



*Christians Against Poverty*

# ***Annual report and accounts 2017***

Year ended: 31 December 2017 | Company no: 4655175 |

Charity no: 1097217 | Scotland charity no: SCO38776 |

**always hope.**



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## 2017: The story in numbers

**2,093**

people attended a CAP Job Club in the UK.

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and

**805**

found work.

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**174**

new frontline staff trained around the UK.

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**2,828**

people have gone debt free in the UK.

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**£1.1m**

of our local church partners were equipped to raise for themselves from grants and trusts.

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**5,808**

people attended the CAP Money course.

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**23,166 people**

were helped by Debt Centres, Job Clubs, Fresh Start and Life Skills in the UK.

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**£11.1m**

was our income for 2017.

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**704**

people learned some practical new skills to live well on a low budget through CAP Life Skills.

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**592**

people received help from Fresh Start (formerly known as Release Groups).

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with

**192**

overcoming an addiction or dependency.

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**8,377**

received help with their debts.

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## Introduction from the Chairman

Welcome to Christians Against Poverty (CAP) UK's twenty first annual report! We exist to see lives turned around by providing the tools for local churches to help some of the most lonely and isolated people in Britain. As you have already seen, 2017 has been another remarkable year for CAP and the people we seek to serve.

CAP delivers this help through an amazing network of dedicated people in local churches. Over recent years this has grown rapidly, allowing us to reach more and more people. Whilst 2017 saw some consolidation as we sought to focus on centre effectiveness and retention, overall we were still able to achieve greater reach, seeing yet another record number of people become completely debt-free. We continue to look for ways to partner with new churches, particularly in places where our services are under-represented. Our other services continued to grow, with Job Clubs, Fresh Start and Life Skills helping people to find work, overcome addictions and learn new skills. In 2017 we helped local churches to access over £1.1m to fund their CAP and other social outreach work, and this represents a twelve-fold increase in five years. Thank you to our partner churches who really are often, quite literally, life savers.

One of the most impressive features of CAP and its people is the commitment to quality and excellence. CAP passed a significant milestone in May 2017 when the industry regulator, the Financial Conduct Authority (FCA), gave authorisation for our work. Once again we have been recognised by the finance industry, winning the Personal Debt Solution Provider of the Year at the prestigious TRI Awards and attaining the Advice Quality Standard (AQS) mark, an industry-recognised standard for the quality of advice given to clients and the training we provide to our staff. We also saw record numbers of clients responding to our client survey, which was launched by the Archbishop of Canterbury at Westminster in March 2018.

We remain overwhelmed and humbled by the committed generosity of our supporters who continue to fund our work. Sometimes this is seen at large events such as our London Fundraising Dinner in November, which, with the help of match funding, raised an incredible £1 million in one night. More often it is the faithful and sacrificial regular giving of our over 29,000 monthly supporters. You are literally life changers and we are so grateful to God for you.

Thank you to all our church partners, supporters, staff and volunteers - whether you realise it or not, today you have changed someone's life.

Best wishes



Roger Hattam

## Introduction from the Chief Executive

Reading through our latest report I can scarcely believe that it is almost 20 years since my wife Josie and I moved up from Cheltenham to be part of a 'little' project called Christians Against Poverty (CAP). But from small acorns mighty oaks do grow - and boy has this acorn grown!

As I watched the lights go down at the end of our London Fundraising Dinner last December, where I witnessed some extremely generous people help us raise £1 million in one night, I couldn't help but think back to those early days. Back then, we could scarcely have imagined that, working in partnership with the local church, we would help over 23,000 people across the UK in 2017. We could also not have imagined the kind of external recognition that we now receive from the finance industry, government, and individuals like the Archbishop of Canterbury, Justin Welby, and the Money Saving Expert, Martin Lewis.

I am also reminded as I read this report that the kind of figures being quoted in our Financial Review (p14), and subsequent balance sheets, are far removed from the scant financial resources at our disposal when I arrived in 1999. To this end, I am pleased to report that at the end of the year we continue to find ourselves in a solid financial position, with total regular income representing three quarters of our total expenditure (p15).

So for me, 2017 is summed up in one word: effectiveness. I hope over the next few pages you will be impressed by the effectiveness of the charity in line with our charitable objectives, but also by the continued good governance and management of CAP. For this I would like to thank our Trustees, my Core team, our head office and frontline staff for their hard work. I also hope that you will see the beating heart of the local church and its desire to make the world around it a better place.

The effectiveness of CAP and the local church also extends to our core services: Debt Centres, Job Clubs, Fresh Start and Life Skills (p10). Over 2,800 people went debt free last year, more than in 2016; Fresh Start, formerly Release Groups, saw a 61% increase in delegates hitting their goals with our Job Clubs seeing a 4% rise in the number of people finding work.

Finally, I would like to say a big thank you to our church partners and our supporters in hundreds of communities across the UK. Your unshakeable belief in us means so much to so many because with you, there really is always hope.

All the best.



Matt Barlow

# Trustees' and Directors' Report

## Who we are

The poor will always be with us, whether this is the poor in self-esteem and self-worth, or the materially poor.

That is why for over 20 years, Christians Against Poverty (CAP) has been really passionate about one thing: releasing people from a life sentence of debt, poverty and its underlying causes.

The cause could be the loss of a loved one, health issues or a totally unforeseen change of circumstances. Yet, no matter what the odds, no one is beyond help; that is why we believe for everyone who comes to us that there is always hope.

What we want, more than anything else, is to bring this hope of freedom; and the good news of Jesus to people in every community in the UK, through the local church.

## How we help

When people come to CAP it is usually for one of four reasons they either need help with their debts, help finding work, help overcoming small addictions or else to learn some basic practical and emotional skills that will enable them to lead a better life.

We achieve this through our core services: Debt Centres, Job Clubs, Fresh Start and Life Skills as well as providing life-long financial education for all ages through CAP Money.

## Aims and objectives

With the above in mind, everything we do, and everything you read about in this report, is framed by the following charitable aims and objectives:

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

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

## How we raised our money



- 68% Individuals | (£7.5m)
  - 19% Church donations | (£2.1m)
  - 5% Fairshare & resources | (£0.6m)
  - 3% Companies | (£0.3m)
  - 3% Charitable trusts | (£0.4m)
  - 1% Trading activities | (£0.1m)
  - 1% Legacies | (£0.1m)
-



## *How we spent our money*



- 79% Charitable activities - direct costs | (£8.2m)
- 10% Raising funds - direct costs | (£1.1m)
- 11% Support costs | (£1.1m)
- Other | (£0.1m)

## Our services



### ***CAP UK core services:***

**296** Debt Centres

**159** Job Clubs

**79** Fresh Start

**93** Life Skills

**Total: 627**

### ***Our strategy:***

It is through the local church, it is always through the local church; this is our strategy.

Every church that partners with CAP to run one of our core services is a light in their community. They are life-saving, family restoring, work-finding, habit-stopping and poverty-overcoming machines.

That is why through them we helped 23,166 poor, vulnerable and marginalised people including 6,525 children around the UK in 2017.

The next few pages explain the progress we have made towards the objectives set out in our last report, as well as our priorities for the next financial year.

