



Christians Against Poverty

Annual report and accounts 2019

Year ended: 31 December 2019 | Company no: 4655175
Charity no: 1097217 | Scotland charity no: SC038776

always hope.

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2019: The story in numbers

20,141

people benefitted from CAP Debt Help throughout the year (including individual adults with an active account and their children)

2,450

individual adults became debt free

1,286

people attended a CAP Job Club (at least one session)

991

people attended a CAP Life Skills group (at least one session)

360

people attended a Fresh Start group (at least one session)

22,778

people were helped across CAP's services (including CAP Debt Help clients, their children and group service members)

711

people made a response to Jesus

13,349

calls were taken by CAP's New Enquiries team from people seeking help with their debts

588

CAP services across the UK bringing hope and freedom in their communities

Introduction from the Chief Executive

2019 felt like the beginning of a new chapter in the story of Christians Against Poverty (CAP). After faithfully serving the charity for 20 years, the incredible Matt Barlow decided to step down as Chief Executive in November. Matt is a hard act to follow, but I'm blessed to have been given the opportunity.

As well as the changes to the leadership of CAP, as an organisation we also faced potentially our biggest challenge ever. Significant changes have taken place across the debt landscape in recent years, including a rise in priority debt, developments in regulatory compliance and an ever growing number of cases with multiple complexities and vulnerability factors. We've seen an unprecedented growth in demand for CAP's Debt Help service, and last year this began to outweigh our ability to supply. As a result, we made the difficult decision to temporarily stop taking on new debt clients from August 2019 until January 2020 when we reopened the phone lines. We called this period Time to Breathe.

At CAP, our passion is always for the people we serve and we're committed to seeing lives transformed. Time to Breathe allowed space to ensure that those currently on our books were receiving the highest quality of service and to help those who had been waiting to finally become debt free. By the end of the year, I'm delighted to say that 2,450 individual adults had crossed that finish line.

Over the last year, we've been working on our Fit for the Future project – an initiative designed to ensure we deliver a sustainable debt service that thrives for many years to come. Time to Breathe played into this significantly, allowing us capacity to get our Debt Operations teams to a healthy position, ready to move towards achieving this goal.

As expected, our total services (including Debt Centres and group services) at the end of 2019 had decreased slightly to 588 (2018: 618). As we progress through 2020 and over the next few years, our focus will be on equipping and empowering every new and existing partner church to not only deliver an excellent, quality-focused CAP service, but to bring hope to the darkest corners of their community.

In the relatively short time I've been at CAP, I've been blown away by the tangible passion and drive to see lives changed practically and internally. Through all the change and challenge 2019 brought, I can say with absolute confidence that this passion hasn't waned. I've been endlessly inspired by the patience and persistence of CAP's frontline and head office heroes, volunteers and partner churches, and their will to keep God at the centre of everything we do. I'm inspired and encouraged by the generous support we have outside of CAP, from a network of over 30,000 amazing Life Changers, to those within the credit industry and government who are working with us to make life better for those most in need.



Paula Stringer
UK Chief Executive

Introduction from the Chairman

I first came across Christians Against Poverty over ten years ago when I was working in the UK banking sector. I was impressed with the passion and professionalism they brought to dealing with the devastating impact of personal debt on people's lives. Since then, I've observed CAP grow from a small, well-intentioned charity to a professional, impactful industry leader operating in five countries across the world.

CAP has always strived to offer the very best service to those with the very least, but with the growth of recent years and an increasingly complex regulatory environment within which we operate, our capacity became stretched during 2019. The step to temporarily stop taking on new debt clients was difficult, but creating the operational 'Time to Breathe' and strengthening our capability was, I firmly believe, the right thing to do to serve CAP's clients best in the long run. I'm grateful to our supporters and partner churches for their positivity and generosity through this period.

Our long-term prayer is that we will see every UK church equipped and empowered to deliver services like CAP's and restore hope in their communities. This is the Church's calling and it is ours. But before we can support this, we need to build stronger foundations. That's the story of 2019 for Christians Against Poverty in the UK.

Critical to the growth of CAP over the last twenty years has been the excellent and faithful leadership of Matt Barlow. Matt brought a passion for justice, a heart for people, a culture of faith and excellence, and a determination to see local churches confidently proclaiming Jesus in word and deed at the centre of our work. He was a fantastic Chief Executive and, as many across CAP will testify, a great friend too. Matt, I wish you all the best as you pursue your calling into church leadership. I also want to thank Tim Morfin for his many years of service to the Trustee Board, as he moved on in July. Tim, your wisdom and expertise over the last decade have been significant.

Now we move into a new leadership era, and the Trustee Board were delighted to appoint Paula Stringer as our UK Chief Executive. Paula joined CAP in 2018 from a senior role at the BBC. She brings with her a wealth of experience and new perspectives, but the same passion to see people released from poverty with the Church at the centre. Alongside a fantastically talented core team, I'm excited to see what God will do through CAP over the coming years.

None of CAP's life-changing work would be possible without the dedication of frontline and head office staff, volunteers, church partners and supporters – thank you for all you've done over the past year. Together we continue to make a real impact in the lives of those living in debt and poverty across the UK and further afield.



Roger Hattam
Chair of Trustees

Trustees' and Directors' Report

Who we are

Poverty destroys lives. It pulls families apart, shatters confidence and says there's no way out. As people become more and more trapped by their circumstances and isolated from vital support networks, hope drains away.

That's why the work of CAP and the local church is vital. Through a range of expert services that tackle debt and the key causes of poverty, we're helping people find far more than a practical solution to their financial situation. With the support and care of local churches, people are growing in confidence and recognising their self-worth, families are being restored, and hope is flooding back.

How we help

CAP Debt Help, CAP Job Clubs, Fresh Start and CAP Life Skills address some of the most common causes of poverty: debt, unemployment, addiction, low income and difficulty budgeting. In addition, the CAP Money Course provides vital money education and empowers delegates to become more financially resilient. All of these services are run through local churches, creating an important community aspect to help break the isolation that poverty can cause.

Aims and objectives

Everything we do 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



- 60% Individuals | £8.8m
- 15% Church donations | £2.1m
- 4% Fairshare & resources | £0.6m
- 4% Companies | £0.6m
- 15% Charitable trusts | £2.1m
- 1% Trading activities | 0.1m
- 1% Legacies | £0.1m

How we spent our money



- 78% Charitable activities | £10.7m
 - 8% Raising funds | £1.1m
 - 13% Support costs | £1.8m
 - 1% Other | £0.1m
-

Our services



CAP UK core services at the end of 2019:

287 Debt Centres

111 Job Clubs

55 Fresh Start groups

135 Life Skills groups

Total: 588

Our strategy:

We couldn't do what we do without local churches. Because we're able to meet people face-to-face, we can provide a holistic service that addresses more than their financial situation. We're able to see and respond to a person's needs, such as helping out with a food shop, topping up the electricity meter, or simply providing a listening ear to combat isolation and loneliness.

Every church that partners with CAP is restoring hope in their community. Because of them, 22,778 adults and children benefitted from CAP's services in 2019, 43% of whom had a key support issue requiring an extra level of support.

