

christians
against
poverty

CAP

2015

Annual report and accounts

Lifting people out of debt and poverty



Christians Against Poverty

Annual Report and Accounts for the year ended 31 December 2015

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Trustees' and Directors' Report

Chairman's Introduction

2015 was another year of growth for Christians Against Poverty. We finished this year with 491 CAP services that are helping people out of debt, step into employment, overcome their addictions and gain vital life skills. Our professional help, in the hands of the local church, is changing thousands of lives across the UK.

Our 290 debt centres helped 16,656 people on their journey out of debt with 2,642 people becoming completely debt free; this is 109 more than the previous year. 94% of our clients that responded to the 2015 Client Survey described our service as 'life transforming' or a 'great help'. This is no surprise as a third of everyone who rings us for debt help has seriously considered suicide. This means we potentially helped save 5,000 lives! Two thirds of families missed meals before our help, that means 10,000 adults plus their children that haven't gone hungry.

2015 was the year that proved our 145 CAP Job Clubs really work. In terms of effectiveness, 376 people found work, this is an increase of 124%. It was another good year for our new service CAP Release Groups, which were launched in 2014. We grew the network to 44 groups and saw 87 people take control of their dependencies on alcohol, drugs and gambling etc.

We were delighted to begin piloting a new service in September, CAP Life Skills, to equip those struggling on low incomes to budget and manage life's pressures through twelve partner churches. To create CAP Life Skills we took the principles of our CAP Money Course, from which over 11,500 people benefit from each year, and made it more in-depth and wider ranging so we can truly serve the poor and save the lost.

The year also saw us make significant inroads into government and industry, winning the Debt Advice Provider of the Year award at the Credit Today Collections & Customer Service Awards in November. Our report, titled *The poor pay more*, was launched in Westminster during the autumn, and was well received by the MPs, Peers and representatives of the energy industry.

Another significant event in 2015 came in June, when the Archbishop of Canterbury, Justin Welby, became our patron. He said, 'CAP deals in helping people to get free of the prison of debt and it's something I feel passionately about. Having seen them at work, and how effective they are, I wanted to be a patron and to support them in anyway I could.'

As we move into 2016, CAP's twentieth year, I am more acutely aware, than ever, that our work is trans-generational. Therefore, I am full of expectation for what God will do through us, through our church partners, and I look forward to hearing more stories of lives transformed, families restored, jobs found and dependencies' overcome.

Best wishes



Peter Green
Chair of Trustees

Trustees' and Directors' Report

The Board of Directors present their annual report, together with the audited accounts, for the year ended 31 December 2015.

We are passionate about releasing people from a life sentence of debt, poverty and its causes. Our vision is to bring freedom, hope and the good news to people in every UK community through local churches running 1,000 CAP projects by 2021.

We do this through:

- a) The relief of poverty for persons in the United Kingdom and elsewhere who are in conditions of need, hardship or distress by reason of their social and/or economic circumstances, by providing and promoting advice and other services.
- b) The advancement of education of the public in all matters relating to the management of their personal finances.
- c) The advancement of the Christian faith and doctrine.
- d) Raising awareness of debt, poverty and its causes in the UK and inspiring churches and individuals to partner with us.
- e) Expanding the work internationally where appropriate.

Through our partnership with local churches, we provide 491 CAP services that help people to escape debt, poverty and their associated causes.

We define our core services as:

- CAP Debt Centres
- CAP Job Clubs
- CAP Release Groups
- CAP Life Skills

Through our 290 CAP Debt Centres we offer face-to-face support and a comprehensive debt management service, enabling our clients to become debt free. These Debt Centres also provide integral support to combat the emotional and spiritual poverty that is created by the isolating burden of debt. In 2015 we visited 7,250 new clients in their homes, supported 5,562 existing clients, this represents a total of 16,656 adults. We saw 2,642 clients go debt free, this is 109 more than in 2014. Our aim by the end of 2016 is to increase our network to 318 debt centres.

Added to this, our 145 CAP job clubs helped 1,475 jobseekers on their journey to work using the Three Cs model: a *Course*, a *Community* and *Coaching*. Through our job clubs 376 members - 26% of those attending - found work. It is our intention to continue growing this service in 2016, aiming to have a total of 167 clubs around the UK by the end of the year. Our 44 pilot release groups have also continued to thrive with 308 people attending in 2015. Like CAP Job Clubs, they are built around the Three Cs principle, setting members a series of milestones, so that they can achieve their goal of overcoming dependencies to alcohol, smoking and drugs. Of the release group members, 87 people have taken control of their dependencies, a 28% success rate. We hope to see our current number of groups grow to 72 by the end of the year.

As a result of our work, 18,439 people had their lives transformed as they took control of their dependencies, took steps towards employment, and were freed from the burden of debt in 2015. Marriages have been restored, children kept fed and clothed, depression and anxiety lifted, and suicides prevented.

2015 was also a fantastic year for development, as we launched the pilot of our CAP Life Skills. As with job clubs and release groups, Life Skills will work through a key system of a supportive peer-to-peer community, essential one-to-one coaching sessions and a purpose built eight-week course. The aim of the twelve pilot groups is to deal with many of the basic skills necessary to build a functional budget and tackle poverty. CAP Life Skills looks to adapt the idea of *Course*, *Community* and *Coaching*, teaching delegates how to cook, shop on a budget, think about their household finances, how to understand their own wellbeing and their relationships. There has been steady interest in this new service and our aim is that by the end of 2016 we will have 55 life skills groups around the UK.

With release groups and life skills coming on board, it became clear, that we needed to re-structure how we recruited, trained and managed our frontline services. This was in order to avoid the duplication of workloads at head office and around the country, and avoid having multiple area and regional managers for different services. We have re-structured so that teams are now based on function, rather than on service.

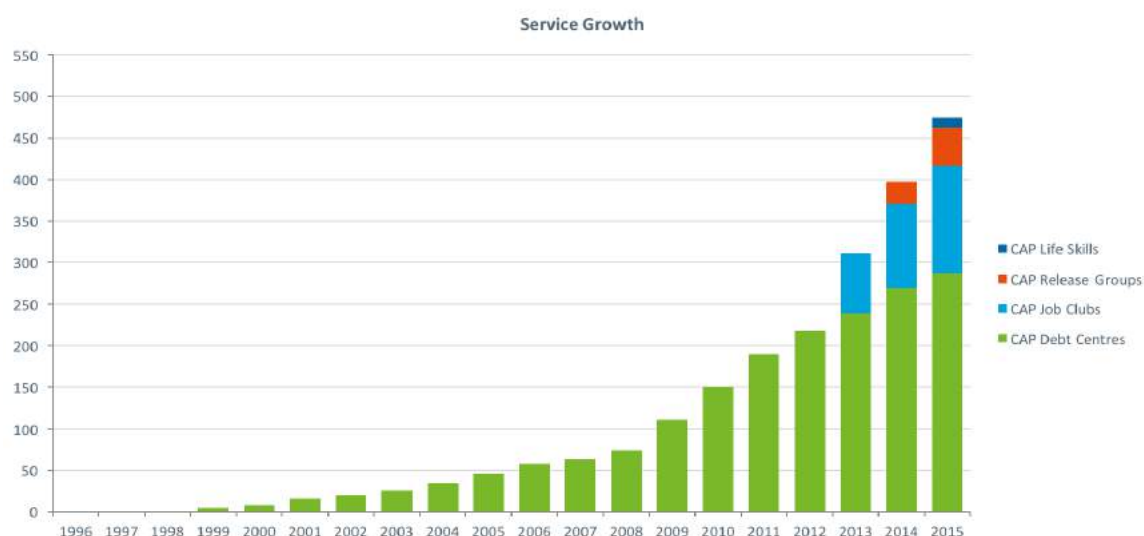
Trustees' and Directors' Report

In practice this means:

- A merged Network Management team across all services, with the only area of specialism being a team of Area Managers for our debt centres
- Merging recruitment of churches and individuals with our current Church Partnership team
- Merging HR functions, such as selection of frontline staff, training and on going learning, to become Staff Development.
- Merging Research and Development to create a team working across all CAP services.
- CAP Money Course re-positioned into Church Partnership

The above now leaves us with a more compact management structure, with each service area retaining a clearly defined head, who is responsible, and accountable, for its weekly and annual operation.

The graph below shows the growth of CAP over the last 20 years. It illustrates the organic development of our debt centre network, along with the diversification of the services that we provide. It is projected that this upward trend will continue in future years.



As you will have noted, CAP is now more than just a debt-counselling provider. The essence of the re-structure is to re-position us to be able to grow, and deliver all our core services effectively, and efficiently, in the short, medium and long-term.

We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and planning our activities. Our services are completely free and are available to anyone regardless of their race, faith or sexual orientation and the Directors have ensured that the activities undertaken will contribute to the aims and objectives of the charity. The Directors are therefore confident that Christians Against Poverty meets the public benefit requirements.

The Directors' Report includes the following: Chairman's Introduction, the Strategic Report, Structure, Governance and Management.

Trustees' and Directors' Report – Strategic Report – Review of the year's activities

Our Strategic Report includes a review of the year's activities and future plans, a financial review and principal risks and uncertainties.

Review of the year's activities

Relieving poverty

Tackling debt

Objective for 2015: Open 55 new CAP Debt Centres as we continue towards our 2021 vision of bringing debt freedom to people in every community by bringing our total number of CAP Debt Centres to 302. Through these debt centres we aim to help 6,600 new clients and see 3,000 becoming debt free over the year.

In 2015, we partnered with churches to open 48 new CAP Debt Centres. Working with churches to provide our debt help means that people in these communities receive an in-depth and personal service as they are visited at least three times in their own homes. We finished the year at a total of 290 CAP Debt Centres.