# Strategic report: our aims and achievements

## Relieving poverty

### LIFTING THE WEIGHT OF DEBT

*Objective for 2017:* Continue to grow our CAP Debt Centre network to a total of 309 centres. Through these CAP Debt Centres we aim to help 8,626 new clients and see 2,900 becoming debt free over the year.

Our debt operation continues to be at the heart of the charity's work with a high proportion of our head office staff, frontline workers and volunteers delivering ongoing support to some of the most vulnerable people in the UK.

2016 was an amazingly successful year that saw our debt centre network rise to a total of 306. During 2017 we opened 26 new Debt Centres, but for the first year in our history saw a reduction in our overall number to 296, due to higher than anticipated centre closures. Closures can happen each year for a variety of factors such as lack of funding or struggles in the replacement of key staff.

Despite this disappointment, our impact has actually increased in terms of effectiveness: the network visited 8,377 new clients for the first time in 2017. This is higher than 2016's figure of 8,115 and our highest level ever.

We also saw more people going debt free than in 2016, with 2,828 people achieving financial freedom.

With Money Saving Expert and TV presenter Martin Lewis advocating our services, it is unsurprising that our Freephone number received almost 31,000 calls. Over 16,000 of these were from people ringing in for debt help, with almost 10,000 subsequently booked in for a home visit from one of our debt coaches.

Taking into account existing clients, just over 23,000 people and families accessed CAP Debt Help in 2017 and this remains a fantastic achievement to build upon for 2018. We have revised our targets for 2018 to take into consideration this increased effectiveness and slower debt centre network growth.

*In 2018 we aim to visit over 8,085 new clients for the first time, and we hope to help a further 2,850 to live a life free from the worrying burden that is debt and poverty.*

### HELPING PEOPLE INTO EMPLOYMENT

*Objective for 2017:* Tackle unemployment and finish the year with 192 CAP Job Clubs run in partnership with local churches. Through these job clubs we aim to help 2,064 people become work ready, with 830 people finding employment.

Our Job Clubs also saw increased effectiveness over the course of 2017, with 3,410 people becoming work ready, over 1,500 more than in 2016. We also saw a four per cent increase in the number of people finding work in 2017, to 805. This is despite an overall reduction in the number of clubs to 159 clubs – through training events we were able to open 31 new clubs but closures were higher than anticipated.

Again, we have revised our targets for 2018 to take into consideration this increased effectiveness and slower growth in the numbers of clubs.

*In 2018 we aim to help 3,927 people become work ready with 750 finding work.*

### FREEING PEOPLE FROM DEPENDENCIES

*Objective for 2017:* Bring our network total to 94 groups by the end of the year, helping 690 delegates.

Through the opening of 28 new Release Groups, 2017 saw an increase in the total number of groups around the UK to 79.

This service has been particularly effective in helping 192 delegates achieve their goals during 2017, which represents a 61% increase compared to 2016. This is despite a fall in the overall number of Release Groups compared with the end of 2016 and a fall in the number of delegates attending courses (356 attending in contrast to 567 in 2016).

We strongly believe these groups to be an essential part of helping people overcome some of the dependencies or obstacles that keep them in debt and poverty. That is why we have done extensive research during in the last year, to better understand the target audience and also the needs of our church partners. As a result the service has been updated, rebranded as Fresh Start and relaunched during May 2018.

We have revised our targets for 2018 to take into consideration the rebrand and relaunch timings.

*In 2018 we aim to help 960 people with 224 getting a fresh start for themselves and their families.*

### LIVING WELL ON A LOW INCOME

*Objective for 2017:* We aim to grow the poverty-facing work of CAP Life Skills, bringing our total number of life skills groups to 95, helping 650 delegates.

CAP Life Skills continues to capture the imagination of the local church, almost doubling its numbers in the last twelve months, with 93 courses around the UK. Although this is just short of our ambitious 2017 aim, it still represents significant growth for this service.

Fuelled by television programmes like 'Eat Well for Less', the creative mix of budgeting, and cooking low-cost nutritious food, amongst other things, seems to have struck a chord with many people.

Across UK society there appears to be a need to learn basic skills that were not learnt either from our parents or at school. That is why 704 people attended a Life Skills course in 2017, over fifty more than we aimed for.

*In 2018 we aim to help 878 people to learn some new skills so that they can live well for less.*

## *Providing financial education*

*Objective for 2017:* We aim to continue our church courses, increasing the number of churches running the CAP Money Course to 900. We estimate 10,000 delegates will benefit from the course over 2017.

CAP Money continues to be the largest face-to-face provider of adult financial education in the UK. While not forming part of our 'core services' it is a great arrowhead and support initiative for the charity.

In 2017 almost 6,000 people attended a course run by their local church around the UK, which despite being considerably lower than our perhaps overly-ambitious estimate, and slightly lower than 7,790 delegates in 2016, is still a considerable achievement.

CAP Money continues to be relatively inexpensive to run and provides the first contact that many churches have with us. For each it provides a simple way to connect with and meet the needs of people in their community.

Given our ambitious forecasting of delegate numbers over the past few years and reflecting that CAP Money is now one of several services that our partner churches can run, we have revised our targets for 2018 to more achievable levels.

*In 2018 we aim to run 1,200 courses around the UK, helping 5,400 people to budget and take control of their finances.*

## *Advancing the Christian faith through the local church*

*Objective for 2017:* We aim to continue reaching out into communities across the UK through the local church, giving clients the opportunity to respond to the love of God. We also plan to run 13 Discovery Breaks to give 1,001 clients (including children) a break from their normal routine.

We continued our successful programme of Discovery Breaks which provides our clients with a well-earned holiday, the chance to reconnect with their families and explore the Christian faith. We took over 900 adults and children away for a few days to different locations around the UK. As a result, 192 made a personal decision to begin a relationship with God.

Across the charity the above figures formed part of a total number of just over 1,100 people that decided to begin a faith journey. At our national conference in September we announced that through our partnership with local churches 7,000 people have made a personal decision to trust in God through our work since 1996.

*In 2018, we aim to continue to work with our church partners, equipping them to reach out to people in their towns and cities around the UK. We once again aim to provide a life-changing holiday for 1,000 people and their families.*

## *Raising awareness of debt and poverty in the UK*

*Objective for 2017:* 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 will do this through speaking at churches, exhibiting at conferences, running partnership days, fundraising events and regular communications to our supporters.

As well as the practical help that we provide to people it is also important that the general public, industry and government are also aware of the issues that affect our clients.

That is why we connected with over 200,000 people through church talks, stands at festivals and fundraising dinners. It was a particularly successful year for our fundraising dinners with over £1.2m generously donated by those attending.

We continued to be humbled by the response that our church talks receive, with almost half of new monthly donations coming from this source.

Our External Affairs team continues to make great strides at the highest levels of the financial service industry, utilities sector and government. They made their presence felt at two party conferences and engaged with 130 industry bodies. In June over 100 people attended the CAP External Affairs Insight day at Jubilee Mill in Bradford, where they were given a tour around our head office and had the opportunity to meet clients.