The next few pages explain the progress we've 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 2019: Continue to provide our life-changing debt help service and help clients become debt free to live a life free from the worrying burden of poverty.

2019 saw significant changes to our Debt Operations. Throughout the year, we worked on a project called Fit for the Future, looking at the health of our Debt Operations staff and long-term sustainability of the department. During this time, it became apparent that demand for our debt service was increasingly outweighing our capacity to deliver. From August until January 2020, we entered a period called Time To Breathe, during which we paused taking on new debt clients in order to a) service our existing clients, b) protect the health and wellbeing of our staff, and c) move our Debt Operations department to a healthier place for the future.

Despite Time to Breathe, we saw 12,536 adults receive help from CAP with their debts, 5,685 of whom were new in 2019. By extension, 7,605 children of debt clients benefitted from our service. We're thankful to be able to support whole families as the average total household peak debt continues to rise, hitting £15,977 in 2019.

The ultimate goal is to help people become debt free and we were able to celebrate with 2,450 clients and their families as they reached this milestone.

Our New Enquiries team continues to provide a lifeline for many people seeking help. The team booked 6,592 initial appointments for new debt clients, significantly lower than 2018's 10,870 – although this decrease wasn't surprising with the phone lines being closed for the second half of the year. Even so, the team took 30,146 phone calls throughout the year, 13,349 of which were from people looking for debt help (we receive calls about a range of issues, including our other services).

In terms of network size, we ended the year with 287 Debt Centres, slightly down from 294 at the end of 2018. Again, this was to be expected, as we move to focus on the quality of the service we provide rather than centre growth. The fact we saw so many first appointments booked, families supported and clients become debt free is evidence of the effectiveness of this approach, and a testament to the hard work of our frontline staff and Debt Operations teams.

HELPING PEOPLE INTO EMPLOYMENT

Objective for 2019: Increase the number of people we help gain skills to become work-ready.

12 new Job Clubs were launched which meant, taking other closures into account, we ended the year with 111. These community groups helped 1,286¹ people gain the skills and confidence to become work-ready, 1,123¹ of whom were new to the service in 2019. Amongst those who used the Job Clubs service in 2019, 411 jobs were found.²

FREEDING PEOPLE FROM DEPENDENCIES

Objective for 2019: Increase our number of Fresh Start groups so we can help more people find a fresh start for themselves and their families.

There were six new Fresh Start groups launched. After closures, we ended the year with 55 groups, a decrease from last year's 66. These community groups saw 360³ members supported in their aim to loosen the grip of life-controlling dependencies, 297³ of whom were new in 2019. Amongst those who used the Fresh Start service, 136 members were reported to have achieved self-set goals.

LIVING WELL ON A LOW INCOME

Objective for 2019: Release an updated version of the Life Skills workbook and help more people to learn new skills so that they can live well for less.

As it's often the most accessible of our services for churches to run, Life Skills has quickly become our most popular group service. We launched 34 new groups, meaning the total number rose from 123 to 135.

These community groups helped a total of 991⁴ members to learn the skills to live well for less, an increase of over 150 on last year's total. 871⁴ of these members were new to the service in 2019.

As planned, we also released an updated version of the Life Skills workbook and leaders' guide. The rework included a brand new module based around staying in control of home energy, which we know many of our low income clients struggle with. We also updated the 'Healthy you' section to focus more on mental wellbeing as well as physical health. This topic is especially pertinent as one in five (19%) of our debt clients say mental ill-health was the primary reason for getting into debt.

1 | These figures show the number of members who were logged as attending at least one Job Club session in 2019.

2 | This figure shows the number of jobs reported as found on our system. As some may not have been reported, the actual number may be higher.

3 | These figures show the number of members who were logged as attending at least one Fresh Start session in 2019.

4 | These figures show the number of members who were logged as attending at least one Life Skills session in 2019.

Providing financial education

Objective for 2019: Run 1,500 courses around the UK, helping 6,100 people to budget and take control of their finances and to train 375 new coaches.

The CAP Money Course continues to offer vital financial education across the UK. Through 1,347 courses, it provided 5,792 delegates with the skills to budget well and become more financially resilient. Although these numbers were just short of the targets we set for ourselves, we were delighted to welcome 546 new coaches who trained with us, significantly higher than the predicted 375.

With so many new coaches now ready to take The CAP Money Course into their communities, we hope to see an increase in the number of courses run and the number of delegates helped in the future.

Advancing the Christian faith

Objective for 2019: Continue to work with our church partners, equipping them to reach out to people in their towns and cities around the UK, and provide a life-changing holiday for 950 people and their families.

14 Discovery Breaks provided 846 adults and children with the chance to get away for a few days, relax, reconnect with one another and build new friendships. For many of our clients and their families, this was the first holiday they'd had in years. For some, it was their first holiday ever.

Across the charity, we saw a total of 711 people make a personal decision to begin a relationship with Jesus, many of whom made a response at a Discovery Break or as a result of attending one.

Now, as we move towards our new vision of equipping and empowering local churches to serve the clients in their community, we've made the decision to stop running Discovery Breaks through head office. Instead, we'll look to equip and support churches to run their own events for clients in their area.

Raising awareness of debt and poverty in the UK

Objective for 2019: 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.

As well as our day-to-day service, we're committed to speaking up for the most vulnerable and marginalised in society. Whether it's mobilising the general public through campaigns, petitions and church talks, calling on the Government to prioritise policies affecting people living in poverty, or working with the credit industry to secure better deals for our clients, we're always working hard to raise awareness.

In 2019, we were privileged to be chosen as Premier Praise's Charity of the Year. This continued into the first quarter of 2020. With a listener base of 950,000 per week, this was a fantastic opportunity to raise awareness of the issues faced by those living in poverty and encourage individuals and churches to support CAP. Over the course of the year, we received 424 new regular gifts totalling £5,092 per month, and 183 one-off gifts totalling £24,930. We also gained 495 new contacts on our database, with whom we can now share news about our work.

We also delivered talks at 488 churches across the country, with 160 trained speakers. These talks prompted 1,447 people to become Life Changers, who will bring in a combined total of £19,456 a month.

Our External Affairs team wrote 19 consultation responses to regulators and government bodies including the FCA, HM Treasury and Ofgem, and attended 20 conferences including two political party conferences and the Credit Summit. The team also led a workshop on vulnerability at the Collections and Vulnerability Summit, as well as being part of a panel discussion.

In the media, CAP appeared on ITV Tonight, BBC Breakfast, Channel 4 News, Radio 4 Today, Radio 4 You and Yours, and in The Guardian and The Independent, representing average estimated audience figures of more than 15 million per month. In addition, we were featured hundreds of times in the local press thanks to the hard work and perseverance of our frontline staff and partner churches.

International development

Objective for 2019: Continue to support the work of CAP around the world in New Zealand, Canada and Australia, and pioneer its work in the USA through CAP America.

The work of CAP reaches much further than the UK. It's a worldwide operation, with affiliate charities in New Zealand, Canada, Australia and, most recently, a subsidiary charity in America. We're committed to supporting our international affiliates and seeing them replicate the life-saving work seen across the UK.

