fund was created to enable donors to give into a fund that would be available for CAP to use in the event that any unexpected opportunities arose that would require funds. During 2022, this was used to fund some of the work in relation to our debt service transformation.

During the year we received some restricted donations to fund our debt service transformation project.

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

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

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

During the year, we received a legacy payment that came with the restriction of being used to support the services in the York area and some of this was spent in 2022 to support clients in that area.

18. Capital commitments

The charity had no capital commitments at 31 December 2022 (2021: £nil).

19. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Intangible fixed assets	328	-	328	368	-	368
Tangible fixed assets	5,699	3	5,702	4,633	6	4,639
Cash at bank and in hand	1,039	(89)	950	4,316	78	4,394
Other net current assets	(118)	296	178	91	170	261
Creditors of more than one year	(1,311)	-	(1,311)	(1,535)	-	(1,535)
Total	5,637	210	5,847	7,873	254	8,127

20. Reconciliation of net debt

	Balance 1 Jan 2022	Cash flows	Balance 31 Dec 2022
	£'000	£'000	£'000
Cash at bank and in hand	4,394	(3,444)	950
Bank loans	(1,841)	408	(1,433)
Total	2,553	(3,036)	(483)

21. Budgeting and debt management services

Monies paid in by clients to enable their utility and debt repayments to be made are held in a separate bank account from the charity's own funds and cannot be used by the charity to fund its operations. The total balance in these separate accounts as at 31 December 2022 was £1,446,958 (2021: £1,573,029).

22. Transactions with Trustees

During the year, no remuneration was paid to any of the Trustees (2021: £nil) and no Trustees received travel expense reimbursements (2021: one Trustee for £269) from the charity. The charity paid a sum of £1,383 for Charity Trustee Insurance within its main insurance policy (2021: £1,383).

23. Related party transactions

During the year the charity was the sole member of CAP America, a non-stock corporation registered in the USA, whose principal activity is that of debt counselling. On 30 January 2019, the Directors issued a 'Letter of Comfort' to CAP America, undertaking to financially support CAP America to the full extent of any liabilities incurred by them that are unable to be satisfied by the assets of CAP America, not exceeding (USD) \$300,000 per annum. As at 31 December 2022 the corporation had reserves of (USD) \$86,147 (2021: \$101,469), and the deficit for the year was (USD) \$15,322 (2021: surplus \$16,723). During the year, the charity donated £40,000 (2021: £50,000) to support CAP America. As at 31 December 2022 there was an outstanding balance of £1,719 owed by the corporation.

On 17 February 2023, CAP ceased to be a member of CAP America and an affiliation agreement that was signed on 2 December 2022 became effective.

On 23 May 2022, the Directors issued a new 'Letter of Comfort' to CAP Australia, undertaking to financially support CAP Australia to the full extent of any liabilities incurred by them that are unable to be satisfied by the assets of CAP Australia, not exceeding (AUD) \$300,000, until 22 May 2024. At 31 December 2022 CAP Australia had net assets of (AUD) \$748,404 (2021: \$1,181,166).

During 2022 the charity donated £nil (2021: £20,000) to CAP Canada, a charity registered in Canada, of which Ellie Gage is a Trustee. On 19 October 2021, the Directors issued a new 'Letter of Comfort' to CAP Canada undertaking to financially support them to the full extent of any liabilities incurred by them that are unable to be satisfied by the assets of CAP Canada, not exceeding (CAN) \$300,000, until 19 October 2023. At December 2022 CAP Canada had net assets of (CAN) \$223,873 (2021: \$350,738).

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

	Total 2022	Total 2021
	£	£
CAP Canada	2,621	4,947
CAP New Zealand	14,980	25,730
CAP Australia	7,070	13,792
CAP America	1,719	-

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

	2022	2021
	£	£
CAP Canada	7,972	8,528
CAP New Zealand	56,127	57,760
CAP Australia	25,438	27,608
CAP America	2,199	-

24. Pension commitments

The charity operates a defined contribution pension scheme, Christians Against Poverty Group Stakeholder Pension Plan, for all employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by Christians Against Poverty to the fund and in 2022 amounted to £883,529 (2021: £837,663). All contributions due have been fully paid and the balance outstanding at the end was included in unrestricted liabilities.



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