*In 2018, we will continue to raise awareness of debt and its associated causes around the UK. In doing so we want to inspire individuals, churches, companies and government both to support and work with us. We will continue to do this by engaging with them in person, through regular communications plus exhibiting at conferences and exhibitions.*

## *International development*

*Objective for 2017:* Continue to lead and support the work of Christians Against Poverty in Australia, New Zealand and Canada with a focus on launching CAP Life Skills in New Zealand and CAP Release Groups in Australia.

CAP services in New Zealand continue to develop with a 15% annual increase in the number of families receiving help. As we reported last year, 2017 saw the launch of CAP Life Skills in New Zealand and it was well received. Ten groups have been set up in the first year with 71 people receiving help.

For CAP Canada it was very much a year of 'digging down deep' and laying the foundations for future growth. Much work has been done to gain further industry accreditation that will deepen their relationship with creditors. The preliminary feedback that we have received from the Canadian authorities has been positive and we expect a decision in 2018.

Likewise, CAP Australia faced a challenging year but finished strongly with 320 people going debt free, as well as seeing eleven new services open. CAP Money continues to thrive in Australia with almost 3,000 people taking part in the course.

*In 2018, we will continue to support the work of CAP around the world in New Zealand, Canada and Australia.*

## *Related parties*

John Kirby, Founder, is a Trustee of CAP Australia, CAP New Zealand and CAP Canada.

John Kirkby, Matt Barlow and Tim Morfin are Trustees of The Light Church which leases 86 Captain Street from CAP under a lease agreement, and also rents auditorium space at the Jubilee Centre.

John Kirkby and Tim Morfin are directors of CAP Life Ltd, a wholly owned subsidiary of CAP.

Related party transactions are detailed in note 23 to the accounts.

## *Financial review: how we managed the money you gave us*

### *Overview*

In 2017 our income totalled £11.1m (2016 £11.3m), a decrease of 2%. This was because 2016 saw an unusually high level of one-off income from individuals as part of our twentieth anniversary celebrations, with the last twelve months seeing a reduction in income from charitable trusts.

The reduction in charitable trusts income was partially due to new multi-year grant funding that is released upon meeting prescribed conditions. Previous grant funding was unconditional and therefore included within income in full when awarded.

In 2017 we were awarded £213,000 by NESTA towards the growth of CAP Life Skills. Tranches of this funding are connected to the achievement of certain Key Performance Indicators (KPIs). Meeting the specific KPIs unlocks further segments of the funding, and therefore it cannot be accounted for until the relevant targets have been reached. We expect the majority of the NESTA grant to be receivable in 2018 as our Life Skills service numbers grow.

Regular income represented 71% (2016 67%) of total income received and 75% (2016 68%) of total expenditure. It continues to be our strategy to maintain or increase the proportion of regular income received. This reduces the need for increasing levels of one-off income as the charity continues to grow.

Our expenditure decreased by 4% to £10.5m (2016 10.9m) driven by a combination of the full year effect of efficiency savings achieved in 2016, plus short-term staff vacancies.

### *Income*

Life Changer giving is our most important source of regular income. We focus our efforts to increase this number each year as it provides financial stability to the charity. In 2017 Life Changer income increased by 8% to £4.5m (2016 £4.2m) with associated Gift Aid of £0.9m (2016 £0.8m) totalling £5.4m (2016 £5.0m). At the end of 2017 there were 29,300 Life Changers, each giving an average of £13.52 per month (excluding Gift Aid).

Regular church giving from our partner churches running CAP centres and regular income from associated churches increased by 5% to £1.9m (2016 £1.8m). In addition to regular monthly giving we received £0.2m (2016 £0.2m) in one-off gifts from churches.

We continue to receive Fairshare income from finance companies who have chosen to give regularly to us. Fairshare is where a percentage of all debts paid to creditors through a CAP debt management plan is paid back into the charity. This is usually 10%. Over the last twelve months this totalled £0.5m (2016 £0.6m). This represents a reduction on previous years as increasing numbers of clients follow an insolvency route. We have recently agreed larger percentage rates from some finance companies which should slow the decline in this source of income in 2018 and beyond.

Individual gifts of one-off income totalled £1.9m (2016 £2.2m), which including Gift Aid totalled £2.1m (2016 £2.5m). Whilst lower than 2016, which was an unusually high year, this is significantly higher than the total received in 2015 of £1.6m including Gift Aid.

Charitable trust and company income totalled £0.7m (2016 £1.0m) with a further £0.2m of NESTA funding approved during 2017, provided that grant conditions on service growth are met in 2018 and 2019.

## Expenditure

Charitable expenditure represents 88% of all direct costs (2016 91%) and includes expenditure on services such as debt operations, group services, supporting our network of centres and raising awareness. Direct costs reduced by 8.6% to £8.2m (2016 £9.0m) due to efficiency savings from restructuring our debt operations and other cost saving measures that took place in the second half of 2016. Support costs of £1.0m (2016 £1.0m) have been allocated to charitable activities on the basis of headcount. Total expenditure on charitable activities was £9.3m (2016 £10m) which equates to 89% of total expenditure (2016 92%).

### FUNDRAISING

We would not be able to conduct our charitable activities without fundraising. Expenditure on the raising of funds represents 12% of all direct costs (2016 8%). These costs increased over the course of the last twelve months by £0.3m to £1.1m (2016 £0.8m). This was to ensure that we were adequately prepared for the new General Data Protection Regulations (GDPR) that came into force during May 2018. To do this we have employed additional temporary staff who have worked hard to gain consent from our existing supporters so that we can continue to contact them once GDPR has become law.

Support costs of £0.1m (2016 £0.1m) have been allocated to raising funds on the basis of headcount. Total expenditure on raising funds was £1.1m (2016 £0.8m), which equates to 11% of total expenditure (2016 8%).

## Cash flow and assets

There was a net cash inflow of £0.4m (2016 £0.5m) primarily due to our operating surplus. We have commenced an IT programme to replace our Customer Relationship Management (CRM) system, which can be seen on the balance sheet as an intangible fixed asset (note 6).

## Reserves policy

We aim to maximise the funds we can spend to support our charitable aims. Each year the Trustees review our reserves policy and the amount of money we keep in our general reserves, thus ensuring we get this balance right.

Our total regular income represents 75% (2016 68%) of total expenditure, which gives a good level of financial stability to the charity. Our reserves policy is based on the one-off income target that makes up the remainder of our income. The Trustees have set a target level of reserves at three months of one-off income based on the following year's budget, which for 2018 is £860k.

Following a strong year end performance for income, the total balance of charity funds the end of 2017 was £4,901k. Of this, £221k was restricted and £2,266k was only realisable by disposing of tangible fixed assets. Actual free reserves at the end of 2017 were £2,414k. This means that our total general reserves are above our target range. We plan to reduce the level of reserves during 2018 by continued investment in our replacement CRM system (see note 19 Capital Commitments).

The covenant on the charity's bank loans states that Net Assets must not fall below £2.5m. At the end of 2017 Net Assets were £4.9m.

The Trustees 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.

## Giving policy

One of CAP's core cultural values is generosity and since 2014 we have established an annual 'giving pot' to support other organisations that share our goals and values. The criteria for selecting which organisations to support are:

- CAP's own international work
- Other UK-based organisations that share our core values, namely helping the poor, through the church and evangelistically

At the beginning of 2017 we agreed a 'giving pot' of £50k and during the year made the following donations:

- £30k to CAP Australia – matched funding
- £3k to The Evangelical Alliance – a body that represents the UK's two million evangelical Christians and aims to bring Christians together and help them listen to, and be heard by, the government, media and society.

