

A man with dark hair, smiling broadly, is shown from the chest up. He is wearing a dark, heavy jacket over a dark blue collared shirt. He is holding a blue umbrella, the frame of which is visible against a clear blue sky. The overall mood is positive and hopeful.

christians
against
poverty

CAP

A year like no other

Annual report and
accounts 2020

always hope.

Contents

4 Introduction from the UK Chief Executive

5 Introduction from the Chair of Trustees

6 Who we are

8 2020: The year in numbers

10 Stewarding our income well

12 Real lives: Ron's story

14 **Strategic report**

14 How we delivered on our aims and objectives

18 Three-year strategy (2020-2022)

20 Financial review: how we managed the money you gave us

23 Principal risks and uncertainties

24 **Trustees' report**

24 Structure, governance and management

28 Directors, senior staff and advisors

30 **Auditor's report**

34 **Financial statements**

34 Financial activities

35 Balance sheet

36 Statement of cash flows

37 Notes to the financial statements

Introduction

From our UK Chief Executive and Chair of Trustees



Paula Stringer
UK Chief Executive

In early 2020, we reopened our phone lines following a pause in taking on new clients. I'm happy to say this decision, though difficult to make at the time, was worth it. After some intensive work, we managed to get our debt service working more efficiently and we're now able to provide an improved service for our clients, though we expect to make even more positive changes and improvements over the coming months and years.

March, of course, saw the beginning of the first national lockdown. As I write this, the world has been battling with COVID-19 for a whole year and people are praying for a return to life as usual. The problem is that 'life as usual', for some, will not be possible given the likely economic fallout from this time.

When the lockdown first came into place, we knew we had to do all we could to make sure we could continue serving people across the UK. More than ever, we knew people would need practical help and powerful hope. I'm pleased to say we managed to set up our entire operation remotely within just a few days, and our service was up and running through video and phone calls for the rest of the year.

However, the challenges posed by the lack of in-person contact in communities that so desperately need help can't be denied. Given that we deal with some of the most vulnerable people in this country, many of whom find it extremely difficult to engage virtually, we did see this affect our overall impact, as you'll recognise throughout this report.

Our group services in particular were severely hampered. That being said, we also saw some big successes through the move to digital service provision. We developed Kick Start, a series of bitesize online sessions equipping churches to support people in their communities through the crisis. This was a triumph, with 800 churches signing up in 2020.

We also set up an additional client phone line and launched an emergency appeal to raise funds to support people struggling as a result of the pandemic. The response from our supporters was phenomenal. People clearly saw the need; they saw how this crisis would accelerate debt and poverty, and they responded from the heart, with sheer compassion. I'm delighted to say, with the money raised, we were able to meet the emergency needs of 1,479 families.

I want to say thank you to every individual, church and organisation who supported us throughout 2020. Because of you, lives were still changed, people were still released from poverty, and our much-needed message of hope continued to be shared.

A handwritten signature in black ink that reads "Paula".

Paula Stringer



Roger Hattam
Chair of Trustees

Nobody could have foreseen the extent of dislocation to global life at the beginning of 2020. The devastating impact of the pandemic has left no sector untouched, but the impact on charities has been huge. Like so many others, CAP has had to adapt its entire operating model for clients and staff, while dealing with significantly reduced opportunities for normal fundraising activities.

So I'm delighted, humbled and grateful that CAP ended 2020 on such a positive note. As you'll discover throughout this report, we faced significant challenges, but I'm immensely impressed by the way the entire CAP team and partner churches persevered. I'm grateful that even in this difficult year, more than 16,000 people were able to benefit from CAP's services, with many hearing the words 'you're debt free' or encountering Jesus for the very first time.

The past year has reinforced the need for us to update and refocus elements of our services to ensure they remain relevant and efficient. We remain fully committed to helping the UK Church serve those in need and we will always retain the centrality of our faith, but we must continue to adopt new technology and channels. This will enable us to scale our operations and maximise our impact in the future.

I want to say thank you to everyone who faithfully and sacrificially supports this work. The generosity from supporters, churches and trusts in 2020 was overwhelming, so much so that our income at the end of the year (£15.4m) was £1.0m (6.9%) higher than in 2019. This stands us in good stead to invest in our ongoing operational transformation and ensure our services are fit for the future. It will also help us to prepare for the sad but inevitable increase in client numbers over the coming years.

A report from the Financial Conduct Authority in October 2020, prior to the winter lockdown, showed the impact of the pandemic on levels of vulnerability and poverty across the UK. Many households were worse off as a result, and the number of consumers with low financial resilience grew from 10.7m to 14.2m between March and October. This means the need for debt advice, and particularly for CAP's unique form of holistic care, is going to ramp up as the unprecedented levels of Government support begin to wind down in 2021.

I thank God that CAP is around in the midst of all of this, and for his generous provision which keeps this life-changing ministry going through whatever challenges come our way. Over the course of 2021, we will continue to improve our services, reviewing our Debt Operations model, increasing capacity, adapting our group services and providing support to those in need through the ongoing pandemic and beyond.

Thank you to Paula, the Core team, all CAP's staff and partner churches for leaning in to CAP's mission so faithfully and excellently throughout 2020. It certainly was a year like no other we've experienced and I'm grateful for everything you do.

A handwritten signature in black ink that appears to be "RH".

Roger Hattam

Who we are

Trustees' and Directors' report

Our efforts to overcome the challenges of 2020 have demonstrated that Christians Against Poverty remains as committed as ever to seeing people freed from the grip of poverty and hope restored across the UK. We do this in partnership with local churches who provide CAP services in their communities – Debt Help, Job Clubs, Fresh Start, Life Skills, Kick Start and the CAP Money Course – all aimed at tackling some of the main causes of UK poverty.

As well as practical help, we are determined to provide each and every client with the holistic support they need to turn their situation around for the long-term. Our partnership with local churches means we have teams on the ground who can offer more immediate support and friendship where needed, as well as sharing the good news of Jesus.

This has been even more pertinent over the last twelve months on account of the COVID-19 pandemic. Not only are a growing number of households facing unemployment, low income and debt, but isolation, poor mental health and uncertainty have also spiked. More than ever, CAP and the Church are a vital tool in reassuring people that freedom can be reached, and that there is always hope.