Although this figure is lower than what we were aiming for, it highlights some of the positive changes that have taken place as part of the service restructure. Over the course of time some centres close when staff move on, or churches reprioritise. The service restructure will provide more support for our network, aiming to reduce attrition in future years. We are also planning to increase the support available for churches, alongside continued learning and development opportunities for our staff and volunteers. This support and training includes a re-vamped Grants and Trusts team providing extended consultations and church leader visits for our partners, enabling them to get more from their existing monies, as well as developing new short, medium and long-term, sustainable, income streams for a variety of local community initiatives. As a result of the training that our churches received from the Grants and Trusts team in 2014, they were able to raise £409,000 for themselves.

In 2015, 2,642 clients went debt free! This is a 4% increase on 2014's figures. We know from previous research that 96% of those who go debt free with us stay debt free.¹

Our Freephone number received 18,136 calls requesting help from our service in 2015. 82% of all calls were answered first time, and where possible, all voicemails were responded to within two hours. This first contact allowed us to book appointments for those within our centres' catchment areas, and send 287 self-help packs to those who did not. This figure is 31% less than last year, which means that now we have expanded, there are fewer people requesting our help who fall outside our catchment area.

In May 2015, we launched a new web chat service via capuk.org so that the New Enquiries team could deal with queries online and encourage nervous potential clients to speak to us. We entered into 326 web chats from launch until the end of the year.

7,250 new clients were visited in their own homes, 1.6% higher than last year. They joined the 5,562 existing clients who we are also helping through ongoing head office support and creditor negotiations, thus enabling them to live to an affordable budget, which prioritises food, heating and housing.

As a client can represent a single adult or a couple, 16,656 adults benefited from our debt counselling service over the course of the year. On behalf of these clients, we ended the year managing of £47.7m worth of secondary debt per month, with our clients paying an average of £1.2m per month towards their bills and debt repayments through their CAP Plan.

While with us, the vast majority of our clients have the opportunity to save through their CAP Plan. We believe that this is an essential part of financial education and breaking the cycle of poverty. With recurring regular costs, such as road tax and M.O.Ts, through to birthdays and Christmas, it is important to have savings, avoiding the need for extra credit around these times of extra cost. 1,509 clients made withdrawals from their savings totalling £261,000 in 2015 to pay for Christmas, showing that they really are creating new financial habits.

¹ This study was conducted with clients who had been debt free from anywhere between six months and six years.

Trustees' and Directors' Report – Strategic Report – Review of the year's activities

Savings are also vital in tackling the issues of a poverty premium. Paying for items up front is almost always cheaper, whether those instalments are paid on car insurance, a new electrical product, or a sofa. Avoiding credit, hire purchase, or the monthly repayments of catalogue companies can mean significant savings for our clients. And for those on the breadline, this has an even greater impact. It is, therefore, vital that we both facilitate and educate clients in this discipline, helping them tackle the poverty premium we are currently seeing in the UK.

In 2016 we aim to:

*Continue towards our 2021 vision of bringing debt freedom to people in every community by **growing** the total number of CAP Debt Centres to 318. Through these CAP Debt Centres we aim to help 5,610 new clients and see 2,879 becoming debt free over the year.*

Tackling unemployment

Objective for 2015: Tackle unemployment which is a major cause of debt and poverty by opening 80 new CAP Job Clubs in partnership with local churches, bringing the total to 160 by the end of the year. We will aim to help 1,700 people become work ready, with 250 people finding employment.

Through four training events in 2015, we were able to train and launch 70 CAP Job Clubs in 2015, bringing our network total to 145 clubs.

The 70 new job clubs that we opened, while less than our target, represent a 25% increase on the number we opened in 2014. In the past we would have counted clubs as open, even if they had been temporally inactive for a prolonged period. However, in 2015, as part of the service restructure, we instituted a more accurate method of accounting, thereby closing clubs that were unlikely to run a course again. It is for this reason that we saw an increase in the number of job clubs opened, and also explains why our network total is less than the one expressed in our objectives for 2015. The above changes have also seen the effectiveness of the course exceed our expectations, with 10% more course members finding work than we had originally targeted for.

These 145 CAP Job Clubs ran our eight-week *Steps to Employment* course that provide one-to-one coaching and peer-to-peer support. 1,475 people attended the course, receiving training on everything from CV writing to interview skills and the value of volunteering. Thanks to this combination of positive goal setting, coaching and varied support, 376 CAP Job Club members found work in 2015.

In 2016 we aim to:

Tackle unemployment, which is a major cause of debt and poverty, by opening new CAP Job Clubs in partnership with local churches, bringing the total to 167 by the end of the year. We aim to help 2,320 people become work ready, with 580 people finding employment.

Tackling dependencies

Objective for 2015: Launch a further 60 CAP Release Groups through three training days, bringing our network total to 90 groups by the end of the year. We aim to run 200 courses, helping 600 delegates.

CAP Release Groups run an eight-week course helping those who have identified a dependency and decided that they want to be free. This course follows the proven *Twelve Steps* model and is provided alongside one-to-one coaching sessions by the CAP Release Group Coach who helps each member set milestones and specific goals. Alongside this, there is a supportive community where members can share their struggles and successes, receiving peer-to-peer support as they walk into a dependency free lifestyle.

We have placed an emphasis on living a dependency free lifestyle, whether that is setting manageable goals, taking up constructive hobbies, getting stuck into a club or joining a community like the church. It is important that course members learn just as much about what a new life can look like, as well as learning about tackling old habits.

Of the 308 delegates that attended a course run by one of our 31 Release Groups in 2015, 49 people hit their self-set goal (e.g. to stop smoking) indicating that they are free from their life-controlling dependency. We have also seen 38 other

Trustees' and Directors' Report – Strategic Report – Review of the year's activities

members achieve their self-set milestones (e.g. only have one drink a week). This means that 87 people have taken control of their dependency.

There are fewer groups open than we had originally aimed for in our 2014 report. It has been challenging recruiting churches to open Release Groups. This relates, in part, to challenging pre-conceived definitions around what it is to have an addiction or a dependency, and the types of people involved. We believe that further anecdotal evidence will better explain the concept and rationale behind what is a relatively inexpensive service to run.

In 2016 we aim to:

Increase our network total to 72 groups by the end of the year. We aim to run 194 courses, helping 600 delegates and see 137 delegates taking control of their dependency.

Financial education

Objective for 2015: Increase the number of churches running the CAP Money Course to 991 churches by training 1,360 CAP Money Coaches from 380 new partner churches. We estimate 15,000 delegates will benefit from the course over 2015.

The CAP Money Course is the debt preventative arm of our charity. It is a short money management course that teaches people how to budget, save and spend wisely, ultimately preventing debt by using a cash-based money management system. In 2015, we ran 1,918 courses for 11,508 delegates. We also provided access to more in-depth debt counselling through our follow up service, CAP Money Plus, for 137 delegates who were struggling with unmanageable debt.

In 2015, we trained 888 new CAP Money Coaches on behalf of 289 new churches, bringing our total number of local churches running the CAP Money Course to 849.

September 2015 saw the pilot launch of 12 CAP Life Skills groups, dealing with many of the basic skills necessary to build a functional budget and tackle poverty. CAP Life Skills looks to adapt the idea of *Course, Community* and *Coaching* and teach delegates how to cook, shop on a budget, think about their household finances and understand their own wellbeing and relationships (with relationship breakdown identified as one of the 'Five Pathways to Poverty' by the Centre For Social Justice). We have seen this lack of skills affect generational poverty over the last 20 years of working through our Debt Centres, and think that CAP Life Skills has the ability to break this generational cycle that so often affects those who grew up in a chaotic or unstable environment due to poverty.

Trustees' and Directors' Report – Strategic Report – Review of the year's activities

In 2016 we aim to:

Grow the poverty facing work of CAP Life Skills bringing our total number of groups to 55. We will also continue to increase the number of courses run to 2,000. We estimate 12,000 delegates will benefit from the course over 2016.

Advancement of the Christian faith

Objective for 2015: Continue to support local churches, as they reach out into their communities; giving clients the opportunity to respond to God's love in action. We also plan to run 14 Discovery Breaks to give 1,000 clients (including children) a break from their normal routine.

As well as physical poverty, our clients face spiritual poverty, isolation and emotional struggles. These are often as a result of debt, and, in some cases, were contributing factors to debt. We partner with local churches because we care about each person's complete wellbeing. When visiting clients, a volunteer Befriender accompanies the CAP Debt Coach, offering friendship and support in any area of life, as needed. We offer prayer for clients and, if they are interested, talk to them more about God.

Discovery Breaks are a highlight of the CAP calendar. These 2-4 day holidays offer our clients a break from the day-to-day realities of debt, precious time with their families and, in some cases, their first ever holiday. Discovery Breaks also allow clients the space to consider the reality of a God who loves and cares for them. In 2015, we took 929 people on 14 Discovery Breaks, which saw 254 people respond to the love of God, as part of the 877 people who made this decision throughout the year. This led to us celebrating 5,000 commitments through our work since 1996.

In 2016 we aim to:

Continue developing our relationship with local churches around the UK, enabling them to reach out to their communities and giving clients the opportunity to respond to God's love in action. We also plan to run 14 Discovery Breaks to give 1,000 clients (including children) a break from their normal routine.

Raising awareness of debt and poverty in the UK

Objective for 2015: Continue to raise awareness of debt and poverty in the UK, and inspire churches to partner with us through speaking at churches, exhibiting at conferences, running events, sending quarterly communications to our supporters, through electronic media such as e-shots and the website.

If we are to achieve our vision of 1,000 CAP services by 2021, then it is crucial that we raise awareness of debt and poverty in the UK and inspire churches to partner with us to open centres and encourage individuals to support us.

During 2015, we exhibited at 15 different conferences, including Spring Harvest, New Wine, Big Church Day Out and the Elim 100 Celebrations. In addition we carried out 416 church talks, speaking to 26,093 people in the process and generated 1,287 Life Changers. At the end of 2015, CAP's Speaker Team had trained a further 70 people to give talks on our behalf around the UK.