The balance of £17k will be carried forward to 2018.

## Investment powers and policy

Under the Memorandum and Articles of Association, the Trustees (who are directors of Christians Against Poverty for the purposes of company law) 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.

With the need for high liquidity to offset the seasonal nature of the cash flow, the Trustees have agreed a policy where surplus funds are invested in fixed term or call deposits with the charity's bankers.



## Principal risks and uncertainties

The Trustees have a risk management strategy that ensures that they actively review the potential risks and uncertainties that may seriously affect the charity. A central risk register is held to ensure that all areas of the charity are assessed with suitable policies and procedures put in place to mitigate those risks. The Finance, Audit & Risk Committee reviews the major risks identified on the register. The committee also receives reports from our auditors and reviews progress against any recommendations.

This strategy has identified the following potential risks and how to manage them:

### 1. Fall in income – financial risk:

As with any charity that is totally reliant on voluntary donations for its income, a large reduction in funding would have a serious impact on the charity's ability to carry out its charitable activities, especially as we seek to expand those activities. We mitigate this with our constant drive to grow regular income through attracting new supporters. This ensures we are not reliant on any one single supporter for our funding. We have directed additional resources to support our fundraising team to ensure we meet increasing levels of fundraising regulatory requirements.

### 2. Financial Conduct Authority (FCA) authorisation – compliance risk:

Debt counselling and debt management are regulated activities under the Financial Services and Markets Act 2000. Following our authorisation in the summer of 2017 we have a number of ongoing requirements to meet in readiness for our first Client Assets Report (CASS audit) in 2018. This is a major priority for the charity, in order to continue to be able to deliver our core service of debt counselling. To mitigate this risk, we have sought professional advice as part of our programme of work, which is reviewed regularly by the Trustees.

### 3. Cyber security risk (Information Technology systems compromised or data lost, ransomware or stolen through cyber attack) – operational risk:

Our IT systems are regularly tested for external attacks and additional security testing has been commissioned from an IT specialist. We have increased staff training and awareness of IT security measures and carry out reviews and testing of our business continuity plan.

### 4. Reputational damage – external risk:

As the influence and profile of CAP increases, there is increased media scrutiny. Inappropriate conduct or behaviour of our staff, volunteers and partners would damage the CAP brand. We operate a staff induction process that includes CAP culture and values and provide regular training and operating frameworks. Our Public Relations teams has a response plan in place.

### 5. Fraud – financial risk:

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. We have policies and procedures around the handling and recording of money, both charity and client. These are controlled by internal audit checks. The charity has financial crime, money laundering and whistleblowing policies of which all staff are made aware.

### 6. Safety, security and wellbeing of staff and volunteers – operational risk:

The wellbeing of our staff is an important risk that we manage. Health and safety policies, safeguarding and emergency procedures are in place. Risks are further mitigated by ensuring all regulatory requirements are up to date and providing regular awareness training for all staff around these areas.

### Going concern

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



## Structure, governance and management

The Trustees meet four times a year to review strategy and operational or 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 the senior management team prior to their official appointment.

In this way we can ensure that they are a good fit for the charity, and that they are fully aware of their responsibilities as a Trustee. Trustees are appointed for three years, after which time their role is reviewed to ensure that they are still a good fit for the charity. They then have the opportunity to serve for a further three years, or stand down.

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

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

The development of strategy and the day-to-day implementation of the strategic plan determined by the strategic objectives set out earlier in this report, is led by the Chief Executive and senior management team, that consists of members of each area of the charity. Key Performance Indicators are used to measure and review performance against these strategic objectives with monthly meetings ensuring that corrective action is taken where needed. Monthly management accounts are also used to ensure that financial performance is monitored and if any significant matters of policy or key decision-making arise during these meetings then these will be referred to the Trustees for approval.

### *Evolving charity management*

It was announced at our national conference in September 2017 that founder John Kirkby will be released to focus more time on bringing CAP's growing influence to bear on the church and other key spheres across the UK.

In this new role John will pursue further projects in relation to the promotion of our charitable aims and objectives. Consequently, he has decided to pass on the remit of International Director to Matt Barlow, who has fulfilled the role of UK CEO for over eleven years. John will remain an integral part of the team that leads our UK and international operations.

Matt Barlow will continue as UK CEO, as well as providing leadership and oversight of how CAP UK supports our work abroad. This includes any new countries CAP may seek to launch into over the coming years.

With this in mind, along with the Trustees, Matt is actively looking to strengthen the UK leadership team in order to release himself into his new role. We are currently in the final stages of appointing for the role of Executive Director for CAP UK.

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.

## *Our fundraising practices*

Every person who supports our work is incredibly important to us, that is why we believe that giving to charity should be a truly amazing experience. For this reason we strive to maintain the highest standards in supporter relations, ensuring that each person is treated as an individual, fairly and with respect.

That is why CAP voluntarily subscribes to the Fundraising Regulator, which assumed responsibility for regulating all fundraising from July 2016. The regulator investigates and takes actions, where appropriate, on issues of public concern.

CAP is also a member of the Institute of Fundraising, seeking to add our voice to the wider process of improvements, and best practice, within the charitable sector. We talk to members of the public in person and over the telephone, which we do to enable us to reach as many people as possible. During 2017 we had no complaints.

All our fundraising activities are carried out by centrally employed staff, and we do not employ any external agencies to do this work on our behalf.

The monitoring and control of our fundraising activities is also important, and it is vital to ensure that our supporters have a great experience and that all supporters are treated fairly. For example, where someone is considered to be vulnerable, we remove them from phone calls and only send occasional mailings that don't ask for donations. We remove extremely vulnerable people from the database entirely, and it is our policy to respond quickly when notified that someone may fall into this category.

In response to an internal review over the last 18 months we revamped our fundraising operation in the spring of 2017 bringing the various departments under one umbrella with its own director. This will see us better positioned to meet CAP's fundraising needs in the future and embrace the changes relating to GDPR.

The essence of these changes is to continue giving high levels of customer service for those who provide regular, or one-off, support for the charity - both now and in the future.

## *Pay policy for senior staff*

The Trustees consider that they and the senior management team comprise the key management personnel of the charity who are in charge of directing, controlling, running and operating the charity on a day-to-day basis. All Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in notes 22 and 23 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, other than those over 25) 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 £75,347 (2016: £74,898), Director of Operations £63,723 (2016 £51,788) and the salaries for the other members of the senior management team were set at £52,099 (2016 £51,788).

Other than annual inflationary wage increases, we plan to revisit the grading structure and external benchmarking every five years. We have brought this forward by one year to 2018 as a result of delays experienced in recruiting to some technical posts during this past year.

## *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 than 1,200 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 role whilst further management training is available to all members of staff through our Lead 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.

The charity is committed to supporting the employment of disabled people, helping existing staff, as well as anyone with additional support needs as part of the recruitment process. In addition we are also committed to the retention of employees that become disabled whilst in our employment. We do this through training, career development, general awareness and support.