Everything we do is framed by four charitable aims and objectives:*

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

In this report, we will demonstrate how we have delivered on these objectives, as well as any challenges we've faced and how we've dealt with them. We'll also update you on the progress of our three-year strategy, introduced in last year's report.

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

Our four big aims



The relief of poverty in the United Kingdom



Advancing personal finance education



The advancement of the Christian faith



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

2020

The year in numbers

As a result of the pandemic, our numbers are generally lower than in previous years. However, we know that each and every number represents a life changed and is a cause for celebration.

Over the course of 2020:



14,154

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



2,502

individual adults became
debt free



1,479

families were supported
through the emergency
COVID-19 appeal



16,315

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



4,856

new debt client bookings
were made by the New
Enquiries team



166

people made a
response to Jesus

At the end of the year, across the UK, there were:

284

Debt Centres



110

Job Clubs



136

Life Skills groups



49

Fresh Start groups



1,240

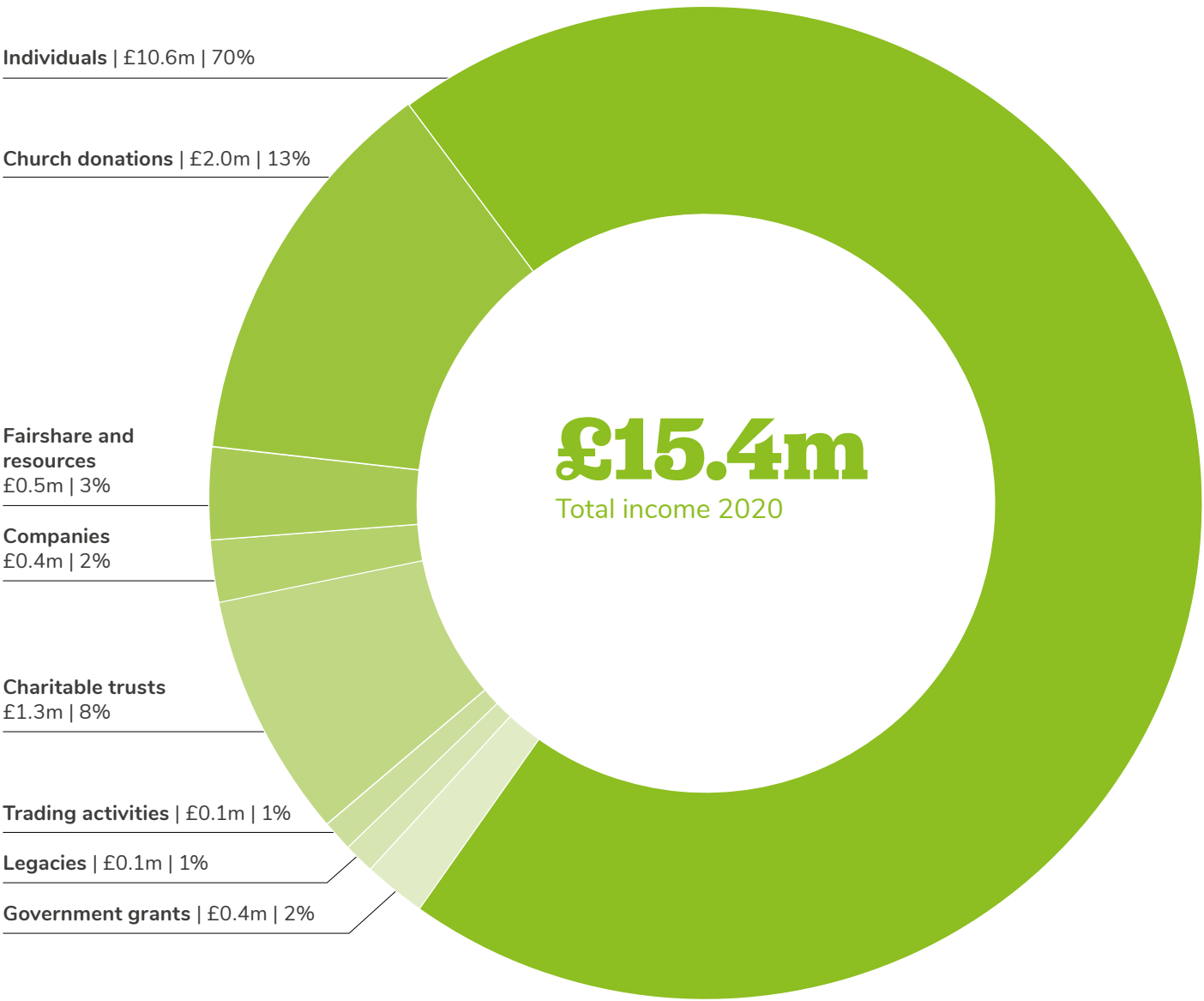
churches equipped
to run the CAP
Money Course