Most notably, 2019 saw the creation of the International Governance Council (IGC), a team from across each CAP organisation that meets online quarterly, and face-to-face once a year. The purpose of the IGC is to promote unity internationally and develop strategies that improve the way we collaborate.

After Chris Brown stepped down as Executive Director, CAP Canada went through a transition phase, in which CAP UK was able to provide valuable support. CAP Canada also saw 17 clients become debt free in 2019.

CAP New Zealand opened six new Debt Centres and welcomed 587 new Life Changers in 2019.

CAP Australia saw an increase in the amount of people using their Debt Centres, the number of which remained at 38. 233 people became Life Changers and 41 new churches joined to run The CAP Money Course.

We provided support for CAP America in their first year since launching, during which they celebrated the opening of their first Debt Centre in South Holland, saw their first ever debt client and welcomed 73 new Life Changers. Six churches also came on board to run The CAP Money Course. The head office team grew with the addition of three new staff members. At the end of 2019, CAP America had another three Debt Centres in the pipeline, set to open in early 2020.

Our three-year strategy (2020-2022)

Going forwards, our strategic objectives will be a little different. We want to see the Church empowered to help as many people as possible. We also want to see growth of impact. However, to grow more in the future, we need to first deliver sustainability and health, and of course, continue to increase our income. 2020 will be the beginning of a three-year interim strategy which puts our focus firmly in the following three areas:

- A sustainable debt service
- A healthy organisation
- Financial sustainability for the future

These key focuses will guide our strategy for the next three years and provide the context for all decision making.

A SUSTAINABLE DEBT SERVICE

As the need for debt advice across the UK grows and develops, it's essential we provide a strong and sustainable service for existing and future clients. We'll be making use of what we learned from Time to Breathe and working hard to ensure we won't reach a point where we have to limit our service again, as well as continuing our Fit for the Future project, looking at the long-term sustainability of our debt operations. In 2020, we aim to:

- Make our current debt service sustainable
- Deliver a roadmap for a new debt operations model

A HEALTHY ORGANISATION

In order to provide the very best services we can, it's essential that our frontline and head office staff are sufficiently resourced, equipped, and feel valued in their work. Our objectives for 2020 are to:

- Fully understand the demand and resource levels across the charity
- Define what 'CAP culture' means and what it looks like for our staff going forwards
- Deliver clarity and alignment through an internal communication strategy and framework
- Complete the first phase of implementing a Human Capital Management (HCM) system

FINANCIAL SUSTAINABILITY FOR THE FUTURE

Over the course of 2020, we will review and assess both our methods of fundraising and the systems and structures in place to handle our finances internally. We aim to:

- Create new income strategies for the future
- Draw up a clear finance business model
- Determine what our services cost us and the return on investment
- Complete 75% of our finance transformation project, including streamlining processes for greater efficiency

INTERNATIONAL FOCUS

While international development isn't a strategic objective, it remains a key focus as we look to grow CAP's impact worldwide. In 2020, we plan to:

- Continue to establish the International Governance Council (IGC), Affiliation Agreement and Operations Manual
- Facilitate a successful leadership transition
- Deliver an updated CAP Money product
- Continue to establish CAP America
- Support CAP Canada through their leadership transition

Financial review: how we managed the money you gave us

Overview

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

Our priority in 2019 was to invest in additional staff and resources to support our debt service during a time of unprecedented demand. We also successfully completed a multi-year technology project focused on the regulatory compliance of our debt counselling and client money payment system.

In 2019, our income totalled £14.4m (2018: £12.2m). With an expenditure of £13.7m (2018: £12.0m), this resulted in a surplus of £0.7m (2018: £0.3m).

The income total of £14.4m includes accrued income of £1m relating to a multi-year grant which we were notified of in the latter part of 2019. This will be receivable over the next three years starting in the first quarter of 2020. This grant met the income recognition criteria of entitlement, certainty and measurement and has been recognised in full.

Without the inclusion of this grant, our 2019 accounts would have shown a deficit of £0.3m. This reflects the intentions stated in our 2018 annual report to spend some of our reserves to build capacity and expertise in priority areas.

Income

In 2019, our income grew by 18% to £14.4m (2018: £12.2m with 11% growth). Our main sources of income continue to be donations from individuals and churches, which total £10.9m (2018: £10.1m) or 76% (2018: 83%) of our total income.

Regular income, most of which was received on a monthly basis, was £9.0m (2018: £8.2m) which represents 63% (2018: 67%) of total income received.

Life Changer giving from individuals is our most important source of regular income and provides financial stability for the charity. In 2019, Life Changer income increased by 11% to £6.6m (2018: £6.0m) including associated Gift Aid. At the end of 2019, there were 30,507 Life Changers, each giving an average of £18 per month excluding Gift Aid.

Our one-off income increased by 35% to £5.4m (2018: £4.0m) due to increased donations from charitable trusts and includes an accrual of £1m for a multi-year grant, which will be received in staged payments from 2020 to 2022.

We received £0.6m (2018: £0.6m) in donations from creditors as Fair Share contributions, where a percentage of monies disbursed to our clients' creditors through a CAP Debt Management Plan is paid back to the charity. 100% of payments made by clients through their CAP Debt Management Plan goes towards paying off their debts. In 2019, funds disbursed to creditors on behalf of our clients for debt and priority payments totalled £9.8m.

Expenditure

Expenditure on charitable activities (including associated support costs) increased by £2m to £12.4m and the cost of raising funds reduced by £0.3m which resulted in an overall expenditure increase of 14% or £1.7m to £13.7m (2018: £12.0m).

Our average headcount increased by 42, which is equivalent to 27 full-time people as we recruited additional posts to enable us to tackle the increased workload in our debt services and other vital roles across the charity.

It takes time and resources to train our debt advisors to reach the high standards of accreditation required and in 2019 we needed to reduce staff turnover in these roles. We created a new salary structure for this section of staff which recognises the value, qualifications and experience these roles bring to our core services. Together with the full staff salary review detailed on p17 and headcount increase, this accounted for £1.4m of additional investment in our charitable activities.

We spent £192k in support of the start up of CAP America, which included legal fees, salaries, travel expenses and relocation costs. We also donated £50k as match funding for their larger fundraising events to enable them to take further steps towards becoming financially independent from CAP UK. During the latter part of 2018 our staff and volunteers donated an amazing £48k to support the pioneering work of CAP America. This was held as restricted income in 2018 and transferred to CAP America in 2019.

FUNDRAISING

We would not be able to conduct our charitable activities without fundraising. Expenditure of £1.2m (2018: £1.5m) on raising funds represents 9% (2018: 13%) of total costs. This reduction is because 2018 costs included additional one-off investment costs in our new Customer Relationship Management (CRM) system and preparation for General Data Protection Regulations (GDPR) that came into force during May 2018. Our partnership with Premier Christian Radio as their Charity of the Year continued into 2019, which helped increase the number of Life Changers giving regularly to support our work.

Cash flow and investments

RESERVES POLICY AND MANAGEMENT

Each year, the Trustees review our reserves policy and the level of required general free reserves to ensure that an appropriate level is held. We aim to maximise the funds we can spend to support our charitable aims. This is balanced against managing short-term financial risk and our obligations as a debt management company under FCA rules (CONC 10.2.5) to hold sufficient free reserves to meet our minimum prudential resources requirement of £76k.