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## Volunteers

We really value the support of those that give up their free time to volunteer at head office in Bradford and across the UK. Their welfare is of paramount importance to us and we continue to ensure that all policies and procedures are reviewed regularly. This provides the charity with clear boundaries and marks out for volunteers the extent of their remit. All of the above link into key areas of the Management and HR Strategy. In addition there is a dedicated staff member who oversees their work and ensures the wellbeing of all our volunteers.

During 2017, 15 volunteers gave their time at our head office in Bradford. They performed various part-time administrative and ad-hoc roles, giving 2,200 hours of valuable support to us in total. The value of their work is estimated at over £21,000. 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 continued help and support that they do.

The Trustees, therefore, wish to acknowledge the enormous contribution made by employees and volunteers, both at head office and 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 or expenditure separately for our Scottish activities, statistically the work was as follows:

- At the end of 2017 we had 22 full CAP Debt Centres in Scotland, (2016: 22 centres). 448 families operated a CAP Account during the year, thereby helping 535 individuals.
- 72 Scottish clients were helped to apply for Sequestration (2016: 71).
- 44 CAP Money Coaches (2016: 63) from 19 new churches were trained and 86 (2016: 115) CAP Money courses were run.
- At the end of the year there were 17 active CAP Job Clubs (2016: 17) that ran 37 courses (2016: 34) during the year resulting in 181 delegates (2016: 158) finding permanent jobs.
- Five churches were actively running CAP Release Groups (2016: 3) with four courses being held throughout the year (2016: 5).
- Four churches (2016: two) were actively running CAP Life Skills with three courses (2016: two) being run during the year.

## Regulatory

Debt counselling 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 we reported last year CAP submitted an application to the industry regulator, the Financial Conduct Authority (FCA), for the full authorisation of our debt operations. We are therefore pleased to report that our application was approved in May 2017 and we are now in receipt of full authorisation from the FCA.

In addition to the above we also attained the Advice Quality Standard mark (AQS). Organisations that hold the standard have demonstrated that they are easily accessible, effectively managed, and employ staff with the skills and knowledge to meet the needs of their clients. As part of achieving the standard, we also satisfied the Money Advice Service (MAS) Quality Framework for the quality and consistency of our debt advice.

## Directors, senior staff and advisors

### DIRECTORS (Trustees)

Roger Hattam (Chair)  
Rev Ian Nundy (Resigned 6 June 2017)  
Tim Morfin  
Andrew Parker  
Matthew Frost  
Lisa Pearce  
Simon Gates  
Joy Blundell (Appointed 28 September 2017)  
Chine McDonald (Appointed 30 November 2017)  
Jane Pleave (Appointed 30 November 2017)

### SECRETARY

Stephen Bonfield (appointed 1 March 2017)  
Andrew Thomas (resigned 1 March 2017)

### LEADERSHIP TEAM

Matt Barlow (Chief Executive)  
John Kirkby (Founder)  
Dan Lane (Fundraising & Marketing)  
Angie Rusbridge (Finance & Compliance)  
Simon Wilce (Operations)  
Ellie Gage (People and Culture)  
Jon Day (Technology & Transformation)  
Josie Barlow (Communications) (to 12 December 2017)

### PRINCIPAL & REGISTERED OFFICE

Jubilee Mill  
North Street  
Bradford  
West Yorkshire  
BD1 4EW

### AUDITOR

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

### SOLICITORS

Schofield Sweeney LLP  
Church Bank House  
Church Bank  
Bradford  
BD1 4DY

### BANKERS

Lloyds Bank PLC  
Hustlergate  
Bradford  
West Yorkshire  
BD1 1NT

CHARITY NO. UK  
1097217

CHARITY NO. SCOTLAND  
SC038776

COMPANY NO.  
4655175

## Trustees' responsibilities in relation to the financial statements

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

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

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

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

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

### *Statement as to disclosure to our auditor*

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

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

### *Auditor*

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

### *Strategic Report*

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

### *Approval*

This report was approved by the board of Trustees on 14 June 2018 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'RH', written over a horizontal line.

Roger Hattam  
Chairman



# Auditor's Report:

## *Independent Auditor's Report to the Trustees and members of Christians Against Poverty*

### OPINION

We have audited the financial statements of Christians Against Poverty (the 'charitable company') for the year ended 31 December 2017 which comprise the Statement of Financial Activities, incorporating the income and expenditure account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### BASIS FOR OPINION

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

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

### CONCLUSIONS RELATING TO GOING CONCERN

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

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

### OTHER INFORMATION

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### OPINIONS ON OTHER MATTER

#### PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report and the incorporated Strategic Report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

## Auditor's Report (continued)

### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report and the incorporated Strategic Report.

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

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

### RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' responsibilities set out on page 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

*A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at*

[frc.org.uk/auditorsresponsibilities](http://frc.org.uk/auditorsresponsibilities)

*This description forms part of our Auditor's Report.*

### USE OF OUR REPORT

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

RSM UK Audit LLP

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

Date: 15/6/18.

## Statement of financial activities

For the year ended 31 December 2017 (incorporating an income and expenditure account)

	Note	Unrestricted funds 2017 £'000	Restricted funds 2017 £'000	Total 2017 £'000	Unrestricted funds 2016 £'000	Restricted funds 2016 £'000	Total 2016 £'000
<b>Income From</b>							
Donations and legacies	2	9,905	515	10,420	10,329	239	10,568
Other trading activities	3	90	-	90	122	-	122
Investments	1	-	-	1	3	-	3
Charitable activities	4	555	-	555	620	-	620
<b>Total income</b>		<b>10,551</b>	<b>515</b>	<b>11,066</b>	<b>11,074</b>	<b>239</b>	<b>11,313</b>
<b>EXPENDITURE ON</b>							
Raising funds		1,138	-	1,138	841	-	841
Charitable activities		8,838	448	9,286	9,706	264	9,970
Other		52	-	52	59	-	59
<b>Total expenditure</b>	<b>5</b>	<b>10,028</b>	<b>448</b>	<b>10,476</b>	<b>10,606</b>	<b>264</b>	<b>10,870</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>523</b>	<b>67</b>	<b>590</b>	<b>468</b>	<b>(25)</b>	<b>443</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>523</b>	<b>67</b>	<b>590</b>	<b>468</b>	<b>(25)</b>	<b>443</b>
<b>RECONCILIATION OF FUNDS</b>							
Total funds brought forward		4,157	154	4,311	3,689	179	3,868
<b>Total funds carried forward</b>		<b>4,680</b>	<b>221</b>	<b>4,901</b>	<b>4,157</b>	<b>154</b>	<b>4,311</b>