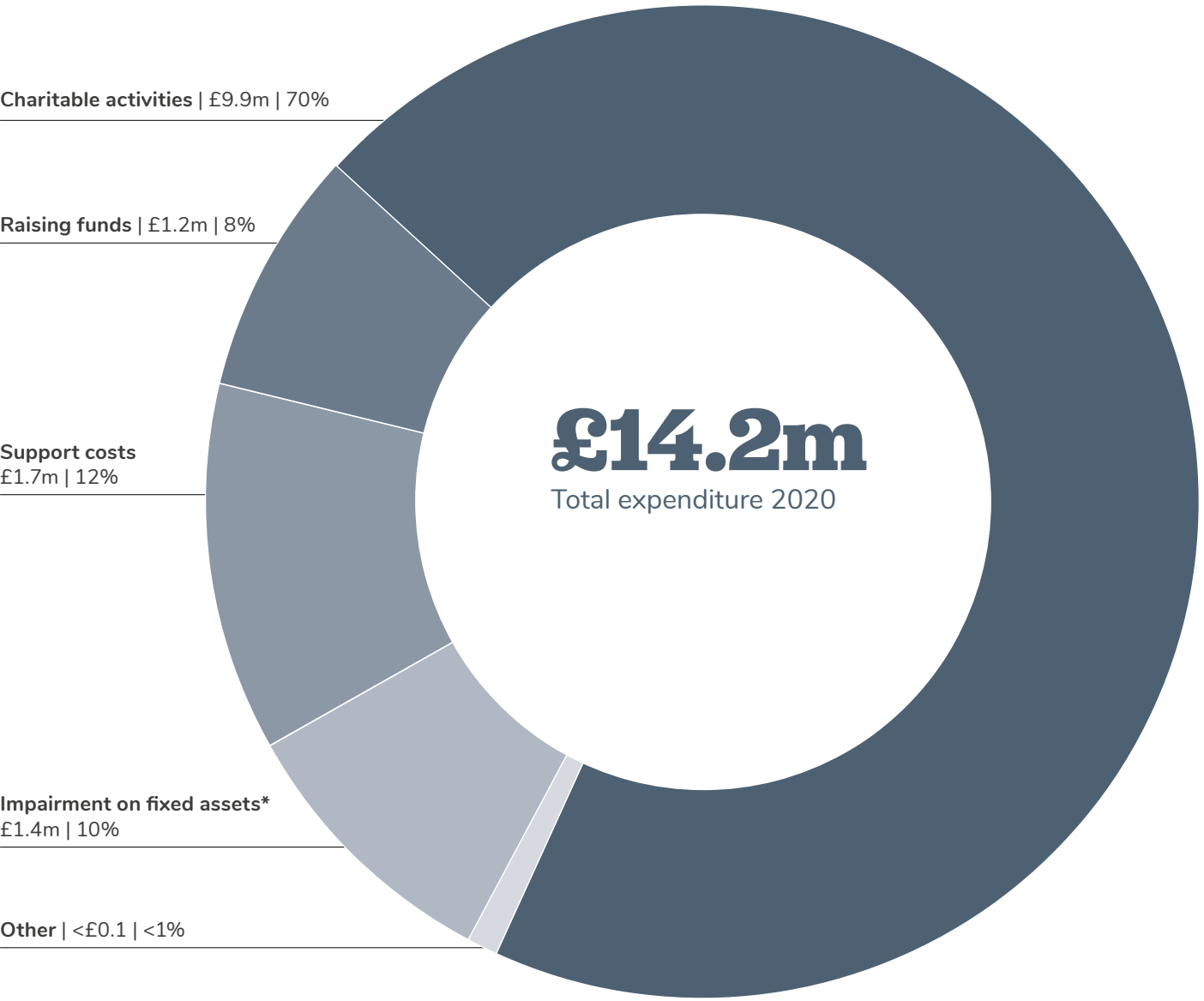
*This means any person who attended at least one
CAP Job Club, CAP Life Skills or Fresh Start session.

Stewarding our income well

How we raised our money



How we spent our money



*This is a one off adjustment relating to the decrease in value of our buildings. For further information please see note 11 to the accounts.

Real lives

Ron's story



As time went by, things were getting more and more difficult with money. I found myself really dipping into a bad place with debt. I wasn't wanting to answer the door or take phone calls, because I was scared that people would get in touch looking for money. I didn't want to talk to anybody, not even friends and family. I felt like there was no way out. I was on a downward spiral and I just couldn't see a way to climb back up.

It took me a week and a half to make the first phone call to CAP. I kept putting it off, thinking, 'I'll do it tomorrow'. When I finally made that phone call one Monday morning, the person on the other end of the phone was so accommodating and so understanding.

My journey with CAP has been phenomenal. It's given me a whole new lease of life.

My Debt Coach was Alan. When we first met, there was still a bit of unease there as to what Alan might think, but that quickly passed. From the first appointment, I was reassured because I knew CAP was going to try and help me.

However, I knew I had to do some of the work myself. I'd spent six days getting prepared for the appointment, sifting through paperwork that I hadn't looked at in years. I had four and a half huge boxes of paper that I'd just been throwing letters into, some not even opened, year upon year. To go through that in a week was amazing. It was tiring, but I felt that by clearing away some of the past, I was at the start of the road to freedom.

My journey with CAP has been phenomenal. One of the things we worked through was a budget – I'm sticking to that. But it has helped in other areas as well. It's given me a whole new lease of life.

When I was in debt, I'd sit up all night, scared to go to sleep as I didn't know what tomorrow would bring. I sometimes thought about doing away with myself as I couldn't see a light at the end of the tunnel. Now my mental health is improving, because I don't need to constantly worry about the debt. I'm sleeping better at night. It's helping me to open up and socialise more after shutting everyone out for so long. I've joined a walking group so I'm getting out and about, talking to people and getting fitter – I never would have been in the right frame of mind to do that before. It's now onwards and upwards.

Strategic report

How we delivered on our aims and objectives



Relieving poverty in the UK

Lifting the weight of debt

From August 2019, we paused taking on new debt clients in a period which we called Time to Breathe. This came to an end in March 2020. Time to Breathe achieved its aims in that it gave us an opportunity to focus on servicing existing clients, protecting the health and wellbeing of our staff, and moving our Debt Operations department to a healthier place for the future.

Of course, March then saw significant changes across the UK with the introduction of the COVID-19 lockdown. The restrictions naturally impacted the face-to-face aspect of our debt service, as we were no longer able to visit clients in their homes. However, we very quickly adapted our service to operate primarily over the phone.

Throughout the year, our centre teams worked extremely hard to ensure clients continued to receive the high level of holistic support that CAP is well known for providing. Volunteer befrienders continued to check in with clients through text messages and over the phone, while an emergency appeal was set up during the first lockdown to help respond to clients' immediate needs.

We're looking to get back to face-to-face appointments as soon as possible while following Government guidelines and ensuring the safety of our clients and staff. At first, this may be a hybrid of some appointments held face-to-face and some over the phone, or meetings taking place in COVID-secure church and community spaces rather than the client's home.

Across the debt advice sector, there has been a reduction in new clients seeking debt help. There are a number of potential reasons for this, including many of our usual referral agencies (such as job centres and GP surgeries) being closed or operating at reduced capacity, an increase in people taking payment holidays, debt collection and enforcement having eased due to the pandemic. We're working hard to ensure those in need know about our services through PR and marketing as well as referrals. We expect to see a gradual but significant increase in the number of new clients seeking debt help over the coming years as the impact of the crisis sinks in across the UK.

In preparation for this increase in demand, we recruited and trained a record number of Debt Advisors in November 2020, with four times more applications than ever before and interviews conducted with over 30 candidates. This new cohort will greatly increase capacity going forwards. The improvement in recruitment we have seen is likely due to a more flexible approach to remote working as a result of the lockdown, as well as a more favourable job market.