Our total regular income represents 63% (2018: 67%) of total

expenditure, which provides a good level of financial stability to the charity. Our reserves policy is based on the one-off income target that makes up the remainder of our income. The Trustees have set a target level of reserves at three months of one-off income based on the following years' budget, which for 2020 is £1.0m.

The reserves at 31 December 2019 were £5.9m (2018: £5.2m), of which £0.0m (2018: £0.2m) are restricted in nature and £2.6m (2018: £2.5m) is only realisable by disposing of tangible fixed assets. Free (unrestricted) reserves at the end of 2019 were £3.2m (2018: £2.5m), which are £2.2m (2018: £1.5m) in excess of the minimum reserves set out in our reserves policy. We had planned to reduce our level of reserves in 2019 by £0.5m to build capacity and expertise in priority areas including Debt Operations. However, our increased level of fundraising income this year has enabled us to fund this without reducing our free reserves level. Our reserves will reduce over the next three years as we utilise the £1m multi-year grant that has been fully recognised in our 2019 accounts.

The covenant on the charity's bank loans states that Net Assets must not fall below £2.5m. At the end of 2019, Net Assets were £5.9m.

The Trustees are confident that this level of reserves, combined with the continued drive to increase regular income, will enable the charity to meet our existing commitments and fund our strategic priorities.

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 those that help the vulnerable and marginalised, work through the Church and have an evangelistic focus

At the beginning of 2019, we allocated £50k to the giving

pot, plus £50k for CAP America to support their first major fundraising events. During the year we made donations of:

- £25k to CAP Australia
- £20k to CAP Canada
- £50k to CAP America
- £5k to Welcome Churches

We will agree a total for the 2020 giving pot during the first quarter of 2020.

Investment powers and policy

The charity's investment policy is reviewed annually by the Finance, Audit and Risk committee. In 2019, the policy has been maintained to continue to invest the surplus liquid funds in fixed term deposits or a 32-day notice account with the charity's bankers.

Principal risks and uncertainties

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

Risk	Impact and mitigation
Financial sustainability - failure to develop and implement a sustainable funding model.	As with any charity that is totally reliant on voluntary donations for its income, a large reduction in funding could have a serious impact on the charity's ability to carry out its charitable activities. We mitigate this through our constant drive to grow income through attracting new supporters. We have multiple sources of income and this level of diversification provides significant mitigation against financial risk. One of our key strategic priorities for the next three years is a focus on financial sustainability for the future.
Compliance - breach of regulatory or legislative requirements.	We are authorised and regulated by the Financial Conduct Authority and are subject to an annual CASS (Client Money) audit. We completed our programme of system development work to make our debt counselling IT system fully compliant with CASS rules in November 2019. Compliance is monitored and evidenced through the Charity's governance framework.
Impact - not demonstrating sufficient impact in our work.	We continually measure outcomes for our clients and publish them regularly, including through our annual client report (most recently published in April 2020). We conduct regular client surveys to measure the ongoing impact of our services over time.
Reputation - negative PR incident that leads to significant press coverage and damage to reputation.	The increased profile of CAP brings increased media scrutiny. Inappropriate conduct or behaviour of our staff, volunteers and partners could 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 team has a response plan in place.
Safety, security and wellbeing of staff and volunteers - inadequate plan for health & wellbeing of staff and volunteers.	During 2019 we established a Health & Safety Board to ensure we are covering all risk areas including our head office staff, frontline staff, safeguarding, business continuity and disaster recovery. One of our key strategic priorities for the next three years is focus on health and wellbeing. We continue to carry out emergency response training for all head office staff on a regular basis.
Safeguarding of vulnerable adults - inappropriate conduct of staff, volunteers or partners that is inconsistent with our values and safeguarding policies.	Our safeguarding and whistleblowing policies are regularly reviewed, with refresher training regularly conducted for all staff. We also have training in place for partner churches to ensure good safeguarding practice. We commissioned an external safeguarding audit from an organisation that specialises in safeguarding in the faith sector and have recruited a new role of Safeguarding Officer to ensure our continued focus in this area.
Cyber security – IT systems compromised or data lost, ransomed or stolen through cyber-attack.	Our IT systems are regularly tested for external attacks and additional security and penetration testing is commissioned from an independent security consultant, using Cyber Essentials as a framework. We have increased staff awareness of IT security measures and carry out reviews and testing of our business continuity plan. Other mitigations include data anonymisation, cyber security insurance and major-incident management processes.
Coronavirus (COVID-19) pandemic - economic uncertainty leading to income risk and greater demand for debt services; negative impact on service delivery and fundraising events cancelled due to UK Government social distancing rules.	Five-year income forecasts with scenario modelling have been prepared, and additional expenditure controls and cash flow monitoring are in place. The majority of our staff are working from home and client home visits have been replaced with telephone appointments. Planning has commenced to support an expected increase in demand for our services when the Government support measures are withdrawn.

Structure, governance and management

The Board of Trustees

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

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

Trustees are appointed for three years, after which time their role is reviewed to ensure that they are still a good fit for the charity. They then have the opportunity to serve for a further three years or stand down.

Trustee term of duty

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

Indemnity

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

Structure and management

The charity is constituted as a company limited by guarantee (Company number 4655175), formed on 3 February 2003, and is therefore governed by its Memorandum and Articles of Association dated 5 February 2007. The company took over the operations of Christians Against Poverty as constituted under a Declaration of Trust dated 29 August 1996, on 1 June 2003.

The day-to-day implementation of the strategic plan, together with the development of strategy, is led by the Chief Executive and senior management team, which consists of members of each area of the charity. Key performance indicators, including amount of free reserves, balanced scorecard, and Debt Operations capacity, are used to measure and review performance against the strategic plan with monthly meetings ensuring that corrective action is taken where needed. Monthly management accounts are also used to ensure that financial targets are being met. If any significant matters of policy or key decision making arise during these meetings, these will be referred to the Trustees for approval.

Changes in leadership

It was announced in November 2019 that Matt Barlow would step down as UK & International Chief Executive and that he would pass on the remit of UK Chief Executive to Paula Stringer, who had been Executive Director since September 2018.

Finance, Audit and Risk Committee

The Finance, Audit and Risk Committee is responsible for monitoring the integrity of the charity's financial reporting and internal controls. This includes reviewing the Annual report and accounts, and the effectiveness of external audit services.

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

The committee met four times in 2019.

Our fundraising practices

Every person who supports our work is important to us and we believe that giving to Christians Against Poverty should be an amazing experience. We strive to maintain the highest standards in supporter relations, ensuring that each person is treated as an individual, with fairness and respect.

For this reason, CAP voluntarily subscribes to the Fundraising Regulator, which assumed responsibility for regulating all fundraising from July 2016. The regulator investigates and takes action, where appropriate, on issues of public concern. We received no formal complaints regarding CAP's fundraising practices in 2019.