During the year, our Church Partnership team ran 48 Pastor Breakfasts in twelve targeted regions across the UK – with seven breakfasts in Scotland, two across Yorkshire, three in the Midlands, four in Northern Ireland, three in the North East, three in the South West, three in the South East and three in our East region. These breakfasts provide our team with the chance to engage with church leaders about the problem of debt and poverty in their area. Last year 502 church leaders were encouraged to consider opening a CAP service.

We also ran 16 Church Partnership Days, including eight regional Church Partnership Days, with three in Wales, two in Northern Ireland and three in Scotland.

In 2015, CAP's profile within, and engagement with, the credit, debt advice and utility industries, as well as government and referral agencies, continued to grow. CAP was honoured to be the first time winners of Debt Advice Provider of the Year at the Credit Today Collections & Customer Service Awards in November. We were also proud to be shortlisted for three other awards in the credit and utility industries, including Vulnerable Customer Support Initiative. Over the course of the year, we welcomed almost 200 creditors and referral agencies to Jubilee Mill, including 60 guests to CAP's Corporate Open Day in June. We also met with many influential organisations, such as the Financial Conduct Authority (FCA), HM Treasury and the

Trustees' and Directors' Report – Strategic Report – Review of the year's activities

Money Advice Service (MAS). Alongside this, we continued to share our experience and influence policy decisions, becoming an affiliate member of the All Party Parliamentary Group (APPG) on Debt and Personal Finance and responding to 13 consultations, including the review of the Lending Code, the FCA's credit card market study, and the Department of Culture, Media and Sport's review into TV licence enforcement.

From October 2015, changes to insolvency proceedings made it easier for the financially vulnerable to manage personal debt. This followed CAP's involvement in the campaign to raise the maximum debt limit for a Debt Relief Order (DRO). These changes meant that a third of CAP's clients who were previously too poor to go bankrupt, are now able to access a debt solution.²

In December, CAP launched *The poor pay more: prepayment meters (PPM) and self-disconnection* report, to highlight the hardship two fifths of CAP clients face because they are on a PPM. The report, based on a survey of 1,600 CAP clients, found PPM users are more vulnerable consumers, who are less likely to be able to contend with the additional challenges that come with paying for energy by PPM. As the number of PPM installations continues to rise, the report called for changes to be made so the poor do not pay more and PPM users in financial difficulty receive adequate protections.

CAP held a briefing in Parliament to raise awareness of the report's findings and recommendations amongst MPs and other key stakeholders. The briefing was hosted by Fiona Bruce MP and attended by over 40 people, including 15 MPs and representatives from Ofgem, the Big Six energy suppliers and the Energy Ombudsman. Guest speakers from Citizens Advice and Money Advice Scotland spoke in support of our findings and several MPs praised the work CAP is doing in their constituency. Following the briefing, MP for Mitcham and Morden, Siobhain McDonagh, tabled Early Day Motion (EDM) in support of *The poor pay more*, which has been signed by 30 MPs to date.³

Looking ahead to 2016, we plan to continue our external engagement, particularly with the utility industry and referral agencies. We are aiming to sign ten new national or regional referral partnerships in 2016, similar to the one CAP currently has with the Department of Work and Pensions (DWP) and increase the number of creditors with whom we communicate electronically. For the first time, the launch of CAP's Client Report will take place at a stand-alone event in London this year, with the aim of attracting a high level audience, and we will be attending the main political party conferences to raise awareness of CAP's services amongst MPs.

In 2016 we aim to:

Continue to raise awareness of debt and poverty in the UK, inspiring churches and individuals to partner with us to see more services open throughout the UK. We do this through speaking at churches, exhibiting at conferences, running partnership and fundraising events, regular communication to our supporters and this year by making full use of our twentieth year to raise the profile of the organisation and to see more lives changed.

International development

Objective for 2015: Continue to lead and support the work of Christians Against Poverty in Australia and New Zealand and Canada, with a specific focus to launch CAP Job Clubs in New Zealand.

CAP UK provides leadership support to the work of Christians Against Poverty in Australia, New Zealand and Canada, although they are completely autonomous organisations. Most of this support comes through John Kirkby, our Founder and International Director, who travels to each country at least twice a year to provide hands-on advice.

CAP Australia

Ross Buttenshaw, National Director, CAP Australia, writes:

'For CAP Australia, 2015 was a year that demonstrated continued momentum and saw the launch of new services to address a wider range of socio-economic issues. Despite facing some challenges growing church partnerships, we have launched 15 new debt centres and seven CAP Job Clubs.

² 34%

³ 14/01/16

Trustees' and Directors' Report – Strategic Report – Review of the year's activities

Thanks to these services, CAP helped over 7,000 people journey towards financial freedom, learn effective budgeting skills and develop employment strategies. Since the opening of Job Clubs, we have already seen several members find the confidence they need to apply themselves to job opportunities.

Thanks to the continued efforts of our Debt Management team and our church partners, we have seen 325 families go debt free in the last twelve months. 80 people also made commitments to Christ so we are seeing fresh starts for many families financially and spiritually. This is hugely encouraging as we enter into 2016.

We are confident that 2016 will be a year of continued growth, expanding our services to reach more people.'

After 8 years of service Ross Buttenshaw stood down as National Director of CAP Australia in February 2016 and Aimee Mai, National Director of CAP New Zealand, was appointed Interim National Director, working with John Kirkby, to steer CAP Australia through 2016 and future leadership appointments. The Trustees thank Ross for his service in leading CAP Australia through many turbulent years, leaving them in a position of growth and stability.

CAP New Zealand

Aimee Mai, National Director, CAP New Zealand, writes:

The Debt Centre network experienced an incredible 50% growth, finishing the year with 51 Centres – this is the most centres we have ever trained in a single year and was well above the target. This expansion brought a significant increase in debt free families, with 181 families being set free from debt across the year (a 63% increase). We are now working with 781 client families and managing in excess of \$16 million worth of debt.

After launching Job Clubs in the second half of 2014, there was a 50% growth in Clubs throughout 2015. Though the growth was smaller than planned the Clubs are working – 53 people found work (a 22% effectiveness rate) with the average length of unemployment being 22 months.

CAP Money continued to grow, as we trained 67 new churches and ran 355 courses (increase of 15%) for 1,900 Kiwi households. And, in October, CAP Money Youth got up and running, with 83 churches requesting start-up packs.

Financially, our regular income increased by 23% to \$1,638,854, meaning we were 66.8% regular funded for the year. This increase was thanks, in part, to our 666 new Life Changers. Our one-off income for the year was \$1,007,413 (a similar level to 2014). This brought our overall income to \$2,646,000 for the year (a 13% increase), with an \$180,000 accounting surplus and \$641,000 in the bank to start 2016.

As we look toward 2016, we will be running a Release Groups pilot course in February and launching the programme mid-year with the aim to get five groups up and running, alongside the growing network.'

Also 167 people made a commitment to Christ in 2015

As part of the changes at CAP Australia, Aimee Mai will continue to have overall responsibility for CAP New Zealand along with her new duties at CAP Australia. However Sam Garroway has been appointed Interim National Director for CAP New Zealand, responsible for the day-to-day operations of the charity.

CAP Canada

Helen Reimer, National Director, CAP Canada writes:

'CAP Canada saw significant growth in 2015. We were able to help 105 new clients (48% increase on 2014) and 1,135 people attended the CAP Money Course (69% increase on 2014). We are now managing \$1.5 million on behalf of our clients (up from \$300,000 in 2014). We had some real breakthroughs with our insolvency processes, seeing seven people go debt free (75% increase on 2014) and through our relationships with creditors some are beginning to stop interest and charges for our clients. We also saw 18 people decide to become Christians.

Our regular income almost doubled this year through our Life Changers and Church Contributions and we are now 43% regularly funded. We have over 600 regular donors giving an annual income of \$170,000, in addition to over \$66,000 from our partner churches. We ended the year with \$70,000 surplus that puts us in a strong position as we start 2016.'

Trustees' and Directors' Report – Strategic Report – Review of the year's activities

In 2016 we are launching Job Clubs and Release Groups as well as expanding our Debt Centre Network.'

In 2016 we aim to:

Continue to lead and support the work of Christians Against Poverty in Australia, New Zealand and Canada. Our specific focus is to pilot CAP Release Groups in New Zealand and Job Clubs and Release Groups in Canada.

Future developments

It is our intention to continue piloting CAP Life Skills for the whole of 2016, with a view to fully launching it in 2017. This will allow us to embed the structural changes that we put in place in 2015, ensuring that we continue to make the poor, vulnerable and marginalised our focus.

Other developments include the official launch of CAP Release Groups and our 2015 Client Report at Westminster in June.

Financial review

The Trustees are pleased to report another year of strong financial growth.

Income

As part of the process of preparing the 2015 financial statements we have processed a prior period adjustment to correct the previous treatment of grant income in prior years.

Historically, the grant income had been accounted for on a receipts basis which did not meet the revenue recognition criteria of the Charity SORP 2005. In 2013 the charity was made aware of grants totalling £1.44m to be spread over a three year period. However, the revenue recognition criteria of entitlement, certainty and measurement were met and the grants should have been recognised in full. The effect of this adjustment is as follows:

	2013 £'000	2014 £'000	2015 £'000
Income on a receipts basis	8,290	9,455	10,035
Adjustment	1,440	(590)	(510)
Income as per the revised accounts	9,730	8,865	9,525

The prior period adjustment has effected the surplus/deficit for the year as follows:

	2013 £'000	2014 £'000	2015 £'000
Surplus on receipts basis	441	1,223	180
Surplus/(deficit) on recognition basis	1,881	578	(330)

For the purposes of this report the detailed analysis below is based on the income received during the year.