**Balance Sheet as at 31 December 2017**

	Note	Unrestricted funds 2017 £'000	Restricted funds 2017 £'000	Total 2017 £'000	Unrestricted funds 2016 £'000	Restricted funds 2016 £'000	Total 2016 £'000
<b>Fixed Assets</b>							
Intangible fixed assets	6	61	-	61	-	-	-
Tangible fixed assets	7	3,270	-	3,270	3,345	-	3,345
Investment	8	-	-	-	-	-	-
<b>Total</b>		<b>3,331</b>	<b>-</b>	<b>3,331</b>	<b>3,345</b>	<b>-</b>	<b>3,345</b>
<b>Current Assets</b>							
Debtors	11	1,051	19	1,070	922	-	922
Cash and cash equivalents		2,275	45	2,320	1,734	154	1,888
<b>Total</b>		<b>3,326</b>	<b>64</b>	<b>3,390</b>	<b>2,656</b>	<b>154</b>	<b>2,810</b>
Creditors: amounts falling due within one year	12	(816)	-	(816)	(579)	-	(579)
<b>Net current assets</b>		<b>2,510</b>	<b>64</b>	<b>2,574</b>	<b>2,077</b>	<b>154</b>	<b>2,231</b>
<b>Total assets less current liabilities</b>		<b>5,841</b>	<b>64</b>	<b>5,905</b>	<b>5,422</b>	<b>154</b>	<b>5,576</b>
Creditors: amounts falling due after one year	14	(1,004)	-	(1,004)	(1,197)	-	(1,197)
Provisions for liabilities	15	-	-	-	(68)	-	(68)
<b>Net assets</b>		<b>4,837</b>	<b>64</b>	<b>4,901</b>	<b>4,157</b>	<b>154</b>	<b>4,311</b>
<b>Funds</b>							
Restricted funds				221			154
Unrestricted funds				4,424			3,901
Revaluation reserve				256			256
<b>Total Unrestricted funds</b>				<b>4,680</b>			<b>4,157</b>
<b>Total funds</b>	<b>20</b>			<b>4,901</b>			<b>4,311</b>

Approved by the Board of Directors and Trustees and authorised for issue on 14 June 2018 and signed on its behalf.



Roger Hattam  
Chair of Trustees and Director

**Statement of cash flows as at 31 December 2017**

	Total 2017 £'000	Total 2016 £'000
<b>Cash flows from operating activities</b>		
Net incoming resources	590	443
Add depreciation	127	126
Profit/(loss) on sale of assets	18	-
Less interest received	(1)	(3)
Add interest paid	52	59
(Increase)/decrease in debtors	(149)	(202)
Increase/(decrease) in creditors / provisions	162	(85)
<b>Net cash flow provided by operating activities</b>	<b>799</b>	<b>338</b>
<b>Cash flows from investment activities</b>		
Proceeds on sale of assets	1	-
Purchase of tangible fixed assets	(71)	(151)
Purchase of intangible fixed assets	(61)	-
Current asset investment	-	500
Interest received	1	3
<b>Net cash flow (used in) / provided by investing activities</b>	<b>(130)</b>	<b>352</b>
<b>Cash flows from financing activities</b>		
Cash inflows from new borrowing	-	-
Interest paid	(52)	(59)
Repayment of bank loans	(185)	(178)
<b>Net cash flow (used in) / provided by financing activities</b>	<b>(237)</b>	<b>(237)</b>
<b>Change in cash and cash equivalents in the year</b>	<b>432</b>	<b>453</b>
<b>Cash and cash equivalents as at 31 December 2017</b>	<b>2,320</b>	<b>1,888</b>
Cash and cash equivalents as at 31 December 2016	1,888	1,435

## Notes to the financial statements Year ended 31 December 2017

### 1. Statement of accounting policies

#### CHARITY INFORMATION

Christians Against Poverty is a company limited by guarantee domiciled and incorporated in England and Wales. The registered office is Jubilee Mill, North Street, Bradford, BD1 4EW.

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

#### ACCOUNTING CONVENTION

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

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

The charity's principal activities are described in detail on page 7 along with the nature of the charity's operations. The company has adopted the following principal accounting policies, which should be read in conjunction with the financial statements set out on pages 24 to 26.

#### CONSOLIDATION

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

#### 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 charity has been notified of entitlement, where receipt is probable and the amount of the legacy is quantifiable.

#### GIFTS OF FIXED ASSETS

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

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

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

#### 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. Prepayments are valued at the amount prepaid.

#### 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.

#### TERMINATION BENEFITS

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

## FINANCIAL INSTRUMENTS

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

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

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

### Basic financial assets

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

### Impairment of financial assets

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

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

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

### Derecognition of financial assets

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

### Classification of financial liabilities

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

### Basic financial liabilities

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

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

### Derecognition of financial liabilities

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

## INVESTMENT POLICY

The investment in the subsidiary is valued at cost less impairment.

## 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.

The annual depreciation and amortisation charges for tangible and intangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect the current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 6 for the carrying amount of the intangible fixed assets and note 7 for the carrying amount of the tangible fixed assets.

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

The estimated provision for a potential VAT liability included in the charity's prior year accounts has been released during the current year.

## PREPARATION OF THE ACCOUNTS ON A GOING CONCERN BASIS

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

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

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

We have elected to capitalise the development work commenced during the year on a new CRM system. The amount capitalised will be amortised from the date the system is deployed over the economic life of the system.

## 2. Donations and legacies

	Unrestricted funds 2017 £'000	Restricted funds 2017 £'000	Total 2017 £'000	Unrestricted funds 2016 £'000	Restricted funds 2016 £'000	Total 2016 £'000
Regular Supporters	4,460	35	4,495	4,135	31	4,166
Individual gifts	1,610	278	1,888	2,102	98	2,200
Churches	2,053	9	2,062	2,011	9	2,020
Companies	243	78	321	105	71	176
Charitable Trusts	275	115	390	755	30	785
Legacies	123	-	123	90	-	90
<b>Total</b>	<b>8,764</b>	<b>515</b>	<b>9,279</b>	<b>9,198</b>	<b>239</b>	<b>9,437</b>
<b>Gift Aid</b>	<b>1,141</b>	<b>-</b>	<b>1,141</b>	<b>1,131</b>	<b>-</b>	<b>1,131</b>
<b>Total Donations</b>	<b>9,905</b>	<b>515</b>	<b>10,420</b>	<b>10,329</b>	<b>239</b>	<b>10,568</b>

## 3. Other trading activities

	2017 £'000	2016 £'000
Fundraising events	51	80
Sales of cards, books & other merchandise	-	-
CAP Creative	3	6
Rents received	36	36
<b>Total</b>	<b>90</b>	<b>122</b>

The amounts above are all unrestricted income.

## 4. Charitable activities

	2017 £'000	2016 £'000
Service Companies	529	580
CAP Money resources	24	37
Services resources	2	3
<b>Total</b>	<b>555</b>	<b>620</b>

The amounts above are all unrestricted income.