Most of our fundraising work is carried out by centrally employed staff, including an in-house supporter phone team and a separate team dedicated to building and maintaining relationships with major donors. CAP's Donor Development team oversees strategy and implementation of fundraising activities, of which there was a breadth in 2019.

In addition to those outlined in the Strategic report (page 9-11), CAP attended several exhibitions and festivals around the UK, including Big Church Day Out and New Wine's United conference, through which we were able to engage new regular givers (Life Changers). We also hosted several regional fundraising dinners, including two at Lambeth Palace in October and November. As usual, these activities were carried out by Christians Against Poverty's staff and volunteers.

CAP employs an in-house creative team who produce supporter materials and appeals to raise funds and engage new Life Changers. In 2019, we tested two of these appeals against outsourced versions produced by creative agencies, seeking to increase the return on investment from these fundraising activities.

We want to empower our staff and supporters to engage in community fundraising for CAP. We do this through initiatives such as The Flipping Marvellous Pancake Party, which we ran for the second time in 2019. Our in-house creative team creates resources and guidance to enable the public to host their own 'Pancake Party' events on or around Shrove Tuesday. The total raised, including Gift Aid, was £18,369. Some CAP centres raised funds to put towards their own CAP service rather than general funds, totalling £2,171.

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

We continue to comply with General Data Protection Regulations (GDPR) which came into action in 2018.

Salary policy and pay for senior staff

In 2019, we undertook a full salary review to ensure all salaries are benchmarked against the external market. A Job Evaluation Panel, Remuneration Committee and members of the senior management team reviewed all roles, and an updated salary structure was created. The Director of People and Culture will review the salary policy on an annual basis.

The previous salary review in 2015 had resulted in a strong compression being applied to our salary scale. However, this proved problematic, particularly with regards to offering competitive salaries to attract applicants to senior and specialist roles. Last year's review saw this compression reduced to ensure retention and attraction of these roles, which resulted in an increase in some senior management level salaries.

Salaries for the Chief Executive and Founder were set at £79,239, in comparison to £77,306 in 2018. Salaries for Directors in the senior management team were set at £58,000, in comparison to £53,453 in 2018.

We're committed to fairness for all and so an element of compression continues to be applied to the most senior salaries to achieve the agreed ratio of 1:5 between the lowest and highest paid roles across the charity.

The Trustees consider that they and the senior management team comprise the key management personnel of the charity who are in charge of directing, controlling, running and operating the charity on a day-to-day basis. All Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in notes 21 and 22 to the accounts.

Employees

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

At the end of the year, more than 1,600 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.

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

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

As Time to Breathe demonstrated, there is an increasing demand for the services we provide. We are also seeing more and more vulnerable clients, many with multiple complex needs, who require an additional level of support. This can create additional pressure for our staff and have an impact on their own health and wellbeing, which was one of the reasons we made the decision to temporarily pause new debt client bookings in the second half of the year. The health and wellbeing of our staff is paramount and we are committed to offering flexible working arrangements and a range of benefits, including:

- A confidential, independent 24-hour advice line giving staff access to counselling and advice on tax, childcare and legal issues
- Assistance with travel season ticket loans, childcare vouchers, cycle-to-work schemes and pension planning
- Length of service awards for those working at CAP for five, ten and fifteen years

Directors' engagement with employees

Regular communication with staff through monthly staff meetings, team meetings and podcasts ensure that they are kept informed of any decisions taken by the senior management team. The staff also receive a quarterly update on the charity's financial position alongside information on how any current economic factors are affecting the performance of the organisation. Both a staff representative and a centre representative attend the quarterly trustee board meetings so their views can be taken into consideration through the decision-making process regarding strategic and operational matters.

Volunteers

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

During the year, 17 volunteers have worked at CAP's head office in Bradford, performing various part-time administrative and ad-hoc roles. The number of volunteers within our centre network is far more difficult to quantify, but we acknowledge that without their invaluable contribution our clients would not receive the help and support that they do. The Trustees, therefore, wish to acknowledge the enormous contribution made by employees and volunteers, both at head office and within our centre network, without whom we would not be able to transform lives across the nation.

Work in Scotland

The Office of the Scottish Charity Regulator requires us to report separately on our work in Scotland. While we do not report our income/expenditure separately for our Scottish activities, the statistics at the end of 2019 were as follows:

- 22 Debt Centres
- 13 Job Clubs
- 3 Fresh Start groups
- 8 Life Skills groups
- 72 churches who are trained to run The CAP Money Course
- 884 adults helped in 2019 (including individuals accessing more than one service)
- 163 clients became debt free in 2019

Regulatory

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

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

Related parties

John Kirkby is a Trustee of CAP New Zealand and CAP America.

Ellie Gage is a Trustee of CAP Canada.

John Kirkby and Tim Morfin (to 10 April 2019) 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 Limited, a wholly owned subsidiary of CAP. In September 2019 the directors entered CAP Life Limited into a Members' Voluntary Liquidation ('MVL') and the company was subsequently dissolved on 2 October 2020.

Related party transactions are detailed in note 22 to the accounts.

Directors, senior staff and advisors

DIRECTORS (Trustees)

Roger Hattam (Chair)
Tim Morfin (Resigned 4 July 2019)
Matthew Frost
Lisa Pearce
Simon Gates
Joy Blundell
Chine McDonald
Jane Pleace
Ema Ojiako (Appointed 12 December 2019)

SECRETARY

Stephen Bonfield

LEADERSHIP TEAM

Paula Stringer (Chief Executive) (from 4 November 2019)
Matt Barlow (Chief Executive) (to 4 November 2019)
John Kirkby (Founder)
Dan Lane (Fundraising & Marketing)
Angie Rusbridge (Finance & Compliance)
Jake Hutton (Debt Operations) (from 1 May 2019)
Ellie Gage (People and Culture)
Jon Day (Strategy, Innovation & Technology)
Chris Cupples (Church Network) (from 6 January 2020)

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

Hempsons
The Exchange
Station Parade
Harrogate
HG1 1TS

BANKERS

Lloyds Bank PLC
Hustlergate
Bradford
West Yorkshire
BD1 1NT

CHARITY NO. UK

1097217

CHARITY NO. SCOTLAND

SC038776

COMPANY NO.

4655175

Trustees' responsibilities in relation to the financial statements

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

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

- a) Select suitable accounting policies and then apply them consistently;
- b) Observe the methods and principles in the charity's statement of recommended practice (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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement as to disclosure to our auditor

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

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

Auditor

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

Strategic Report

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

Approval

This report was approved by the board of Trustees on:

22.10.2020

and signed on its behalf by:



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 2019 which comprise 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 2019 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 directors' report and the strategic report prepared for the purposes of company law and included within the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and the strategic report, included within the trustees' annual report, have been prepared in accordance with applicable legal requirements.

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 directors' report or the strategic report, included within the trustees' annual report.

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the statement of trustees' responsibilities set out on page 19, 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:

<http://www.frc.org.uk/auditorsresponsibilities>

This description forms part of our auditor's report.

USE OF OUR REPORT

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

RSM UK Audit LLP.