As in previous years CAP continues to rely on voluntary donations from individuals and organisations as its principal source of funding. Total income generated for the year increased by 7% to £9.53m (2014: £8.87m).

Our regular giving programme – Life Changers – generated income of £3.92m (2014: £3.52m), which with the associated Gift Aid of £0.73m (2014: £0.52m) totalled £4.65M (2014: £4.04m); an increase of 15%. At the end of 2015 there were almost 28,000 Life Changers, each giving an average of £12.66 per month (excluding Gift Aid), and we will continue to put all our efforts into increasing the number of Life Changers so that the charity has a solid foundation of support on which it can build.

Regular church giving continues to be an important source of funds, particularly from our partner churches, and over the year £1.79m (2014: £1.71m) came from this source; an increase of 4.6%. We also continue to receive one-off gifts from churches which totalled £0.12m (2014: £0.09m), making a total from churches for the year of £1.91m (2014: £1.82m).

Finance companies are also encouraged to give regularly through our Fairshare scheme. At the end of the period, 41 companies were giving 10% of all debts paid to them through the CAP Account back into the charity, raising a total of £629k (£2014: £690k) during the year.

Overall regular monthly giving, whether from individuals, churches or finance companies, represented 71% (2014: 70%) of our total income received. This represented 74% (2014: 80%) of total expenditure for the year and, whilst this shows a reduction on 2014, it is still in line with the Directors' and Management's strategy to maintain the level of regular giving in order to reduce the need for increasingly large levels of one-off income as the charity grows.

Whilst every effort is put into increasing the level of regular giving, there is still a need for significant one-off income and, in 2015, total one-off gifts from individuals totalled £1.4m (2014: £1.2m) which increased to £1.6m (2014: £1.4m) with the addition of Gift Aid. Many individuals who already make monthly Life Changer donations gave additional gifts that are part of this £1.6m. A further £77k (2014: £83k) was generated from fundraising events.

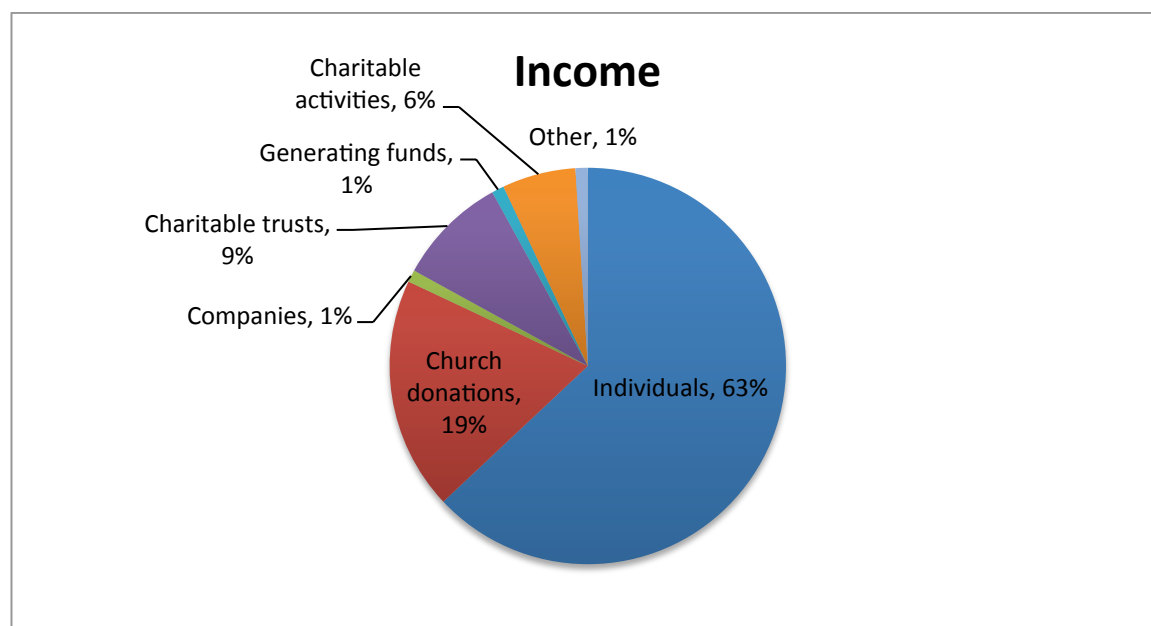
Income from Charitable Trusts continues to an important income stream for the charity and in 2015 we received £949k (2014: £978k) in cash from this source of funds. We are indebted to the many Trusts that agreed to support our work in this

Trustees' and Directors' Report – Strategic Report – Financial Review

way and this total included the third payment of £400k from The Souter Trust, as part of the £1.4m granted in 2013 towards the future growth of our Debt Centre, Job Clubs and Release Groups projects. The remaining £300k is payable in 2016 and we are particularly grateful to The Souter Charitable Trust for the confidence they have shown in the charity to be able to deliver on these growth plans.

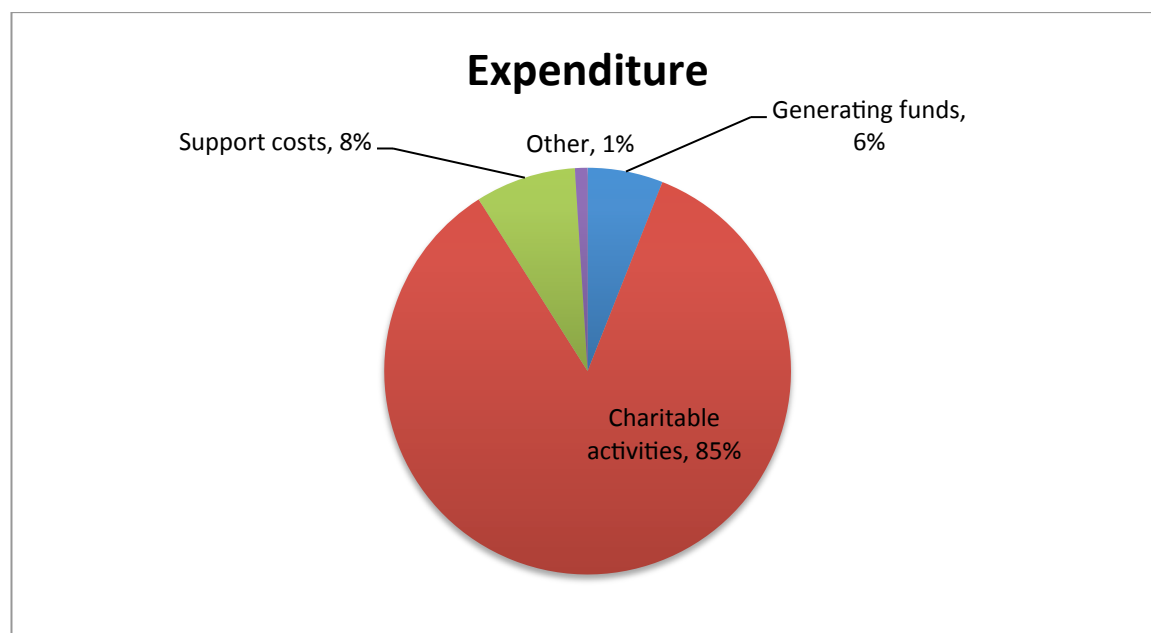
Total one-off income received during the year from all sources was £2.9m (2014: £2.8m), an increase of 3.5%.

At a time when the economic outlook is uncertain the Directors wish to thank all our supporters for the financial contribution they have made towards the success of the charity.



Expenditure

Total expenditure increased by 18% to £9.9m (2014: £8.3m) as a result of the increased activity of the charity and further investment for future growth. Direct costs of £8.4m (2014: £7.0m) related to charitable activities representing 86% (2014: 85%) of total expenditure. The direct costs of raising funds were £589k (2014: £526k) representing 6.0% (2014: 6.3%) of total expenditure, whilst essential support costs of £815k (2014: £662k), representing 8.3% (2014: 8.0%) of total expenditure, have been allocated to activities on the basis of headcount. Staff costs of £6.7m (2014: £5.6m) represented 68% (2014: 68%) of the total expenditure. (See Note 5 of the Financial Statements for a detailed breakdown of the Total Resources Expended).



Trustees' and Directors' Report – Strategic Report – Financial Review

Balance Sheet

The Balance Sheet continues to remain strong. A strong cash position at the end of the year resulted in net current assets being £1.93m (2014: £2.64m) with the net assets of the charity at 31 December 2015 being £3.9m (2014: £4.2m) following the release of £510k from accrued income.

Tangible fixed assets for the use of the charity

Details of movements in fixed assets are set out in Note 6 to the financial statements.

During December 2014 agreement was reached to purchase a piece of land between Stott Hill Road and Wellington Street, Bradford for a price of £220,000. The land adjoins our own land and will initially be used to provide additional car parking spaces for our growing number of staff. If at some point in the future we decide to develop the land then an additional fee of £80,000, index linked, will need to be paid. The purchase of the land was completed on 26 January 2015 and paid for out of cash reserves.

Whilst Jubilee Mill and Jubilee Centre continue to provide excellent accommodation for the charity it is apparent that as the charity grows more space will be needed. During 2015 a small building in the proximity of both existing building came on the market and in October 2015 we purchased 86 Captain Street, Bradford for £235k. This was financed by a bank loan, which we also used to refinance 33 Norman Terrace so that all of our property loans mature at the same time.

Whilst we do not have an immediate need for 86 Captain Street it was becoming apparent that we needed more space within the Jubilee Centre in order to facilitate the increased activity in training and other such events. The plan therefore was to relocate the tenants in the Jubilee Centre – The Light Church – into 86 Captain Street, again on a short-term lease, thus releasing the space they previously occupied in Jubilee Centre. This move took place at the end of February 2016. The Light Church, not only runs a CAP Debt Centre and CAP Job Club but also provides much needed help for the local community through their Food Bank scheme, and allowing the Light Church to use the building in this way not only brings in additional income to the charity but we believe it also fulfils many of our charitable objectives in the way that they reach the poor and the marginalised.