**5. Total expenditure**

	Direct costs 2017 £'000	Support costs 2017 £'000	Total costs 2017 £'000	Direct costs 2016 £'000	Support costs 2016 £'000	Total costs 2016 £'000
<b>Expenditure on raising funds:</b>						
Expenditure on raising donations and legacies	1,079	58	1,137	776	62	838
Expenditure on other trading activities	1	-	1	3	-	3
<b>Total</b>	<b>1,080</b>	<b>58</b>	<b>1,138</b>	<b>779</b>	<b>62</b>	<b>841</b>
<b>Expenditure on charitable activities</b>						
CAP Debt Centres	5,508	818	6,326	6,213	720	6,933
CAP Job Clubs	426	66	492	535	62	597
Fresh Start	340	37	377	327	31	358
CAP Life Skills	450	38	488	308	27	335
Client welfare	300	37	337	455	36	491
CAP Money	225	21	246	223	22	245
International	227	5	232	234	4	238
Raising awareness	762	26	788	715	58	773
<b>Total</b>	<b>8,238</b>	<b>1,048</b>	<b>9,286</b>	<b>9,010</b>	<b>960</b>	<b>9,970</b>
Other costs	52	-	52	59	-	59
<b>Total resources expended</b>	<b>9,370</b>	<b>1,106</b>	<b>10,476</b>	<b>9,848</b>	<b>1,022</b>	<b>10,870</b>

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

	Principal basis of allocation of activities	2017 £'000	2016 £'000
General management and support	Headcount	233	173
Financial management	Headcount	274	244
Human resources	Headcount	210	185
Supporter relations	Headcount	302	292
IT	Headcount	46	65
Governance	Headcount	41	63
<b>Total</b>		<b>1,106</b>	<b>1,022</b>



## 6. Intangible fixed assets

	Assets under construction £'000	Total £'000
<b>Cost</b>		
At 1 January 2017	-	-
Additions	61	61
Disposals	-	-
<b>At 31 December 2017</b>	<b>61</b>	<b>61</b>

As part of our programme to replace our existing CRM system, development work started in the autumn of 2017 on the new system, which is expected to be deployed during mid-2018. We have capitalised development staff costs and consultancy fees, which will start to be amortised from the date the system is deployed over the economic life of the system.

## 7. Tangible fixed assets

	Freehold land and buildings £'000	Computer equipment £'000	Furniture and equipment £'000	Total £'000
<b>Cost</b>				
At 1 January 2017	3,352	499	292	4,143
Additions	-	71	-	116
Disposals	-	(2)	(179)	(226)
<b>At 31 December 2017</b>	<b>3,352</b>	<b>568</b>	<b>113</b>	<b>4,033</b>
<b>Accumulated depreciation</b>				
At 1 January 2017	161	425	212	798
Charge for the year	58	53	16	127
Disposals	-	(1)	(161)	(162)
<b>At 31 December 2017</b>	<b>219</b>	<b>477</b>	<b>67</b>	<b>763</b>
<b>Net book values</b>				
<b>At 31 December 2017</b>	<b>3,133</b>	<b>91</b>	<b>46</b>	<b>3,270</b>
At 31 December 2016	3,191	74	80	3,345



## 8. Investment

	2017 £	2016 £
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 2017, being the date of the last set of accounts, was £1,265 deficit (2016: £679) and the loss for the year then ended was £1,944 (2016: £597).

## 9. Employee emoluments

	2017 £'000	2016 £'000
Salaries	6,555	6,494
Social security costs	563	552
Pension costs	469	468
<b>Total</b>	<b>7,587</b>	<b>7,514</b>

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

	2017	2016
£60,000 - £69,999 (1)	2	1
£70,000 - £79,999	1	2
£80,000 - £89,999	1	1

(1) Within this total amount is a termination payment of £20k.

During the year pension contributions on behalf of these employees amounted to £22,156 (2016: £14,978).

The key management personnel of the charity comprises the Chief Executive Officer, Founder & International Director, Director of Fundraising & Marketing, Director of Finance & Compliance, Director of Operations, Director of People and Culture, and Director of Technology and Transformation. The total employee benefits of the key management personnel were £535,229 (2016: £586,489). During the year there have been five redundancy payments and one severance payment totalling £26,718.

*The average monthly headcount was 301 staff (2016: 306) and the average number of full-time equivalent employees (including casual and part-time staff) during the year was:*

	2017	2016
Head office	261	265
<b>Total</b>	<b>261</b>	<b>265</b>

**10. Net income for the year**

Is stated after charging	2017 £'000	2016 £'000
Auditor's remuneration		
External audit fees	23	23
Internal audit fees	10	-
Advisory services	11	4
Depreciation	127	126
Operating lease rentals	7	5
Interest payable	52	59

**11. Debtors**

	Unrestricted funds 2017 £'000	Restricted funds 2017 £'000	Total 2017 £'000	Total 2016 £'000
Income tax recoverable	139	-	139	119
Trade debtors	76	-	76	132
Accrued income	800	19	819	641
Prepayments	32	-	32	28
Other debtors	4	-	4	2
<b>Total</b>	<b>1,051</b>	<b>19</b>	<b>1,070</b>	<b>922</b>

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

	Unrestricted funds 2017 £'000	Restricted funds 2017 £'000	Total 2017 £'000	Total 2016 £'000
Receivable within one year	225	19	244	200
Receivable in more than one year	100	-	100	300
<b>Total</b>	<b>325</b>	<b>19</b>	<b>344</b>	<b>500</b>

**12. Creditors - amounts falling due within one year**

	Total 2017 £'000	Total 2016 £'000
Building fund loans	2	2
Bank loans	193	186
Other tax and social security	147	141
Accruals and deferred income	331	146
Trade creditors	143	104
<b>Total</b>	<b>816</b>	<b>579</b>

**13. Deferred income**

Deferred income comprises regular giving amounts processed and received before the collection date of 1 January 2018 and income received to cover the employee costs of CAP's Energy Coordinator for the period to 30 June 2018.

	Total £'000
At 1 January 2017	-
Released in the year	-
Deferred in the year	212
<b>At 31 December 2017</b>	<b>212</b>

**14. Creditors - amounts falling due after more than one year**

	Total 2017 £'000	Total 2016 £'000
Bank loans	1,004	1,197
<b>Total</b>	<b>1,004</b>	<b>1,197</b>

	Total 2017 £'000	Total 2016 £'000
Within one year	195	187
Between two and five years	853	820
After more than five years	151	376

**14. Creditors - Amounts falling due after more than one year continued**

On 11 July 2013 a loan for £1,469,000 was taken out with Lloyds Bank PLC. This loan is fully secured against the freehold properties known as Jubilee Mill, North Street, Bradford and The Jubilee Centre, Jermyn Street, Bradford. The loan is repayable over a period of ten years and interest is fixed at 3.86% for its duration. The balance of the loan at 31 December 2017 was £889,386 (2016: £1,029,061), which represents 34% of the balance sheet value of the properties.

In October 2015 a second loan was taken out for £404,000 with Lloyds Bank PLC for the purchase of a freehold property at 86 Captain Street, Bradford and the refinancing of the loan for the property at 33 Norman Terrace, Eccleshill. The loan is repayable over a period of eight years and interest is fixed at 4.20% for its duration. The balance of the loan at 31 December 2017 was £307,632 (2016: £353,222), which represents 77% of the balance sheet value of the properties. The loan is secured against the two properties.