VICTORIA CRAVEN (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Central Square
5th Floor
29 Wellington Street
Leeds
LS1 4DL

Date: 27/10/2020

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

Statement of financial activities

For the year ended 31 December 2019 (incorporating an income and expenditure account)

	Note	Unrestricted funds 2019 £'000	Restricted funds 2019 £'000	Total 2019 £'000	Unrestricted funds 2018 £'000	Restricted funds 2018 £'000	Total 2018 £'000
Income From							
Donations and legacies	2	13,027	596	13,623	11,093	486	11,579
Other trading activities	3	92	-	92	64	-	64
Investments		2	-	2	1	-	1
Charitable activities	4	655	-	655	604	-	604
Total income		13,776	596	14,372	11,762	486	12,248
Expenditure on							
Raising funds		1,222	-	1,222	1,523	-	1,523
Charitable activities		11,664	735	12,399	9,855	549	10,404
Other		36	-	36	44	-	44
Total expenditure	5	12,922	735	13,657	11,422	549	11,971
NET INCOME/(EXPENDITURE)		854	(139)	715	340	(63)	277
NET MOVEMENT IN FUNDS		854	(139)	715	340	(63)	277
RECONCILIATION OF FUNDS							
Total funds brought forward		5,020	158	5,178	4,680	221	4,901
Total funds carried forward		5,874	19	5,893	5,020	158	5,178

Balance Sheet as at 31 December 2019

	Note	Unrestricted funds 2019 £'000	Restricted funds 2019 £'000	Total 2019 £'000	Unrestricted funds 2018 £'000	Restricted funds 2018 £'000	Total 2018 £'000
Fixed Assets							
Intangible fixed assets	8	365	-	365	407	-	407
Tangible fixed assets	9	3,243	-	3,243	3,342	-	3,342
Investment	10	-	-	-	-	-	-
Total		3,608	-	3,608	3,749	-	3,749
Current Assets							
Debtors	11	789	1	790	905	8	913
Debtors: amounts falling due after one year	11	650	-	650	-	-	-
Cash and cash equivalents		2,136	18	2,154	1,805	150	1,955
Total		3,575	19	3,594	2,710	158	2,868
Creditors: amounts falling due within one year	12	(715)	-	(715)	(636)	-	(636)
Net current assets		2,860	19	2,879	2,074	158	2,232
Total assets less current liabilities		6,468	19	6,487	5,823	158	5,981
Creditors: amounts falling due after one year	13	(594)	-	(594)	(803)	-	(803)
Net assets		5,874	19	5,893	5,020	158	5,178
Funds							
Restricted funds				19			158
Unrestricted funds				5,618			4,764
Revaluation reserve				256			256
Total Unrestricted funds				5,874			5,020
Total funds	18			5,893			5,178

Approved by the Board of Directors and Trustees and authorised
for issue on **22/10/2020** and signed on its behalf.



Roger Hattam
Chair of Trustees and Director

Statement of cash flows as at 31 December 2019

	Total 2019 £'000	Total 2018 £'000
Cash flows from operating activities		
Net incoming resources	715	277
Add depreciation	133	132
Add amortisation	42	14
Profit on sale of assets	(1)	(6)
Less interest received	(2)	(1)
Add interest paid	36	44
(Increase)/decrease in debtors	(527)	156
Increase/(decrease) in creditors	71	(187)
Net cash flow provided by operating activities	467	429
Cash flows from investment activities		
Proceeds on sale of assets	4	8
Purchase of tangible fixed assets	(37)	(206)
Purchase of intangible fixed assets	-	(360)
Current asset investment	-	-
Interest received	2	1
Net cash flow used in investing activities	(31)	(557)
Cash flows from financing activities		
Cash inflows from new borrowing	-	-
Interest paid	(36)	(44)
Repayment of bank loans	(201)	(193)
Net cash flow used in financing activities	(237)	(237)
Change in cash and cash equivalents in the year	199	(365)
Cash and cash equivalents as at 31 December 2019	2,154	1,955
Cash and cash equivalents as at 31 December 2018	1,955	2,320

Notes to the financial statements Year ended 31 December 2019

1. Statement of accounting policies

CHARITY INFORMATION

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

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

ACCOUNTING CONVENTION

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

The financial statements are presented in sterling which is the functional currency of the company. 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 5 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 23 to 25.

BASIS OF CONSOLIDATION

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

PREPARATION OF THE ACCOUNTS ON A GOING CONCERN BASIS

The Trustees (who are directors of Christians Against Poverty for the purposes of company law and the Trustees of Christians Against Poverty for the purposes of charity law) have reviewed the charity's financial position, taking into account the satisfactory levels of reserves and cash, the annual plan and the three-year financial plan, and its systems of financial and risk management. Due to the economic uncertainty arising from coronavirus, the Trustees considered the measures taken by the senior management team to address and mitigate the impact of the pandemic. These measures include adjusted five-year income forecasts with scenario modelling, additional expenditure controls, and cash flow monitoring. At the beginning of 2020 the charity received a significant unforecast donation which was considered as part of the Trustees' review of going concern. As a result of their review, the Trustees believe that the charity is well placed to manage operational and financial risks successfully despite the ongoing uncertain economic outlook. Accordingly, the

Trustees have a reasonable expectation that there are no material uncertainties about the charity's ability to continue in operational existence for the foreseeable future.

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

FUNDS HELD BY THE CHARITY

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

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

INCOMING RESOURCES 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.

INTANGIBLE FIXED ASSETS OTHER THAN GOODWILL

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

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

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

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

TANGIBLE FIXED ASSETS

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

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

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

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

FIXED ASSET INVESTMENTS

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

IMPAIRMENT OF FIXED ASSETS

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

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

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

DEBTORS

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

CASH AND CASH EQUIVALENTS

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

CREDITORS AND PROVISIONS

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

FINANCIAL INSTRUMENTS

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

Derecognition of financial liabilities

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

TAXATION

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

PENSIONS

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

TERMINATION BENEFITS

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

OPERATING LEASES

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

JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The annual depreciation and amortisation charges for tangible and intangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect the current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 8 for the carrying amount of the intangible fixed assets and note 9 for the carrying amount of the tangible fixed assets.

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

2. Donations and legacies

	Unrestricted funds 2019 £'000	Restricted funds 2019 £'000	Total 2019 £'000	Unrestricted funds 2018 £'000	Restricted funds 2018 £'000	Total 2018 £'000
Regular supporters	5,325	11	5,336	4,798	15	4,813
Individual gifts	1,909	248	2,157	1,752	226	1,978
Churches	2,078	12	2,090	2,106	16	2,122
Companies	516	73	589	835	65	900
Charitable trusts	1,857	252	2,109	387	164	551
Legacies	42	-	42	57	-	57
Total	11,727	596	12,323	9,935	486	10,421
Gift Aid	1,300	-	1,300	1,158	-	1,158
Total donations and legacies	13,027	596	13,623	11,093	486	11,579

3. Other trading activities

	2019 £'000	2018 £'000
Fundraising events	62	32
Rents received	30	32
Total	92	64

The amounts above are all unrestricted income.

4. Charitable activities

	2019 £'000	2018 £'000
Service Companies	627	580
CAP Money resources	26	22
Services resources	2	2
Total	655	604

The amounts above are all unrestricted income.