Finally, we were able to adapt our training sessions for new frontline workers to run online, which meant we could continue to launch new centres across the UK, increasing the number of clients we can reach in the future.

Despite the challenges of 2020, we were able to celebrate with 2,502 clients who became debt free, and ended the year with a total of 284 Debt Centres across the UK.

Tackling the causes of debt and poverty

All of our group services were significantly impacted by the pandemic, including Job Clubs, Life Skills and Fresh Start. These services usually operate in a community-based, face-to-face capacity, which was either no longer allowed or very restricted for the majority of the year.

A small number of centres continued to run group services over video call. In 2021, we'll be working to equip more group services to run online as we know that they can offer a lifeline for people who are isolated, which is particularly pertinent at the moment.

A key highlight of 2020 was the development of a new CAP service: Kick Start. All delivered over group video call, Kick Start offers a range of short sessions to help people overcome issues typically being faced as a result of the pandemic, such as preparing for job interviews and dealing with grief and loss in a healthy way. We've seen a fantastic take-up of churches delivering Kick Start in their communities, so much so that we will be continuing the initiative for the foreseeable future (originally it was a temporary addition to the range of services we provide).

At the end of 2020, there were 110 Job Clubs, 49 Fresh Start groups and 136 Life Skills groups across the UK, as well as 800 churches signed up to run Kick Start.



Providing financial education

The CAP Money course has been impacted by the pandemic in the same way as our other group services. We've been working hard to equip coaches to adapt and deliver the course online where possible.

In July, we started to provide online training for new CAP Money Coaches and saw significant demand. This saw 150 new churches trained by the end of the year.

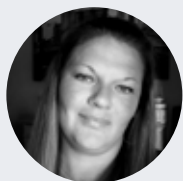
In total, including in the months prior to the lockdown, 827 CAP Money Courses were run throughout the year, with 3,225 delegates taking part. At the end of 2020, there were 1,240 UK churches trained and equipped to run the CAP Money Course in their community.

Kick Start also includes sessions dedicated to financial education, including how to manage money well and lift financial pressure.



Advancing the Christian faith

In 2020, 166 CAP clients were reported to have made a response to Jesus. As with many of our statistics, this was lower than we would usually see due to the restrictions on face-to-face meetings. However, we know that our centre teams have worked incredibly hard to keep in touch with their clients and ensure they still have the opportunity to hear the good news of the gospel. Many clients have taken part in Alpha courses, online discipleship groups and taken important steps on their journey towards a relationship with Christ.



Laura's story

I first got involved with CAP through one of the group services at my local church. I built some amazing friendships there. During the pandemic, the group hasn't been able to continue which is a shame.

But this year a few of us have been doing Kick Start together. We're doing sessions through the online videos and we've become really close. Through this period where it's been so difficult, it's been really nice to hear how everyone is coping. You find new ways of coping from other people's experiences.

How we delivered on our aims and objectives



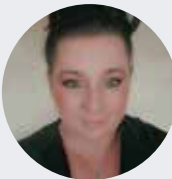
Raising awareness of poverty in the UK

Despite the limitations caused by the pandemic, we continued to raise awareness of UK poverty, publicise CAP’s services, speak up for the most vulnerable and marginalised in society, and contribute to seeing change on a national scale.

Through press and media publicity, we reached an estimated 136m people over the course of 2020. This is an extraordinary number of people hearing about the work of CAP, perhaps for the first time.

Through our advocacy and policy work, we spoke into a significant number of issues. In total, our External Affairs team had a voice of influence in 21 policy or regulatory changes. These spanned social security, utilities, credit and justice sectors, and resulted in fairer debt collection, reduced risk of debt and improved living standards for people on low incomes. Of particular significance was the team’s work to support the *Keep the lifeline* campaign, which resulted in a six-month extension of the Government’s Universal Credit and Tax Credit uplift.

We also published *A dark place*, a report which built on the findings of 2015’s *The poor pay more* around energy self-disconnection and self-rationing. This resulted in Energy UK acting directly on our recommendations and Ofgem introducing new rules to increase the support provided by suppliers to customers self-disconnecting or struggling to pay energy debt. Plus, we were able to provide over £7,000 in fuel vouchers to clients in need via our great relationships with utilities providers.



Danielle’s story

I was furloughed from work and shielding for most of the year due to being asthmatic. In the winter, I had a £60 debt on my meter that I didn’t have the money to pay. I couldn’t afford to put my heating or electricity on and it was cold. I phoned my provider and they told me to phone CAP – my life has changed since then!

Claire from the local CAP centre managed to get me an emergency fuel voucher so that I could top up my meter. I’m in a much better place now.

Inspiring churches and individuals to partner with us

Church partnership

Again, church partnership rates took a hit from the restrictions in 2020 as many churches naturally focused their attention on moving services online and supporting their congregations. The result was that we saw a dip in the amount of interest received from churches and fewer new services launched than we would have liked. That being said, we did see a number of new services launched over the course of the year, including 28 new Debt Centres, 15 Job Clubs, 8 Fresh Start groups and 20 Life Skills groups.

Fundraising

In 2020, we saw extraordinary generosity from our supporters, particularly through our emergency COVID-19 appeal.

Launched in April, the appeal raised over £500k in one-off income. £80k of this was ring-fenced for enabling our local centres to provide emergency aid to clients, including food shops, fuel top-ups, school uniforms and interview outfits to help people as they searched for work, all delivered in a COVID-secure way. In total, 1,479 clients were helped. The remaining funds raised above the target of £80k went into general funds.

As well as the generous support of individuals, we also saw incredible generosity from trusts and major givers. Both boosted our overall income for the year, which totalled £15.4m.

New monthly givers

Despite an increase in one-off gifts, we faced significant challenges within our fundraising. The pandemic meant that many of our usual activities for recruiting monthly givers (Life Changers) weren’t able to go ahead, such as exhibitions and church talks. We adapted our church talks to be delivered online through live streams and recordings, delivering 154 in total and reaching an estimated audience of 10,000 people. However, engagement was lower than we would typically see from face-to-face talks.

As a result, the number of new Life Changers fell. Regular giving is a vital source of income as it keeps the charity sustainable and able to grow, and so this drop will no doubt have an effect going forward.