The charity also invested in renewable energy by installing solar panels on both Jubilee Mill and Jubilee Centre at a cost of £55k, paid for out of cash reserves. Whilst there is a relatively lengthy pay back period we believe this investment is in line with our commitment to protect the environment in any way we can.

Upon transition to FRS102, the Trustees made the decision to adopt the transition exemption to use the revalued amount as the new 'deemed cost' and not adopt a policy of revaluation going forward.

The Trustees are still of the opinion that all of our buildings represent great assets to the charity over and above their actual valuations.

Reserves policy

The Trustees of the charity continually aim to maintain the correct balance between the strong growth strategy of the charity with the desire to achieve a prudent level of reserves. The fact that CAP has a high percentage of unrestricted regular private income is, in many respects, one of the strongest long term reserves the charity could hope for. With almost 28,000 people giving an average of £12.66 per month, this income represents 46% (2014: 43%) of our total income, or over four months worth of expenditure. Total regular income represented 74% (2014: 80%) of total expenditure, which is within the charity's strategy of maintaining this percentage between 70-80% of total expenditure.

Whilst regular giving is vital to the financial stability of the charity the Trustees recognise that there is still a substantial amount of other income that needs to be raised each year and so, with this in mind, have agreed to hold cash reserves equivalent to three months worth of the additional one-off income requirement, based on the following year's budget. For 2016 this represents a cash reserve of just under £1m, which is more than covered by the £1.9m cash balance at the end of 2015.

The Directors are confident that this level of reserves, combined with the continued drive to increase regular income, will enable the charity to continue with its current growth strategy.

Trustees' and Directors' Report – Strategic Report – Financial Review

Giving policy

One of CAP's core cultural values is generosity and so in 2014 it was decided to introduce a policy of giving away 10% of our cash surplus to other organisations that share our goals and values. The criteria for which organisations to support are:

1. CAP's own international work.
2. Other UK based organisations that share our core values namely, helps the poor, through the church, and is evangelistic.

At the beginning of 2015 we brought forward a 'Giving Pot' of £114k and during the year made the following donations:

- £75,000 to CAP Canada
- £4,000 to Hope into Action

In line with this policy there was no cash surplus for the year in 2015 and so a balance of £35k is carried forward into 2016.

Investment powers and policy

Under the Memorandum and Articles of Association, the Directors have the power to invest the monies of the charity not immediately required for the furtherance of the Objects in or upon such investments, securities or property as may be thought fit. Bearing in mind the need for high liquidity to offset the seasonal nature of the cash flow, the Directors have therefore established a policy where surplus funds are invested in fixed-term or call deposits with the charity's bankers.

Principal Risks and Uncertainties

The Directors have a risk management strategy that ensures that they actively review the major risks that the charity faces. A central risk register is held and this, along with departmental risk registers ensures that all areas of the charity are assessed for risks and suitable policies and procedures are put in place to mitigate those risks.

This strategy has identified the following major risks that the charity faces:

1. **Financial risk – income generation:** as with any charity that is totally reliant on voluntary donations for its income a lack of funding would have a serious impact on the charity's ability to carry out its charitable activities. This is especially true as we seek to expand those activities. Our constant drive to grow regular income through attracting new supporters helps to mitigate this. This strategy also ensures that we are not reliant on any one single supporter for our funding. The Trustees are aware that this area will always need regular attention.
2. **Financial risk – fraud:** financial fraud will always be a risk, not only to the charity's money but also to the money that we hold in trust on behalf of clients. Because of this we have implemented strict policies and procedures around the handling and recording of money, both charity and client, and these are controlled by internal audit checks. The charity has established Anti-fraud, Anti-money laundering and whistleblowing policies that all staff are made aware of.
3. **Lack of partner churches** – the charity's policy of delivering its services through the local church is reliant on enough churches wanting to partner with us. As we grow it becomes more difficult to attract new churches and so a policy of raising awareness of the issues facing today's society ensures that churches are inspired to work with us. We will continue to put a lot of effort into this area in order to attract the right number of churches that we need to meet our vision.
4. **Regulatory risks** – Debt counseling and debt management are regulated activities under the Financial Services and Markets Act 2000, and, since April 2014, these activities have been regulated by the Financial Conduct Authority (FCA). As CAP were previously operating under a Consumer Credit Licence issued by the Office of Fair Trading we have been regulated by the FCA under 'interim permissions' pending our application for full authorisation during the allotted time slot of December 2015 to February 2016. During 2015 we prepared our application and this was submitted to the FCA in February 2016 and we are currently awaiting their response. We will continue to work with the FCA to ensure that our debt counseling and debt management services meet the regulatory requirements and will make the necessary resources available to make this so.
5. **Operational risks** – the wellbeing of our staff is an important risk that we manage. Robust health and safety policies and procedures are in place and the risks are further mitigated by ensuring all regulatory requirements are up to date and regular awareness training for all staff around these areas.

Going concern

The Directors (who are directors of Christians Against Poverty for the purposes of company law and the trustees of Christians Against Poverty for the purposes of charity law) have reviewed the charity's financial position, taking into account the satisfactory levels of reserves and cash, the annual plan and the three-year financial plan, and its systems of financial and risk management. As a result of their review, the Directors believe that the charity is well placed to manage operational and financial risks successfully despite the on-going uncertain economic outlook. Accordingly, the Directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Trustees' and Directors' Report

Structure, governance and management

The Trustees, who are also Directors of Christians Against Poverty for the purposes of company law, meet five times a year to review strategy and operational/financial performance in conjunction with the charity's Founder and International Director, its Chief Executive Officer and other members of the senior management team. These meetings are also attended by a staff representative and a client representative, so their views can be taken into consideration through the decision making process.

The Trustees have authority to appoint as Trustee any person who, by virtue of personal or professional qualification, is able to make a contribution to the pursuit of the charity's objects or management. When recruiting new Trustees the existing Trustees will not only look at the person's qualifications but also at their existing 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 new Trustees are interviewed by the Chair and Chief Executive of the charity and will attend a board meeting to meet other Trustees and senior management team prior to their official appointment. In this way we can ensure that they are a good fit for the charity, and that they are fully aware of their responsibilities as a Trustee. Trustees are appointed for three years, after which time their role is reviewed to ensure that they are still a good fit for the charity. They then have the opportunity to serve for a further three years, or stand down. There is currently no maximum number of three year terms that a Trustee can serve. Further Trustee training is carried out on an on-going basis making use of the Charity Commission website and other charity publications.

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

The day-to-day implementation of the strategic plan, together with the development of strategy, is led by the Chief Executive and Senior Management Team, consisting of members of each area of the charity. Key Performance Indicators are used to measure and review performance against the strategic plan with monthly meetings ensuring that corrective action is taken where needed. Monthly management accounts are also used to ensure that financial targets are being met. If any significant matters of policy or key decision-making arise during these meetings then these will be referred to the Directors for approval.

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.

Christians Against Poverty is also known as its abbreviation 'CAP' and in this report these two terms are interchangeable.

Pay policy for senior staff

The directors consider the board of directors, who are the charity's trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. All directors give of their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in notes 20 and 21 to the accounts.

In 2014 the charity embarked on a full review of its employee salary structure, including that of its senior management team. As well as introducing a full job evaluation system and grading structure, salaries were externally benchmarked against charities of a similar size, location and service. Senior management salaries were set at the lower quartile of similar roles whilst salaries at the lower end of the grading structure were set at the median of similar roles. Other than the people on our LEAD intern programme (who are paid at National Minimum Wage) all of our staff are paid at National Living Wage or above and this resulted in a more compressed salary structure where the highest salary was 4.82 times the lowest (excluding LEAD interns).

From this review the salaries for the Chief Executive and Founder & International Director were set at £73,791, whilst the salaries for the other members of the senior management team were set at £51,023.

Other than annual inflationary wage increases, we plan to re-visit the grading structure and external benchmarking every five years.

Employees

The work of Christians Against Poverty relies on the commitment and hard work of its valued staff, both those directly employed at head office and also those employed by our partner churches in our debt centres. At the end of the year more

Trustees' and Directors' Report

than 700 people were directly involved in delivering the service of Christians Against Poverty, the part played by each one being vital to the charity's success. Regular communication with staff through monthly staff meetings, team meetings and podcasts ensure that they are kept informed of any decisions taken by the Management Board, and our annual staff surveys consistently show a high level of job satisfaction. Full training is given to each member of staff in their specific roles whilst further management training is available to all members of staff through our Reach intern programme. We are committed to equality in recruiting, training, promotion and career development and continually seek to promote from within before seeking external candidates.

Volunteers

CAP values the work of its volunteers in head office in Bradford and across the UK. Appropriate policies and procedures, clarifying the extent of the Volunteer's remit and providing checks and balances in relation to the key areas of the Management and HR Strategy, have been introduced and a dedicated person appointed to oversee their work and well being. During the year, 21 volunteers have worked at our Head Office in Bradford, performing various part-time administrative and ad-hoc roles, and providing, 2,892 hours of valuable support to us in total. We estimate the value of this work to be in the region of £25k. The number of volunteers within our centre network is far more difficult to quantify but we acknowledge that without their invaluable contribution our clients would not receive the help and support that they do.

The Directors, therefore, wish to acknowledge the enormous contribution made by employees and volunteers, both at Head Office and at the church centres, without whom we would not be able to transform lives across the nation.