**15. Provisions for liabilities**

	Total £'000
At 1 January 2017	68
Released during the year	(68)
<b>At 31 December 2017</b>	<b>-</b>

**16. Other financial commitments**

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

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

	31 Dec 17 £'000	31 Dec 16 £'000
Operating leases which expire:		
Within one year	9	-
Between two and five years	16	13
After more than five years	45	-

**17. Financial instruments**

	31 Dec 17 £'000	31 Dec 16 £'000
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	81	134
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	1,461	1,578

**18. Movement of funds**

Description of fund	Balance 1 Jan 2017 £'000	Incoming resources £'000	Resources expended £'000	Balance 31 Dec 2017 £'000	Balance 1 Jan 2016 £'000	Incoming resources £'000	Resources expended £'000	Balance 31 Dec 2016 £'000
General unrestricted funds	3,901	10,551	(10,028)	4,424	3,433	11,074	(10,606)	3901
Restricted funds:								
Dunfermline centre	-	3	(3)	-	-	-	-	-
Ealing centre	-	2	(2)	-	-	-	-	-
Oxford centre	-	2	(2)	-	-	-	-	-
South Bradford centre	-	5	(5)	-	-	1	(1)	-
Southport centre	-	1	(1)	-	-	-	-	-
Bradford Central centre	-	4	(4)	-	10	1	(11)	-
Wolverhampton centre	-	3	(3)	-	-	-	-	-
Bromley centre	-	2	(2)	-	-	2	(2)	-
Birmingham Kings Norton centre	-	1	(1)	-	-	-	-	-
Leeds North West centre	-	1	(1)	-	-	-	-	-
Northampton centre	-	4	(4)	-	-	-	-	-
Newcastle West centre	-	2	(2)	-	-	-	-	-
London Westminster centre	-	-	-	-	-	1	(1)	-
Skipton centre	-	-	-	-	-	1	(1)	-
Maidstone centre	-	-	-	-	-	2	(2)	-
Southampton centre	-	-	-	-	-	1	(1)	-
Wrexham centre	-	-	-	-	-	3	(3)	-
North East centres	-	1	(1)	-	-	1	(1)	-
Cumbria centre	-	1	(1)	-	-	-	-	-
Wales centres	-	9	(9)	-	-	-	-	-
Yorkshire centres	-	21	(21)	-	-	-	-	-
Republic of Ireland centres	-	10	(10)	-	-	-	-	-
Northern Ireland expansion	10	64	-	74	10	11	(11)	10
Other centres	-	12	(12)	-	-	9	(9)	-
Energy coordinator	-	11	(11)	-	-	-	-	-
Client emergency aid	109	105	(96)	118	159	77	(127)	109
Insolvency bursary fund	-	117	(117)	-	-	57	(57)	-
Client 'Discovery Breaks'	35	33	(58)	10	-	50	(15)	35
CAP Money	-	22	(22)	-	-	16	(16)	-
CAP Job Clubs	-	11	(11)	-	-	-	-	-
CAP Life Skills	-	64	(45)	19	-	-	-	-
CAP Release Groups	-	-	-	-	-	1	(1)	-
Staff benevolent fund	-	4	(4)	-	-	5	(5)	-
Total restricted funds	154	515	(448)	221	179	239	(264)	154
Revaluation reserve	256	-	-	256	256	-	-	256
Total funds	4,311	11,066	(10,476)	4,901	3,868	11,313	(10,870)	4,311

## 18. Movement of funds continued

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 restricted funds for various centres is made up of a number of small gifts towards the centralised costs of servicing 31 different centres at an average of £378 per centre.

## 19. Capital commitments

As part of our programme to replace our existing CRM system, development work started in the autumn of 2017 on the new system, which is expected to be deployed during mid-2018. As part of this programme, we have entered into licence agreements for software.

Capital commitments contracted but not provided for in the financial statements stand at £165k.

## 20. Analysis of net assets between funds

	Unrestricted funds 2017 £'000	Restricted funds 2017 £'000	Total 2017 £'000	Unrestricted funds 2016 £'000	Restricted funds 2016 £'000	Total 2016 £'000
Intangible fixed assets	61	-	61	-	-	-
Tangible fixed assets	3,270	-	3,270	3,345	-	3,345
Cash at bank and in hand	2,275	45	2,320	1,734	154	1,888
Other net current assets	235	19	254	343	-	343
Creditors of more than one year	(1,004)	-	(1,004)	(1,197)	-	(1,197)
Provision for liabilities	-	-	-	(68)	-	(68)
<b>Total</b>	<b>4,837</b>	<b>64</b>	<b>4,901</b>	<b>4,157</b>	<b>154</b>	<b>4,311</b>

## 21. Budgeting and debt management services

Monies paid in by clients to enable their utility and debt repayments to be made are held in a separate bank account from the charity's own funds and cannot be used by the charity to fund its operations. The balance in this separate account as at 31 December 2017 was £2,517,239 (2016: £2,968,181).

## 22. Transactions with Trustees

During the year no remuneration was paid to any of the Trustees (2016: £nil); one Trustee received travel expenses of £370 (2016: £317) from the charity. The charity paid a sum of £743 for Charity Trustee Insurance within its main insurance policy (2016: £1,100).

## 23. Related party transactions

During 2017 the charity donated £30,000 (2016: £10,000) to CAP Australia, a charity registered in Australia of which John Kirkby, Founder, is a Trustee.

On 2 December 2013, the Directors issued a 'Letter of Comfort' to CAP Australia, a charity registered in Australia of which John Kirkby, Founder is a Trustee, 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 (AUD) \$350k (approx. £188k) with preventative measures to be put in place once CAP Australia's liabilities exceed their assets by (AUD) \$250k. At 31 December 2017 CAP Australia had net assets of (AUD) \$372,592 (2016: \$377,094).

During 2017 the charity donated £nil (2016: £35,753) to CAP Canada, of which John Kirkby is a Trustee. In December 2014, the Directors issued a 'Letter of Comfort' to CAP Canada similar to the one issued to CAP Australia a year earlier. At December 2017 CAP Canada had net assets of (CAN) \$124,528 (2016: \$106,736).

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

	Total 2017	Total 2016
CAP Canada	£778	-£1,307
CAP New Zealand	£5,512	£2,779
CAP Australia	£4,424	£3,033

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

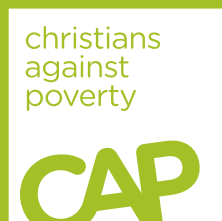
	Total 2017	Total 2016
CAP Canada	£3,861	-£1,307
CAP New Zealand	£32,246	£20,353
CAP Australia	£22,361	£13,629

On 22 February 2016 The Light Church, a church of which John Kirkby, Matt Barlow and Tim Morfin are Trustees, entered into a lease agreement for 86 Captain Street. This is a three-year lease at an annual rent of £25,000, with The Light Church being responsible for all utility costs. Under a separate agreement the church continues to use the auditorium at The Jubilee Centre at an annual rent of £5,000. There were no outstanding amounts at the balance sheet date.

At 31 December 2017, £4k (2016 £nil) included in debtors was owed by CAP Life Limited, the charity's subsidiary undertaking. During that year CAP paid for professional fees amounting to £2k on behalf of the company.

## 24. Pension commitments

The charity operates a defined contribution pension scheme, Christians Against Poverty Group Stakeholder Pension Plan, for all employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by Christians Against Poverty to the fund and in 2017 amounted to £468,518 (2016: £467,520). All contributions due have been fully paid.



This report was prepared on behalf of the Trustees of Christians Against Poverty by:

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Registered Office: Jubilee Mill, North Street, Bradford, BD1 4EW. Charity Registered No: 1097217 (England & Wales), SC038776 (Scotland). Company Limited by Guarantee, Registered in England and Wales No. 4655175.  
CAP is authorised and regulated by the Financial Conduct Authority.

**always hope.**