Nonetheless, the retention rate for existing Life Changers was higher than any previous year at 92%, so we are still in a healthy financial position, but recruiting new Life Changers will be vital going forwards. At the end of 2020, we had 29,633 supporters giving regularly to CAP.


International development

CAP has international affiliate charities in New Zealand, Australia, Canada and the USA. All four affiliates have kept going throughout the pandemic, in line with their country’s respective regulations, and CAP UK has sought to offer support as needed. CAP New Zealand and CAP Canada both welcomed new CEOs – Sam Garraway and Mark Griffin respectively. Unfortunately Mark stepped down from this role in December, and CAP Canada has entered 2021 with a new CEO in place. There are no other major updates in this area.

Three-year strategy

2020-2022

In 2020, we launched a three-year interim strategy with a focus on three key aims. We were able to take steps forward in each of these areas over the course of the year.


 **Strategic aim 1: To deliver a sustainable and scalable debt service**

Time to Breathe, which came to an end in March 2020, allowed us to reduce backlogs within our long-term teams and ultimately improve efficiency. In the first quarter of the year, ahead of the lockdown in March, we saw a record number of clients becoming debt free, demonstrating the impact of Time to Breathe. In order to make sure we don't have to pause new client bookings again in the future, we have been working on developing a 'Smart Client Motorway' as part of a wider debt service transformation process.

The transformation process also included reviewing the way we currently process insolvency cases, including Debt Relief Orders and bankruptcy, and updating these to ensure clients can become debt free more quickly.

We also increased our capacity to support vulnerable clients and those with multiple complex needs, with a view to keep reviewing and enhancing this key aspect of our service.

During the pandemic, we received Government funding for the first time, from the Scottish Government and the Money and Advice Pension Service (MaPS). These grants were provided to help us maintain our debt advice capacity during the crisis and increase capacity in the future. Going forwards, this will enable us to help more people and continue to improve our services.

 **Strategic aim 2: To make CAP the healthiest organisation to work for**


We were able to take some important steps forward in improving the health and culture of CAP in 2020. One of the first developments we made was in recruiting an Internal Communications Lead, starting in March 2020. This was in response to feedback from staff that internal communication was an area in need of improvement. The new role has proved invaluable during the pandemic as clear and timely updates have been paramount for staff, especially those working remotely.

We focused on other key areas including wellbeing initiatives and resources, staff personal development and clear people management competencies, as well as launching a diversity and inclusion project which will continue into 2021.

We also began to rethink what it looks like to be a 'Christ-centred' organisation and how we can ensure we are delivering a healthy spiritual culture for all our head office and frontline staff members.

Finally, we began our Head Office for the Future project, looking at the functionality of the space and facilities we currently provide for our staff. Going forwards, we want to ensure our head office space:

- Is financially sustainable
- Is accessible
- Is safe and comfortable for staff
- Allows staff to work to their full potential
- Complements CAP culture, including enabling us to hold Jesus at the centre of our work
- Encourages creativity, collaboration and communication
- Demonstrates our commitment to energy efficiency
- Meets both present and future business needs

 **Strategic aim 3: To ensure financial sustainability for the future**

In terms of finance, the pandemic meant we decided to either reduce or stop all but essential expenditure in order to protect our frontline services from potential income shocks, given that face-to-face fundraising events were unable to go ahead due to Government restrictions. Despite this challenge, we were able to take steps forward in our strategic aim of ensuring financial sustainability for the future.

One area of focus was feeding into the Head Office for the Future project, given the rising maintenance costs, fire safety risk and accessibility challenges of our current buildings. This included recommending options for office accommodation to the Core team and Trustees, and space requirements for a flexible hybrid working environment. Both were signed off and this project will continue in 2021.

2020 saw us aiming to strengthen our long-term funding model while navigating a volatile fundraising environment. We also secured statutory funding to increase our debt service capacity for 2020-21.

We also progressed in our Finance Transformation Project, developed a five-year forecasting model for income and expenditure, developed a new costing model, began the process of outsourcing payroll processing, and prepared for the introduction of finance business partnering in 2021.



Financial review

How we managed the money you gave us

Overview

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

At the beginning of 2020, we planned to invest additional resources in our debt service and technical team to support our priority aim of building sustainability and scalability. We also began the implementation of a new Human Capital Management (HCM) and payroll system. As the pandemic meant fundraising became uncertain, we reduced or stopped all but essential expenditure to protect our services from any potential income shocks. We continued with our investment plan as the long-term sustainability of our services remains a priority.

As 2020 unfolded, we received incredible financial support from individuals, the private sector, and trusts. Our emergency COVID-19 appeal in April and our Christmas appeal both raised significant amounts that enabled us to continue our services and provide extra support to families and individuals in crisis. We successfully accessed funding from the Money and Pensions Service (MaPS) to recruit and train additional Debt Advisors to prepare for increasing demand for our services going forwards.

In 2020, our income totalled £15.4m (2019: £14.4m). With an expenditure of £14.2m (2019: £13.7m), this resulted in a surplus of £1.1m (2019: £0.7m). In a year that has brought so much financial uncertainty to the charity sector, this is a remarkable outcome and we're incredibly grateful to all our staff and supporters who helped make this possible.

Income

In 2020, our income grew by 7% to £15.4m (2019: £14.4m with 18% growth). Our main source of income continues to be donations from individuals and churches, which equates to £12.6m (2019: £10.9m) or 82% (2019: 76%) of our total income.

Regular income, most of which was received on a monthly basis, was £9.1m (2019: £9m) which represents 59% (2019: 63%) of total income received. Regular giving from individuals (Life Changers) is our most important source of regular income and provides financial stability for the charity. In 2020, Life Changer income increased by 4% to £6.7m (2019: £6.6m), including associated Gift Aid. At the end of 2020, there were 29,633 Life Changers, each giving an average of £19 per month excluding Gift Aid. This is a £1 increase per Life Changer per month compared with 2019.

One-off income increased by 17% to £6.3m (2019: £5.4m), primarily due to a £1.5m increase in donations from individuals. Included within this were two large donations of £1m and £400k, along with donations received through appeals being £550k greater than budgeted.