Work in Scotland

We are required by the Office of the Scottish Charity Regulator to report separately upon the activities that Christians Against Poverty has undertaken in Scotland. Whilst we do not report our Income/Expenditure separately for our Scottish activities, statistically the work was as follows:

- At the end of 2015 we had 23 full CAP Debt Centres in Scotland, including five new ones opened during the year.
- 424 (2014: 462) families operated a CAP Account during the year, thereby helping around 550 individuals (2014: 600)
- 21 (2014: 63) Scottish clients were helped to apply for Sequestration
- 95 CAP Money Coaches from 31 new churches were trained and 100 CAP Money courses were run
- At the end of the year there were 12 (2014 – 6) active CAP Job Clubs that ran 40 courses during the year resulting in 75 delegates finding permanent jobs.
- Three churches were actively running CAP Release Groups with 15 courses being held throughout the year.
- One church in Scotland had signed up to our CAP Life Skills pilot group.

Regulatory

Debt counseling and debt management are regulated activities under the Financial Services and Markets Act 2000, and, since April 2014, these activities have been regulated by the Financial Conduct Authority (FCA). As CAP were previously operating under a Consumer Credit Licence issued by the Office of Fair Trading we have been regulated by the FCA under 'interim permissions' pending our application for full authorisation during the allotted time slot of December 2015 to February 2016. During 2015 we prepared our application and this was submitted to the FCA in February 2016 and we are currently awaiting their response.

Directors, Senior Staff and Advisors

DIRECTORS

Peter Green BA(Hons), CFP, ACII, ACIB, MSFA (Chair)
Rev Ian Nundy
Tim Morfin
Andrew Parker, FCA
Matthew Frost
Kathryn Foster (resigned 23 November 2015)
Lisa Pearce

SECRETARY

Andy Thomas, ACMA

AUDITORS

RSM UK Audit LLP
2 Whitehall Quay
Leeds
LS1 4HG

SOLICITORS

Anthony Collins & Co
St Philip's Gate
5 Waterloo Street
BIRMINGHAM
B2 5PG

Trustees' and Directors' Report

LEADERSHIP TEAM

Matt Barlow (*Chief Executive*)
John Kirkby (*Founder and International Director*)
Josie Barlow (*Communications*)
Sian Wrangles (*Partnership*)
Andy Thomas (*Finance*)
Chris Brown (*Service Delivery*)
Simon Wilce (*Client Services*)
Ellie Gage (*HR and Staff Development*)
Jon Day (*IT*)

BANKERS

Lloyds Bank plc
Hustlergate
BRADFORD
West Yorkshire
BD1 1NT

PRINCIPAL & REGISTERED OFFICE

Jubilee Mill
North Street
BRADFORD
West Yorkshire
BD1 4EW

Trustees' responsibilities in relation to the financial statements

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

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

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

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

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

Statement as to disclosure to our auditor

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

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

Auditor

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

Trustees' and Directors' Report

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 authorise both the Strategic Report and the Trustees' Report below.

Approval

This report was approved by the board of Directors on 19 May 2016 and signed on its behalf.



Peter Green
Chairman

Independent Auditor's report to the Directors and Members of Christians Against Poverty

We have audited the financial statements of Christians Against Poverty for the year ended 31 December 2015 on pages 25 to 38. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland').

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.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 20, 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.

We have been appointed auditors 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards of Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

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 2015 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records, 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

Independent Auditor's report to the Directors and Members of Christians Against Poverty

- we have not received all the information and explanations we require for our audit.

RSM UK Audit LLP

Victoria Craven (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP
Chartered Accountants
2 Whitehall Quay
Leeds
LS1 4HG

Date: 24/6/16.

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

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE 12 MONTHS ENDED 31 DECEMBER 2015
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**

		Unrestricted Funds	Restricted Funds	2015 Total Funds	Unrestricted Funds	Restricted Funds	2014 Total Funds
	Note	£'000	£'000	£'000	£'000	£'000	£'000
INCOME FROM							
Donations and legacies	2	8,381	356	8,737	7,416	559	7,975
Other trading activities	3	122	-	122	125	-	125
Investments		3	-	3	30	-	30
Charitable Activities	4	663	-	663	735	-	735
Total income		9,169	356	9,525	8,306	559	8,865
EXPENDITURE ON							
Raising funds		638	-	638	578	1	579
Charitable activities		8,740	422	9,162	7,071	575	7,646
Other		55	-	55	62	-	62
Total expenditure	5	9,433	422	9,855	7,711	576	8,287
NET (EXPENDITURE)/INCOME		(264)	(66)	(330)	595	(17)	578
NET MOVEMENT IN FUNDS		(264)	(66)	(330)	595	(17)	578
RECONCILIATION OF FUNDS							
Total funds brought forward		3,953	245	4,198	3,358	262	3,620
Total funds carried forward		3,689	179	3,868	3,953	245	4,198

The notes on pages 27 to 38 form part of these financial statements.

BALANCE SHEET AS AT 31 DECEMBER 2015

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2015 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2014 £'000
FIXED ASSETS							
Tangible Assets	6	3,320	-	3,320	2,806	-	2,806
Investment	7	-	-	-	-	-	-
Total Fixed Assets		3,320	-	3,320	2,806	-	2,806
CURRENT ASSETS							
Debtors	10	709	10	719	1,173	40	1,213
Cash and cash equivalents		1,266	169	1,435	1,736	205	1,941
Investments		500	-	500	-	-	-
Total Current Assets		2,475	179	2,654	2,909	245	3,154
LIABILITIES							
Creditors: amounts falling due within one year	11	(724)	-	(724)	(514)	-	(514)
NET CURRENT ASSETS		1,751	179	1,930	2,395	245	2,640
Total Assets less current liabilities		5,071	179	5,250	5,201	245	5,446
Creditors: amounts falling due after one year	12	(1,382)	-	(1,382)	(1,248)	-	(1,248)
NET ASSETS		3,689	179	3,868	3,953	245	4,198
THE FUNDS OF THE CHARITY							
Restricted income funds				179			245
Unrestricted income funds				3,433			3,697
Revaluation reserve				256			256
				3,868			4,198

Approved by the board of directors and trustees and authorised for issue on 18 May 2016 and signed on its behalf.



Peter Green
Director

The notes on pages 27 to 38 form part of these financial statements

CASH FLOW STATEMENT AS AT 31 DECEMBER 2015

	2015 £'000	2014 £'000
Cash flows from operating activities		
Net (outgoing)/incoming/ resources	(330)	578
Add Depreciation	121	141
Less Profit on sale of asset	(1)	1
Less Interest received	(3)	(30)
Add Interest paid	55	62
Decrease in Debtors	494	550
Increase in Creditors	257	1
Net cash flow provided by operating activities	593	1,303
Cash flows from Investment Activities		
Profit on sale of assets	1	-
Purchase of tangible fixed assets	(635)	(58)
Current Asset Investment	(500)	
Interest received	3	30
Net Cash used in investing activities	(1,131)	(28)
Cash flows from financing activities		
Cash inflows from new borrowing	404	-
Repayments of borrowing	(317)	(173)
Financing charges	(55)	(62)
Net cash provided by (used in) financing activities	32	(235)
Change in cash and cash equivalents in the period	(6)	1,040
Cash & cash equivalents as at 31 December 2014	1,941	901
Cash & cash equivalents as at 31 December 2015	1,435	1,941

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES

First time adoption of FRS 102

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from Charities SORP 2005. Consequently the trustees have amended certain accounting policies to comply with FRS 102. The trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

The date of the transition to FRS 102 was 1 January 2014.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in accumulated reserves at the transition date.

Reconciliations and descriptions of the effect of the transition to FRS 102 on; (i) net assets at the date of transition to FRS 102; (ii) net assets at the end of the comparative period; and (iii) Surplus for the comparative period reported under Charities SORP 2005 are given in notes 15-17 below.

Under FRS 102, the Statement of Cash Flows presents changes in cash and cash equivalents (which include cash in hand, deposits repayable on demand and overdrafts and short-term, highly liquid investments), showing changes arising from operating activities, investing activities and financing activities separately. Under previous UK GAAP, the Cash Flow Statement presented changes in cash (which includes cash in hand, deposits repayable on demand and overdrafts) under the headings of operating activities, returns on investment and servicing of finance, capital expenditure and financial investment, acquisitions and disposals, management of liquid resources, and financing.

The charity and its subsidiary undertaking comprise a small group. The charity has taken advantage of the exemptions provided by the Companies Act 2006 and SORP 2015 not to prepare group accounts. The financial statements therefore present information about the charity as an individual undertaking and not about its group.

FUNDS HELD BY THE CHARITY:

Unrestricted funds represent funds received that are available to the trustees to apply for the general purposes of the charity as set out in the governing document. Unrestricted funds include a revaluation reserve representing the amount by which the property valuation exceeds its historical cost.

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

INCOMING RESOURCES POLICIES:

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 all of the criteria of entitlement, probable and quantifiable are met.

GIFTS OF FIXED ASSETS

Gifts of fixed assets are fully recognised as income in the year that they are legally entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy.

NOTES TO THE FINANCIAL STATEMENTS

RESOURCES EXPENDED POLICIES:

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 comprise of the direct costs of fundraising staff together with quantifiable direct costs. Other support costs are allocated on the basis of headcount.

Charitable activities comprise 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.

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.

DEBTORS:

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

CASH AND CASH 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 only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

INVESTMENT POLICY

The investment in the subsidiary is valued at cost less impairment.
Current Asset investment represents £500k of cash on deposit, maturing on 15 June 2016.

OPERATING LEASES

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

The trustees do not consider there to be any material accounting estimates or judgements in preparing these financial statements.