5. Total expenditure

	Direct costs 2019 £'000	Support costs 2019 £'000	Total costs 2019 £'000	Direct costs 2018 £'000	Support costs 2018 £'000	Total costs 2018 £'000
Expenditure on raising funds:						
Expenditure on raising donations and legacies	1,145	77	1,222	1,449	74	1,523
Total	1,145	77	1,222	1,449	74	1,523
Expenditure on charitable activities						
CAP Debt Centres	7,480	1,280	8,760	6,167	1,179	7,346
CAP Job Clubs	434	85	519	435	94	529
CAP Fresh Start	210	40	250	237	44	281
CAP Life Skills	686	131	817	444	94	538
Client welfare	455	91	546	382	52	434
CAP Money	121	7	128	116	7	123
International	403	7	410	276	7	283
Raising awareness	913	56	969	825	45	870
Total	10,702	1,697	12,399	8,882	1,522	10,404
Other costs	36	-	36	44	-	44
Total resources expended	11,883	1,774	13,657	10,375	1,596	11,971

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

	Principal basis of allocation of activities	2019 £'000	2018 £'000
General management and support	Headcount	441	392
Financial management	Headcount	341	338
Human resources	Headcount	345	272
Supporter relations	Headcount	438	379
IT	Headcount	120	148
Governance	Headcount	89	67
Total		1,774	1,596

6. Employee emoluments

	2019 £'000	2018 £'000
Wages and salaries	8,355	7,181
Social security costs	742	626
Pension costs	686	523
Total	9,783	8,330

During the year there have been four redundancy payments totalling £16,580 (2018: £11,557).

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

	2019	2018
£60,000 - £69,999	-	1
£70,000 - £79,999	3	1
£80,000 - £89,999	-	1

The key management personnel of the charity comprises the Chief Executive Officer, Founder, Director of Fundraising & Marketing, Director of Finance & Compliance, Director of Debt Operations, Director of People and Culture, Director of Church Network and Director of Strategy, Innovation and Technology. The total employee benefits of the key management personnel were £602,472 (2018: £547,120).

The average monthly headcount was 366 staff (2018: 324) and the average number of full-time equivalent employees (including casual and part-time staff) during the year was:

	2019	2018
Head office	311	284
Total	311	284

7. Net income for the year

	2019 £'000	2018 £'000
Is stated after charging		
Auditor's remuneration		
External audit fees	23	31
Advisory services	16	15
Depreciation	133	132
Amortisation	42	14
Operating lease rentals	44	29
Impairment of fixed asset investments	-	-
Interest payable	36	44

8. Intangible fixed assets

	Software development £'000	Total £'000
Cost		
At 1 January 2019	421	421
Additions	-	-
Transfers	-	-
Disposals	-	-
At 31 December 2019	421	421
Accumulated amortisation		
At 1 January 2019	14	14
Charge for the year	42	42
Disposals	-	-
At 31 December 2019	56	56
Net book values		
At 31 December 2019	365	365
At 31 December 2018	407	407

9. Tangible fixed assets

	Freehold land and buildings £'000	Computer equipment £'000	Furniture and equipment £'000	Total £'000
Cost				
At 1 January 2019	3,454	651	88	4,193
Additions	-	36	1	37
Disposals	-	(28)	-	(28)
At 31 December 2019	3,454	659	89	4,202
Accumulated depreciation				
At 1 January 2019	277	542	32	851
Charge for the year	60	64	9	133
Disposals	-	(25)	-	(25)
At 31 December 2019	337	581	41	959
Net book values				
At 31 December 2019	3,117	78	48	3,243
At 31 December 2018	3,177	109	56	3,342

Included in the net carrying amount of freehold land and buildings is £2,663,140 (2018: £2,719,020) pledged as security against the charity's bank loans.

10. Investments

	2019 £	2018 £
Shares in group undertakings	-	100
Total	-	100

10. Investments (continued)

Movement in investments

	Total £
Cost	
At 1 January 2019	100
Additions	-
Disposals	-
At 31 December 2019	100
Accumulated impairment	
At 1 January 2019	-
Impairment loss	100
At 31 December 2019	100
Net book values	
At 31 December 2019	-
At 31 December 2018	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. On 4 September 2019 CAP Life Limited was entered into a Member's Voluntary Liquidation ('MVL') by its directors and was subsequently dissolved on 2 October 2020. A distribution in specie of £22.43 per share was made on 10 December 2019 which related to the historic cost of fixtures and fittings. As at 31 December 2019 there were no outstanding balances due to or from the company and the cost of the investment was impaired to its value of £nil. During the year CAP paid for professional fees amounting to £5,100 (2018: £960) on behalf of the company.

The charity is the sole member of CAP America, a non-stock corporation resgistered in the USA, whose principal activity is that of debt counselling. On 30 January 2019, the Directors issued a 'Letter of Comfort' to CAP America, undertaking to financially support CAP America to the full extent of any liabilities incurred by them that are unable to be satisfied by the assets of CAP America, not exceeding (USD) \$300,000 per annum. As at 31 December 2019 the corporation had reserves of (USD) \$118,657, and the surplus for the period then ended was (USD) \$118,657. As at 31 December 2019 there were no outstanding balances with the corporation.

11. Debtors

	Unrestricted funds 2019 £'000	Restricted funds 2019 £'000	Total 2019 £'000	Total 2018 £'000
Income tax recoverable	102	-	102	460
Trade debtors	55	-	55	44
Accrued income	1,175	1	1,176	312
Prepayments	94	-	94	90
Other debtors	13	-	13	7
Total	1,439	1	1,440	913

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

	Unrestricted funds 2019 £'000	Restricted funds 2019 £'000	Total 2019 £'000	Total 2018 £'000
Receivable within one year	425	-	425	100
Receivable in more than one year	650	-	650	-
Total	1,075	-	1,075	100

12. Creditors - amounts falling due within one year

	Total 2019 £'000	Total 2018 £'000
Building fund loans	2	2
Bank loans	209	201
Other tax and social security	201	170
Accruals	121	105
Trade creditors	140	130
Other creditors	42	28
Total	715	636

13. Creditors - amounts falling due after more than one year

	Total 2019 £'000	Total 2018 £'000
Bank loans	594	803
Total	594	803

Loans outstanding at the year end amounted to £804,585 (2018: £1,005,408) and these are repayable as follows:

	Total 2019 £'000	Total 2018 £'000
Within one year	211	203
Between two and five years	594	803
After more than five years	-	-

On 11 July 2013 a loan for £1,469,000 was taken out with Lloyds Bank PLC. This loan is fully secured against the freehold properties known as Jubilee Mill, North Street, Bradford and The Jubilee Centre, Jermyn Street, Bradford. The loan is repayable over a period of ten years and interest is fixed at 3.86% for its duration. The balance of the loan at 31 December 2019 was £592,528 (2018: £743,818), which represents 26% 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 2019 was £210,557 (2018: £260,088), which represents 58% of the balance sheet value of the properties. The loan is secured against the two properties.