Due to the impact of the pandemic, the Government has forecast a large increase in unmet need for debt advice over the next two years. To address this need, funding was made available through MaPS to maintain and increase debt advice capacity in England. We were successful in our application for funds and received £165k in 2020. This funding will continue into 2021. Additional funding has been secured for the successful submission of Debt Relief Orders (DROs), which totalled £40k in 2020.

We received £0.5m (2019: £0.6m) in donations from creditors as Fairshare 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 go towards paying off their debts. In 2020, funds disbursed to creditors on behalf of our clients for debt and priority payments totalled £8.1m.

Expenditure

Total expenditure in 2020 saw an overall increase of 4%, or £0.5m, to £14.2m (2019: £13.7m). Expenditure on charitable activities (including associated support costs) decreased by £0.9m to £11.5m and the cost of raising funds increased by £0.1m to £1.3m (2019: £1.2m). Other costs increased by £1.4m, due to a one-off item.

Due to the pandemic, there were many areas of savings incurred during the year. The main costs that these related to were within events and exhibitions, printing and postage, travel and hospitality, training and conferencing. These underspends, along with a large increase in one-off donations, have had a significant impact on the impressive financial performance during the year. The Trustees are aware that these savings and reduced underspends could be a 'one-off' and the 2021 budget has been prepared prudently to account for this.

During the year, our average full-time equivalent headcount remained stable at 313 (2019: 311). Additional posts were recruited to enable us to tackle the expected increase in demand for our debt service and other vital support roles across the charity. However, most of these appointments happened towards the end of the year.

Discretionary spend in supporting our clients through bursaries increased from £0.2m to £0.3m. Through this, we have been able to support over 1,000 clients with insolvency solutions.

Fundraising

Our charitable activities wouldn't be possible without fundraising. However, as a result of the pandemic, we were unable to hold any in-person fundraising events for the majority of 2020. Expenditure on raising funds of £1.3m (2019: £1.2m) was instead focused on hosting online events, adapting church talks to be delivered digitally, and investing in other means of reaching potential donors, such as television advertising.

How we managed the money you gave us

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 £54k.

Our total regular income represents 71% (2019: 63%) 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 2021 is £1.2m.

The reserves at 31 December 2020 were £7m (2019: £5.9m), of which £0.2m (2019: nil) are restricted in nature and £1.4m (2019: £2.6m) is only realisable by disposing of tangible fixed assets. Free (unrestricted) reserves at the end of 2020 were £5.4m (2019: £3.2m), which are £4.2m (2019: £2.2m) in excess of the minimum reserves set out in our reserves policy. The Trustees are comfortable that this increased level of free reserves provides the organisation with resilience over the next few years, in which we are expecting fundraising to be more volatile, given the economic uncertainty during and following the pandemic.

We will also utilise some of these reserves to achieve our strategic aims, in particular, the investment needed in technology to support our debt service transformation plans, and to facilitate a flexible hybrid working environment in our Head Office for the Future project.

The covenant on the charity's bank loans states that Net Assets must not fall below £2.5m. At the end of 2020, Net Assets were £7m.

Giving policy
One of CAP's core cultural values is generosity and since 2014 we've established an annual 'giving pot' to support other organisations that share our goals and values.

The criteria for selecting which organisations to support are:

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

During the year we made donations of:

£20k	CAP Canada
£100k	CAP America
£10k	Kintsugi Hope

Investment powers and policy
The charity's investment policy is reviewed annually by the Finance, Audit and Risk Committee. In 2020, the policy was 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 Board of Trustees holds responsibility for ensuring the charity has robust systems of internal control and risk management in place. All directorates perform regular risk assessments that consider both existing and emerging risks. The charity maintains a register of all key risks as part of the risk management strategy, which is regularly reviewed for effectiveness by the Board and the Finance, Audit and

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

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

Risk	Impact and mitigation
Cyber security attacks	Our IT systems are regularly tested for external attacks. 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. The majority of our staff working from home due to the pandemic-related restrictions has increased this risk, which has been mitigated by the use of IT security checklists and staff self-certified compliance agreements, alongside increased risk awareness and training.
Safeguarding of vulnerable adults	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 commission an external safeguarding audit every three years from an organisation that specialises in safeguarding in the faith sector. We employ a dedicated Safeguarding Lead to ensure our continued focus in this area.
Reputation	Negative media coverage of the charity sector has led to greater interest and focus on the activities and communications of charities. Ongoing mitigation comes from continuing to build our brand and reputation publicly, including developing and maintaining key relationships within the media, credit industry, Government and Christian world. However, all of these come into play after the mitigations in other risk areas have failed. Our ultimate mitigation is not creating a crisis or scandal in the first place.
Impact	We continually measure outcomes for our clients and publish them regularly, including through our annual client report (most recently published in May 2021). We conduct regular client surveys to measure the ongoing impact of our services over time.
Compliance	We are authorised and regulated by the Financial Conduct Authority and subject to an annual CASS audit (Client Money). We hold the Advice Quality Standard which is achieved by an external audit of our advice processes and demonstrates our commitment to best practice and delivering quality advice to our clients.
Financial sustainability	As with any charity that is heavily reliant on voluntary donations for its income, a large reduction in funding could have a serious impact on the charity's ability to carry out its charitable activities. We mitigate this through our fundraising strategy and a drive to grow regular income. We have been heavily reliant on a face-to-face model for reaching new supporters, which was disrupted during 2020 with pandemic-related restrictions. We are enhancing our digital presence and trialling new fundraising channels to attract new supporters.
Safety, security, and wellbeing of staff and volunteers	We have a Health and Safety Board to ensure we are covering all risk areas, including our head office and frontline staff, safeguarding, business continuity and disaster recovery. One of our key strategic priorities for the next three years is a focus on health and wellbeing. We continue to carry out emergency response training for all head office staff on a regular basis.
Coronavirus (COVID-19) pandemic	Five-year income forecasts with scenario modelling have been prepared, and additional expenditure controls and cash flow monitoring are in place. We're continually monitoring Government guidance and adapting client appointments and staff working arrangements accordingly. Planning has commenced to support an expected increase in demand for our services when the Government support measures are withdrawn.

Trustees' report

Structure, governance and management

The Board of Trustees

The Trustees, who are also Directors of Christians Against Poverty for the purposes of company law, meet several times a year (five times in 2020) to review strategy and operational or financial performance in conjunction with the charity's Founder, UK Chief Executive and other members of the senior management team. These meetings are also attended by a staff representative and a centre representative, so their views can be taken into consideration through the decision-making process.