PREPARATION OF THE ACCOUNTS ON A GOING CONCERN BASIS

The Directors (who are directors of Christians Against Poverty for the purposes of company law and the trustees of Christians Against Poverty for the purposes of charity law) have reviewed the charity's financial position, taking into account the satisfactory levels of reserves and cash, the annual plan and the three-year financial plan, and its systems of financial and risk management. As a result of their review, the Directors believe that the charity is well placed to manage operational and financial risks successfully despite the on-going uncertain economic outlook. Accordingly, the Directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

Whilst there is a small element of uncertainty around whether the charity will be authorised by the FCA to carry out the regulated activities of debt management and debt counselling we are confident that we will be able to comply with all of the regulations, making changes where necessary if we currently don't. In the extreme instance where they refuse to authorise us then the charity will continue to operate its other, non-regulated, services.

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

ASSETS POLICIES:

Fixed assets are included at cost. All fixed assets with a value in excess of £200 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
Computer Equipment	33 1/3% on cost
Furniture and Fittings	25% on written down value
Office Equipment	20% on cost
Plant & Equipment	10% on cost

2. Income from donations and legacies

	Unrestricted Funds £'000	Restricted Funds £'000	2015 Total Funds £'000	2014 Total Funds £'000
Regular supporters	3,876	44	3,920	3,525
Individual gifts	1,270	155	1,425	1,245
Churches	1,897	14	1,911	1,802
Companies	66	37	103	152
Charitable trusts	324	106	430	388
Legacies	14	-	14	4
	7,447	356	7,803	7,116
Gift Aid Received	934	-	934	859
Total donations	8,381	356	8,737	7,975

NOTES TO THE FINANCIAL STATEMENTS

3. Income from other trading activities

	2015 £'000	2014 £'000
Sponsored events	77	83
Sales of cards, books and other merchandise	5	2
Rent Received	40	40
	122	125

4. Income from charitable activities

	2015 £'000	2014 £'000
Finance industry 'Fair Share'	629	690
CAP Money resources	34	45
	663	735

5. Total resources expended

	Direct Costs £'000	Support Costs £'000	2015 Total Costs £'000	2014 Total Costs £'000
EXPENDITURE ON RAISING FUNDS:				
Expenditure on raising donations and legacies	588	49	637	572
Expenditure on other trading activities	1	-	1	7
	589	49	638	579
EXPENDITURE ON CHARITABLE ACTIVITIES:				
Debt Counselling	5,889	606	6,495	5,608
Client welfare	642	25	667	472
International	163	4	167	124
CAP Money	413	35	448	394
CAP Job Clubs	369	32	401	199
CAP Release Groups	183	18	201	178
Raising awareness	737	46	783	671
	8,396	766	9,162	7,646
Other costs	55	-	55	62
TOTAL RESOURCES EXPENDED	9,040	815	9,855	8,287

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

	Principal basis of allocation to activities	2015 £'000	2014 £'000
General Management and Support	Headcount	235	183
Financial Management	Headcount	192	177
Human Resources	Headcount	132	132
Supporter Relations	Headcount	187	130
IT	Headcount	42	30
Governance	Headcount	27	10
		815	662

NOTES TO THE FINANCIAL STATEMENTS

6. FIXED ASSETS

	Freehold Land & Buildings £'000	Computer Equipment £'000	Furniture & Equipment £'000	Total £'000
Cost				
As at 1 January 2015	2,731	408	236	3,375
Additions	504	75	56	635
Disposals	-	(1)	-	(1)
As at 31 December 2015	3,235	482	292	4,009
Depreciation				
As at 1 January 2015	55	354	160	569
Charge for year	56	41	24	121
Disposals	-	(1)	-	(1)
As at 31 December 2015	111	394	184	689
Net book value				
As at 31 December 2014	2,676	54	76	2,806
As at 31 December 2015	3,124	88	108	3,320

The cost of Freehold Land and Buildings comprises:

Premises at North Street, Bradford, known as Jubilee Mill	£1,600,000
Premises at Norman Terrace, Eccleshill, Bradford	£130,000
Premises at Jermyn Street, Bradford, known as The Jubilee Centre	£1,001,000
Premises at Captain Street, Bradford	£269,005
Land at Stott Hill, Bradford	£235,089

Upon transition to FRS 102, the Trustees made the decision to adopt the transition exemption to use the revalued amount as the new 'deemed cost' and not adopt a policy of revaluation going forward.

The deemed cost for the premises at North Street and Jermyn Street are based on valuations carried out by Andrew Idle Associates, Chartered Surveyors on 6 January 2012. The deemed cost for the premises at Norman Terrace is based on a valuation carried out on 25th July 2009, at the time of purchase, by Eddisons, Chartered Surveyors.

The basis for all the valuations was Open Market Value and the Trustees are not aware of any factors that would affect the valuation of any of the freehold properties at the balance sheet date.

The historical cost of freehold land and buildings is £2,830,463

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENT

	2015 £	2014 £
Shares in group undertakings	100	100

The charity owns 100 £1 Ordinary shares, being 100% of the issued share capital, in CAP Life Limited whose principal activity is that of life insurance brokers. The aggregate amount of share capital and reserves of CAP Life Limited as at 31 December 2015, being the date of the last set of accounts, was £1,276 (2014 £1,229) and the profit for the year then ended was £47 (2014 profit £57).

8. EMPLOYEE EMOLUMENTS

	2015 £'000	2014 £'000
Salaries	5,786	4,839
Social Security costs	487	412
Pension costs	405	341
	6,678	5,592

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

	2015	2014
£60,000 - £69,999	-	1
£70,000 - £79,999	2	-
£80,000 - £89,999	-	1

During the year pension contributions on behalf of these employees amounted to £14,512 (2014: £13,128)

The key management personnel of the charity comprise the Chief Executive Officer, Founder & International Director, Director of Communications, Director of Partnership, Finance Director, Director of Services, Director of Client Services, Director of People, Culture & Fun and IT Director. The total employee benefits of the key management personnel were £516,829 (2014: £482,901).

The average monthly headcount was 292 staff (2014: 258) and the average number of full-time equivalent employees (including casual and part-time staff) during the year was:

	2015	2014
Head Office	245	224
	245	224

9. NET INCOME/(EXPENDITURE) FOR THE YEAR
Is stated after charging

	2015 £'000	2014 £'000
Audit Services	18	5
Depreciation	121	142
Operating lease rentals	5	5
Interest payable	55	62
	199	214

NOTES TO THE FINANCIAL STATEMENTS

10. DEBTORS

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 31 Dec 15 £'000	Total Funds 31 Dec 14 £'000
Income Tax recoverable	103	-	103	94
Trade debtors	170	-	170	204
Accrued income	398	10	408	889
Prepayments	37	-	37	26
Other debtors	1	-	1	-
	709	10	719	1,213

Accrued income includes income that has been committed to CAP by various trusts that will be received in future years as follows:

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 31 Dec 15 £'000	Total Funds 31 Dec 14 £'000
Receivable within one year	330	10	340	510
Receivable in more than one year	-	-	-	340
	330	10	340	850

11. CREDITORS: amounts due within one year

	Total Funds 31 Dec 15 £'000	Total Funds 31 Dec 14 £'000
Building Fund loans	2	95
Bank loans	178	132
Other tax and social security	132	113
Accruals and other creditors	316	104
Trade creditors	96	70
	724	514

12. CREDITORS: amounts due after one year

	Total Funds 31 Dec 15 £'000	Total Funds 31 Dec 14 £'000
Bank loans	1,382	1,248
	1,382	1,248

Loans outstanding at the year end amounted to £1,562,497 (31 Dec 2014: £1,474,887) and these are repayable as follows:

	31 Dec 15 £'000	31 Dec 14 £'000
Within one year	180	226
Between two and five years	788	581
After more than five years	594	667

NOTES TO THE FINANCIAL STATEMENTS

On 11 July 2013 a loan for £1,469,000 was taken out with Lloyds Bank plc. This loan is fully secured against the freehold properties known as Jubilee Mill, North Street, Bradford and The Jubilee Centre, Jermyn Street, Bradford. The loan is repayable over a period of 10 years and interest is fixed at 3.86% for its duration. The balance of the loan at 31 December 2015 was £1,164,099 (2014: £1,293,778), which represents 45% of the balance sheet value of the properties.

In October 2015 a second loan was taken out for £404,000 with Lloyds Bank plc for the purchase of a freehold property at 86 Captain Street, Bradford and the re-financing of the loan for the property at 33 Norman Terrace, Eccleshill. The loan is repayable over a period of 8 years and interest is fixed at 4.20% for its duration. The balance of the loan at 31 December 2015 was £396,898, which represents 99% of the balance sheet value of the properties. The loan is secured against the two properties.

On 29 July 2009 a 30 year mortgage was taken out with Kingdom Bank for £110,500 secured against the freehold property at Norman Terrace, Eccleshill. This mortgage was fully repaid in October 2015 with the Lloyds loan above.

13. OTHER FINANCIAL COMMITMENTS

At the year end the company had total commitments under non-cancellable operating leases as set out below:

	31 Dec 15 £'000	31 Dec 14 £'000
Operating leases which expire:		
Within one year	5	-
Between two and five years	-	10
After more than five years	-	-

14. MOVEMENT OF FUNDS

Description of Fund	Balance 1 January 2015 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	Balance 31 December 2015 £'000
General unrestricted fund	3,697	9,169	(9,433)	-	3,433
Restricted funds:					
Client emergency aid	144	140	(125)	-	159
Bradford centres	20	20	(30)	-	10
Northern Ireland expansion	20	1	(11)	-	10
CAP Job Clubs	56	-	(56)	-	-
General costs	5	3	(8)	-	-
Insolvency bursary fund	-	97	(97)	-	-
CAP Money	-	32	(32)	-	-
Client 'Discovery Breaks'	-	15	(15)	-	-
CAP Release Groups	-	7	(7)	-	-
Dunfermline Centre	-	6	(6)	-	-
Welsh Centres	-	5	(5)	-	-
Staff Benevolent Fund	-	5	(5)	-	-
Various centres	-	25	(25)	-	-
Total Restricted Funds	245	356	(422)	-	179
Revaluation reserve	256	-	-	-	256
Total	4,198	9,525	(9,855)	-	3,868

NOTES TO THE FINANCIAL STATEMENTS

Client emergency aid represents money given from the Christmas Mailshot towards emergency food shops for clients who have no food in the house when we first visit them. This will be spent during the following year.