14. 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 19 £'000	31 Dec 18 £'000
Operating leases which expire:		
Within one year	43	43
Between two and five years	131	128
After more than five years	29	69

15. Financial instruments

	31 Dec 19 £'000	31 Dec 18 £'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,244	363
Carrying amount of financial liabilities		
Measured at amortised cost	1,108	1,269

16. Movement of funds

Description of fund	Balance 1 Jan 2019 £'000	Incoming resources £'000	Resources expended £'000	Balance 31 Dec 2019 £'000	Balance 1 Jan 2018 £'000	Incoming resources £'000	Resources expended £'000	Balance 31 Dec 2018 £'000
General unrestricted funds	4,764	13,776	(12,922)	5,618	4,424	11,762	(11,422)	4,764
Restricted funds:								
Individual centres	-	18	(18)	-	-	29	(29)	-
Wales region	-	1	(1)	-	-	-	-	-
Scotland region	-	4	(4)	-	-	1	(1)	-
Cumbria region	-	-	-	-	-	1	(1)	-
North East region	-	4	(4)	-	-	1	(1)	-
Northern Ireland expansion	-	75	(75)	-	74	21	(95)	-
CAP America	48	22	(70)	-		48		48
Debt operations	-	80	(80)	-	-	-	-	-
Energy coordinator	-	22	(22)	-	-	22	(22)	-
Social policy role	-	50	(31)	19	-	-	-	-
Advocacy	-	20	(20)	-	-	-	-	-
Vulnerable clients project	-	-	-	-	-	13	(13)	-
Client emergency aid	110	3	(113)	-	118	83	(91)	110
Insolvency bursary fund	-	153	(153)	-	-	37	(37)	-
Client 'Discovery Breaks'	-	64	(64)	-	10	73	(83)	-
CAP Job Clubs	-	1	(1)	-	-	1	(1)	-
CAP Life Skills	-	58	(58)	-	19	116	(135)	-
CAP Fresh Start	-	15	(15)	-	-	15	(15)	-
Staff benevolent fund	-	2	(2)	-	-	3	(3)	-
Social return on investment project	-	-	-	-	-	22	(22)	-
Financial capability project	-	4	(4)	-	-	-	-	-
Total restricted funds	158	596	(735)	19	221	486	(549)	158
Revaluation reserve	256	-	-	256	256	-	-	256
Total funds	5,178	14,372	(13,657)	5,893	4,901	12,248	(11,971)	5,178

The restricted fund for CAP America is made up of a number of donations towards the set up costs of starting CAP in the USA.

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

The social policy role restricted funds is a donation made towards the costs of this particular role.

Client emergency aid represents money given towards emergency food shops for clients who have no food in the house when we first visit them. The insolvency bursary fund represents donations received towards CAP's insolvency bursary. This fund pays towards bankruptcy and debt relief order fees for clients who have insufficient savings to fund the entire fee themselves.

Client 'Discovery Breaks' are group breaks away for clients organised by CAP. The funds donated contributed towards the costs of running these breaks.

CAP Life Skills represents money given by a trust to fund the opening of new Life Skills services around the UK.

The restricted funds for individual centres is made up of a number of small gifts towards the centralised costs of servicing 18 different centres at an average of £1,010 per centre.

Northern Ireland expansion represents money given towards growing our centre network, services and presence in Northern Ireland.

17. Capital commitments

The charity had no capital commitments at 31 December 2019 (2018: £nil).

18. Analysis of net assets between funds

	Unrestricted funds 2019 £'000	Restricted funds 2019 £'000	Total 2019 £'000	Unrestricted funds 2018 £'000	Restricted funds 2018 £'000	Total 2018 £'000
Intangible fixed assets	365	-	365	407	-	407
Tangible fixed assets	3,243	-	3,243	3,342	-	3,342
Cash at bank and in hand	2,136	18	2,154	1,805	150	1,955
Other net current assets	724	1	725	269	8	277
Creditors of more than one year	(594)	-	(594)	(803)	-	(803)
Total	5,874	19	5,893	5,020	158	5,178

19. Reconciliation of net debt

	Balance 1 Jan 2019 £'000	Cash flows £'000	Balance 31 Dec 2019 £'000
Cash at bank and in hand	1,955	199	2,154
Bank loans	(1,004)	(201)	(803)
Total	951	(2)	1,351

20. Budgeting and debt management services

Monies paid in by clients to enable their utility and debt repayments to be made are held in a separate bank account from the charity's own funds and cannot be used by the charity to fund its operations. The balance in this separate account as at 31 December 2019 was £2,450,870 (2018: £2,347,781).

21. Transactions with Trustees

During the year no remuneration was paid to any of the Trustees (2018: £nil). In total four of the Trustees received travel expense reimbursements of £990 (2018: £183) from the charity. The charity paid a sum of £1,023 for Charity Trustee Insurance within its main insurance policy (2018: £890).

22. Related party transactions

During 2019 the charity donated £25,000 (2018: £25,000) to CAP Australia, a charity registered in Australia.

On 2 December 2013, the Directors issued a 'Letter of Comfort' to CAP Australia, undertaking to financially support CAP Australia to the full extent of any liabilities incurred by them that are unable to be satisfied by the assets of CAP Australia. At 31 December 2019 CAP Australia had net assets of (AUD) \$340,639 (2018: \$371,785).

During 2019 the charity donated £20,000 (2018: £26,210) to CAP Canada, a charity registered in Canada, of which Ellie Gage is a Trustee. In December 2014, the Directors issued a 'Letter of Comfort' to CAP Canada similar to the one issued to CAP Australia a year earlier. At December 2019 CAP Canada had net assets of (CAN) \$110,485 (2018: \$122,330).

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

	Total 2019 £	Total 2018 £
CAP Canada	739	358
CAP New Zealand	11,943	-
CAP Australia	7,216	-
CAP America	-	-

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

	Total 2019 £	Total 2018 £
CAP Canada	4,391	(142)
CAP New Zealand	53,766	31,828
CAP Australia	28,801	27,575
CAP America	797	-

On 22 February 2016 The Light Church, a church of which John Kirkby 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. Amounts invoiced to The Light Church during the year totalled £30,000 (2018: £31,750). There were no outstanding amounts at the balance sheet date.

During the year CAP paid for professional fees amounting to £5,100 (2018: £960) on behalf of CAP Life Limited, one of its subsidiary companies.

There were no other related party transactions.

23. Pension commitments

The charity operates a defined contribution pension scheme, Christians Against Poverty Group Stakeholder Pension Plan, for all employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by Christians Against Poverty to the fund and in 2019 amounted to £686,012 (2018: £523,303). All contributions due have been fully paid and the balance outstanding at the end was included in unrestricted liabilities.

24. Events after the reporting period

At the beginning of 2020, and at the time of writing this report, the UK was affected by the emergence and spread of coronavirus (COVID-19). In line with the government guidelines CAP has adjusted its working practices. As a consequence to this there is a potential risk to our expected income for 2020 which the charity is trying to mitigate, and at present is unable to quantify. This risk has been reduced by the receipt of a significant donation at the beginning of 2020 and the Trustees believe the charity has sufficient funds to meet liabilities for the foreseeable future. Furthermore, the charity is striving to continue providing services to its beneficiaries whilst meeting face-to-face is prohibited by the UK government.



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