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

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

Trustee term of duty

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

Indemnity

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

Structure and management

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

The day-to-day implementation of the strategic plan, together with the development of strategy, is led by the UK Chief Executive and senior management team, which consists of members of each area of the charity.

Key performance indicators, including amount of free reserves, balanced scorecard, and Debt Operations capacity, are used to measure and review performance against the strategic plan with monthly meetings ensuring that corrective action is taken where needed. Monthly management accounts are also used to ensure that financial targets are being met. If any significant matters of policy or key decision making arise during these meetings, these will be referred to the Trustees for approval.

Finance, Audit and Risk Committee

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

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

Our fundraising practices

Every person who supports our work is important to us and we believe that giving to 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 2020.

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.

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

The annual salary for the UK Chief Executive role was £84,379 in 2020, an increase from £79,239 in the previous year. The Founder received £80,586 in salary, also in comparison to £79,239 in the previous year.

The annual salaries for the Chief Operating Officer (recruited in June 2020) and Chief People and Culture Officer (recruited in December 2020) roles were £68,500. For the other Directors in the senior management team, annual salaries were between £54,918 and £58,986.

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

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 23 and 24 to the accounts.

Structure, governance and management

Employees

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

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

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

We're keen to create a culture that reflects and embraces diversity in all areas and levels of the organisation. Over the next three to five years, our Diversity and Inclusion Programme seeks to cover education, church engagement, theology, client engagement, communication, supporter engagement, employment and policy.

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

COVID-19 response

As a result of the national lockdown, the majority of our head office staff moved to working from home and we have worked hard to continually support them both practically and emotionally in this transition. A small number of staff with business critical roles continued to work from head office, where rules were put in place to minimise risks.

On the understanding that staff with children at home may experience an impact on their working hours, we committed to offering a flexible working week (down to 75% of their usual working hours) with no impact on their salary until schools and childcare reopened.

To keep all our staff members up-to-date, we ensured timely communication following any Government announcements or changes.

Some staff were furloughed based on reduced workload in certain areas of the organisation and a small number for childcare reasons, supported by the Government's furlough scheme. The number of staff members furloughed each month between April and December 2020 was as follows:

April	2
May	24
June	57
July	23
August	11
September	7
October	3
November	2
December	2

Directors' engagement with employees

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

Volunteers

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

The number of volunteers within our centre network is difficult to quantify, but we acknowledge that without their invaluable contribution our clients would not receive the help and support that they do. The Trustees, therefore, wish to acknowledge the enormous contribution made by employees and volunteers, both at head office and within 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 2020 were as follows:

22	Debt Centres
12	Job Clubs
1	Fresh Start group
8	Life Skills groups
21	New churches trained to run the CAP Money Course
98	Debt free clients

In October, CAP was awarded a grant from the Scottish Government for the first time ever. The purpose of this was to help strengthen our debt service in the face of the pandemic and the predicted increase in demand. As a result, we were able to set up a frontline Debt Centre bursary scheme to get funding directly into the hands of local churches, ensuring they were equipped to support their community through the crisis and beyond.

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.

Structure, governance and management

Directors, senior staff and advisors

Directors (Trustees)

Roger Hattam – Chair
Matthew Frost
Lisa Pearce
Simon Gates
Joy Blundell
Chine McDonald (resigned 25 March 2021)
Jane Pleace
Ema Ojiako

Secretary

Stephen Bonfield

Leadership team

Paula Stringer – UK Chief Executive
Jon Day – Chief Operating Officer (from 8 June 2020)
Ellie Gage – Chief People and Culture Officer (from 1 December 2020)
John Kirkby – Founder
Dan Lane – Director of Engagement & Influence
Angie Rusbridge – Director of Finance, Risk & Compliance
Jake Hutton – Director of Debt Operations
Steve Wade – Director of Technology & Digital Transformation (from 4 January 2021)
Chris Cupples – Director of Church Network

Principal and 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 number

UK: 1097217
Scotland: SC038776

Company number

4655175

Trustees' responsibilities in relation to the financial statements

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

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

In preparing the financial statements the Trustees are required to:

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

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

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

Statement as to disclosure to our auditor

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

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

Auditor

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

Strategic report

In accordance with section 414C (11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the company has prepared a Strategic Report, which includes information that would have previously been included in the Trustees' report. The Trustees 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 21 September 2021 and signed on its behalf.



Roger Hattam
Chairman of the Trustees

Auditor's report

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

Opinion

We have audited the financial statements of Christians Against Poverty (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities incorporating the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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 29, 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.

*Independent auditor’s report to the trustees
and members of Christians Against Poverty*

The extent to which the audit was considered capable of detecting irregularities, including fraud

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

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

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

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

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

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

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

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

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

Claire Leece (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP,
Statutory Auditor

Chartered Accountants
Fifth Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

Date:

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

Financial statements

Statement of Financial Activities for the year ended 31 December 2020 (incorporating an income and expenditure account)

	Note	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Total 2020 £'000	Unrestricted funds 2019 £'000	Restricted funds 2019 £'000	Total 2019 £'000
Income from							
Donations and legacies	2	13,399	926	14,325	13,027	596	13,623
Other trading activities	3	98	-	98	92	-	92
Investments		2	-	2	2	-	2
Charitable activities	4	541	-	541	655	-	655
Other income	5	162	232	394	-	-	-
Total income		14,202	1,158	15,360	13,776	596	14,372
Expenditure on							
Raising funds		1,313		1,313	1,222		1,222
Charitable activities		10,524	1,016	11,540	11,664	735	12,399
Other		1,393		1,393	36		36
Total expenditure	6	13,230	1,016	14,246	12,922	735	13,657
Net income /(expenditure)		972	142	1,114	854	(139)	715
Net movement in funds		972	142	1,114	854	(139)	715
Reconciliation of funds							
Total funds brought forward		5,874	19	5,893	5,020	158	5,178
Total funds carried forward		6,846	161	7,007	5,874	19	5,893

The notes on pages 37 to 54 form part of these financial statements.