The Insolvency Bursary Fund is made up of money that is specifically given to help debt clients pay their bankruptcy or debt relief order fees. All of the money given in the year was spent in the year.

The restricted funds for various centres is made up a number of small gifts towards the centralised costs of servicing 53 different centres at an average of £491 per centre.

15. RECONCILIATION OF NET ASSETS ON TRANSITION TO FRS 102

As at 31 December 2013

	Notes	Charities SORP 2005 £'000	Pre- transitions adjustments £'000	Charities SORP (FRS102) £'000
Fixed assets		2,891	-	2,891
Current assets	A	1,224	1,440	2,664
Creditors: Amounts falling due within one year		(540)	-	(540)
Net Current Assets		684	1,440	2,124
Total Assets less Current Liabilities		3,575	1,440	5,015
Creditors: Amounts falling due after one year		(1,395)	-	(1,395)
Net Assets		2,180	1,440	3,620
The funds of the charity				
Restricted income funds	A	222	40	262
Unrestricted income funds	A	1,702	1,400	3,102
Revaluation reserves		256	-	256
		2,180	1,440	3,620

Notes to reconciliation of equity**A Grant income**

In the previous periods grant income was recognised on a receipts basis. This was not in accordance with Charity SORP. As such a pre-transition adjustment has been made to correctly reflect the grant income in the correct period. The impact of this adjustment has been to increase current assets (accrued income) by £1,440k, grant income by £1,440k and reserves by £1,440k – split £1,400k unrestricted funds and £40k restricted funds.

16. RECONCILIATION OF NET ASSETS ON TRANSITION TO FRS 102

As at 31 December 2014

	Notes	Charities SORP 2005 £'000	Pre- transitions adjustments £'000	Charities SORP (FRS102) £'000
Fixed assets	A,B	2,861	(55)	2,806
Current assets	C	2,304	850	3,154
Creditors: Amounts falling due within one year		(514)	-	(514)

NOTES TO THE FINANCIAL STATEMENTS

Net Current Assets		1,790	850	2,640
Total Assets less Current Liabilities		4,651	795	5,446
Creditors: Amounts falling due after one year		(1,248)	-	(1,248)
Net Assets		3,403	795	4,198
The funds of the charity				
Restricted income funds		205	40	245
Unrestricted income funds	A,B	2,942	755	3,697
Revaluation reserves		256	-	256
		3,403	795	4,198

Notes to reconciliation of equity**A Valuation of Freehold land and buildings**

Upon transition to FRS 102, the trustees made the decision to adopt the transition exemption to use the revalued amount as the new 'deemed cost' and not adopt a policy of revaluation going forward.

B Depreciation of Freehold buildings

As a result of the change in valuation method, the charity has depreciated the freehold buildings on a straight-line basis over a period of 50 years. As such additional depreciation of £55k arises on the transition to FRS 102.

C Grant Income

In the previous periods grant income was recognised on a receipts basis. This was not in accordance with Charity SORP. As such a pre-transition adjustment has been made to correctly reflect the grant income in the correct period. The impact of this adjustment has been to increase current assets (accrued income) by £850k, reduced grant income by £590k and increase reserves by £850k – split £810k unrestricted funds and £40k restricted funds.

17. RECONCILIATION OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Charities SORP 2005 £'000	Pre- transitions adjustments £'000	Charities SORP (FRS102) £'000
Total income and endowments	A	9,455	(590)	8,865
Expenditure on:				
Raising Funds	B	575	4	579
Charitable Activities	B	7,595	51	7,646
Other		62	-	62
Total expenditure		8,232	55	8,287
Net income/(expenditure)		1,223	(645)	578
Gains/(losses) on revaluation of fixed assets		-	-	-
Net movement in funds		1,223	(645)	578
Reconciliation of funds				
Total funds brought forward	A	2,180	1,440	3,620
Total funds carried forward		3,403	795	4,198

NOTES TO THE FINANCIAL STATEMENTS

Notes to reconciliation of income and expenditure**A Grant Income**

In the previous periods grant income was recognised on a receipts basis. This was not in accordance with Charity SORP. As such a pre-transition adjustment has been made to correctly reflect the grant income in the correct period. The impact of this adjustment has been to reduce grant income by £590k.

B Depreciation of Freehold buildings

As a result of the change in valuation method, the charity has depreciated the freehold buildings on a straight-line basis over a period of 50 years. As such additional depreciation of £55k arises for the year.

18. CAPITAL COMMITMENTS

There were no capital commitments at the end of the year.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Total £'000
Tangible Fixed Assets	3,320	-	3,320
Cash at bank and in hand	1,266	169	1,435
Other net current assets/(liabilities)	485	10	495
Creditors of more than one year	(1,382)	-	(1,382)
Total	3,689	179	3,868

20. BUDGETING AND DEBT MANAGEMENT SERVICES

Monies paid in by clients to enable their utility and debt repayments to be made are held in a separate bank account from the charity's own funds and cannot be used by the charity to fund its operations. The balance in this separate account as at 31 December 2015 was £2,913,402 (2014 - £2,815,062).

21. TRANSACTIONS WITH TRUSTEES

During the year no remuneration was paid to any of the Trustees (2014: £Nil).

During the year no Trustee (2014: None) received any other remuneration or expenses from the charity.

22. RELATED PARTY TRANSACTIONS

During 2015 the charity donated £Nil (2014: £30,000) to CAP Australia, a charity registered in Australia of which John Kirkby, Founder and International Director, is a Trustee.

On 2 December 2013 the Directors issued a 'Letter of Comfort' to CAP Australia undertaking to financially support CAP Australia to the full extent of any liabilities incurred by them that are unable to be satisfied by the assets of CAP Australia. It was agreed that this would be up to a maximum of \$350k (approx. £188k) with preventative measures to be put in place once CAP Australia's liabilities exceed their assets by \$250k. At 31 December 2015 CAP Australia had net assets of \$352,708 (2014: \$300,153).

In March 2013 the charity launched a separate charity in Canada, CAP Canada, of which John Kirkby and Andy Thomas are Trustees. During 2015 the charity donated £50,000 (2014: £15,000) to CAP Canada and also paid for two employees to work at CAP Canada for six months at a cost of £20,555. In December 2014 the Directors issued a 'Letter of Comfort' to CAP Canada similar to the one issued to CAP Australia a year earlier. At December 2015 CAP Canada had net assets of \$82,987 (2014: liabilities of \$4,620).

NOTES TO THE FINANCIAL STATEMENTS

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

- CAP Canada £8,372.78
- CAP New Zealand £7,385.06
- CAP Australia £4,737.46

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

- CAP Canada £5,749.89
- CAP New Zealand £28,601.05
- CAP Australia £14,191.29

In September 2010 The Light Church, a church of which John Kirkby, Mat Barlow and Tim Morfin are Trustees, moved into The Jubilee Centre on a rolling 18 month lease at a monthly rental of £2,750 plus utilities. CAP continue to have priority use of the building when it is needed. There were no outstanding amounts at the balance sheet date.

The charity rents a domestic property owned by Matt Barlow, Chief Executive, at a rent of £475 per month. The house is used to house Reach intern students who contribute towards the rent and running costs of the house. The rent on the property is subject to an annual renewal depending on our requirements. There were no outstanding payments at the balance sheet date.

On 20 May 2003 County Financial Ltd., of which Peter Green is a Director, lent the charity £15,000 at an annual interest rate of 2%. The loan was repaid in full on 7 May 2015.

23. 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 2015 amounted to £405,402 (2014: £348,057). All contributions due have been fully paid.

FIVE YEAR SUMMARY

	2011 Total Funds £'000	2012 Total Funds £'000	2013 Total Funds £'000	2014 Total Funds £'000	2015 Total Funds £'000
Income & endowments from:					
Donations and legacies	5,748	6,261	7,189	8,565	9,247
Other trading activities	138	144	115	125	122
Investments	22	36	54	30	3
Charitable Activities	1,007	985	932	735	663
Other	-	-	-	-	-
Total incoming resources (cash)	6,915	7,426	8,290	9,455	10,035
Expenditure on					
Raising funds	446	458	564	579	638
Charitable Activities					
Debt Counselling	4,223	4,999	5,506	5,608	6,495
Client Welfare	435	481	461	472	667
International	89	225	110	124	167
CAP Money	260	450	447	394	448
CAP Job Clubs	-	11	107	199	401
CAP Release Groups	-	-	10	178	201
Raising awareness	479	515	542	671	783
Total Charitable Activities	5,486	6,681	7,183	7,646	9,162
Governance costs	12	10	29	-	-
Other	104	95	74	62	55
Total expenditure	6,048	7,244	7,850	8,287	9,855
Net incoming resources	867	182	440	1,168	180
Profit/(Loss) on revaluation of assets	(126)	-	-	-	-
Net movement in funds	741	182	440	1,168	180
Ratios					
Percentage of total income					
Voluntary Income	83.1%	84.3%	86.7%	89.2%	92.1%
Percentage of total expenditure					
Cost of generating funds	7.4%	6.3%	7.2%	7.0%	6.5%
Charitable activities	90.7%	92.2%	91.5%	92.1%	93.0%
Support costs (included in Expenditure)	10.3%	8.5%	8.8%	7.8%	8.3%

Notes:

1. 2014 and 2015 have been prepared under SORP 2015 whilst 2011-2013 are prepared under SORP 2005.
2. The above shows the actual cash received during each year. In 2013 we received notification of a £1.4m grant payable over 4 years – this is reflected above in the years the cash was received.