Balance Sheet as at 31 December 2020

	Note	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Total 2020 £'000	Unrestricted funds 2019 £'000	Restricted funds 2019 £'000	Total 2019 £'000
Fixed assets							
Intangible fixed assets	10	369	-	369	365	-	365
Tangible fixed assets	11	1,788	10	1,798	3,243	-	3,243
Investment	12	-	-	-	-	-	-
Total		2,157	10	2,167	3,608	-	3,608
Current assets							
Debtors	13	905	193	1,098	789	1	790
Debtors: amounts falling due after one year	13	245	20	265	650	-	650
Cash and cash equivalents		4,602	(52)	4,550	2,136	18	2,154
Total		5,752	161	5,913	3,575	19	3,594
Creditors: amounts falling due within one year	14	(686)	(10)	(696)	(715)		(715)
Net current assets		5,066	151	5,217	2,860	19	2,879
Total assets less current liabilities							
		7,223	161	7,384	6,468	19	6,487
Creditors: amounts falling due after one year	15	(377)		(377)	(594)		(594)
Net assets		6,846	161	7,007	5,874	19	5,893
Funds							
Restricted funds				161			19
Unrestricted funds				6,846			5,618
Revaluation reserve				-			256
Total unrestricted funds				6,846			5,874
Total funds	20			7,007			5,893

Approved by the Board of Directors and Trustees and authorised for issue on 21 September 2021 and signed on its behalf.

Roger Hattam Chair of Trustees and Director

The notes on pages 37 to 54 form part of these financial statements.

Statement of cash flows as at 31 December 2020

	Total 2020 £'000	Total 2019 £'000
Cash flows from operating activities		
Net incoming resources	1,114	715
Depreciation on tangible fixed assets	127	133
Impairment of tangible fixed assets	1,365	
Amortisation of intangible assets	42	42
Profit/(loss) on sale of assets	-	(1)
Less interest received	(2)	(2)
Add interest paid	28	36
Decrease/(increase) in debtors	77	(527)
(Decrease)/increase in creditors	(26)	71
Net cash flow provided by operating activities	2,725	467
Cash flows from investment activities		
Proceeds on sale of assets	-	4
Purchase of tangible fixed assets	(48)	(37)
Purchase of intangible fixed assets	(46)	-
Current asset investment	-	-
Interest received	2	2
Net cash flow used in investing activities	(92)	(31)
Cash flows from financing activities		
Cash inflows from new borrowing	-	-
Interest paid	(28)	(36)
Repayment of bank loans	(209)	(201)
Net cash flow used in financing activities	(237)	(237)
Change in cash and cash equivalents in the year	2,396	199
Cash and cash equivalents as at 31 December 2020	4,550	2,154
Cash and cash equivalents as at 31 December 2019	2,154	1,955

The notes on pages 37 to 54 form part of these financial statements.

Notes to the financial statements for the year ended 31 December 2020

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 group. Monetary amounts in these financial statements are rounded to the nearest £’000, except where otherwise indicated.

The charity’s principal activities are described in detail on page 7 along with the nature of the charity’s operations. The company has adopted the following principal accounting policies, which should be read in conjunction with the financial statements set out on pages 34 to 36.

Basis of consolidation

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

Preparation of the accounts on a going concern basis

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

As a result of their review, the Trustees believe that the charity is well placed to manage operational and financial risks successfully despite the ongoing uncertain economic outlook. Accordingly, the Trustees have a reasonable expectation that there are no material uncertainties about the charity’s ability to continue in operational existence for the foreseeable future. The Trustees, therefore, continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Funds held by the charity

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

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

Incoming resources

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

Legacies

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

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.

Notes to the financial statements for the year ended 31 December 2020

Government grants

Income from Government grants is recognised by applying the accrual model. Grants are recognised on a systematic basis over the periods in which the related costs are incurred if in relation to revenue, or over the expected useful life of the asset if in relation to capital.

Resources expended

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

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

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

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably..

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
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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 revelant 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 equivalents

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

Creditors and provisions

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

Financial instruments

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

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

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

Basic financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Notes to the financial statements for the year ended 31 December 2020

Classification of financial liabilities

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

Basic financial liabilities

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

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

Derecognition of financial liabilities

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

Taxation

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

Pensions

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

Termination benefits

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

Operating leases

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

Judgements and key sources of estimation uncertainty

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

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

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

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

2. Donations and legacies

	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Total 2020 £'000	Unrestricted funds 2019 £'000	Restricted funds 2019 £'000	Total 2019 £'000
Regular supporters	5,577	7	5,584	5,325	11	5,336
Individual gifts	3,275	309	3,584	1,909	248	2,157
Churches	1,936	2	1,938	2,078	12	2,090
Companies	205	154	359	516	73	589
Charitable trusts	860	454	1,314	1,857	252	2,109
Legacies	137	-	137	42	-	42
Total	11,990	926	12,916	11,727	596	12,323
Gift Aid	1,409	-	1,409	1,300	-	1,300
Total donations and legacies	13,399	926	14,325	13,027	596	13,623

3. Other trading activities

	2020 £'000	2019 £'000
Fundraising events	68	62
Rents received	30	30
Total	98	92

The amounts above are all unrestricted income.

4. Charitable activities

	2020 £'000	2019 £'000
Service companies	531	627
CAP Money resources	9	26
Services resources	1	2
Total	541	655

The amounts above are all unrestricted income.

Notes to the financial statements for the year ended 31 December 2020

5. Other income

	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Total 2020 £'000	Total 2019 £'000
Government grants	162	232	394	-
Total	162	232	394	-

During the year the organisation claimed £106,581 from the Government in relation to the COVID-19 Job Retention Scheme.

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

Government department	Project	2020 £'000	2019 £'000
The Money and Pensions Service	Integrated Debt Advice and Financial Capability Evaluation	16	-
The Money and Pensions Service	COVID-19: Maintaining Debt Advice Capacity	55	-
The Money and Pensions Service	COVID-19: Increasing Debt Advice Capacity 2020	119	-
The Money and Pensions Service	Administration of Debt Relief Orders	40	-
Housing and Social Justice Directorate (Scotland)	Debt Advice Provision Project	68	-

6. Total expenditure

	Direct costs 2020 £'000	Support costs 2020 £'000	Total costs 2020 £'000	Direct costs 2019 £'000	Support costs 2019 £'000	Total costs 2019 £'000
Expenditure on raising funds						
Expenditure on raising donations and legacies	1,212	101	1,313	1,145	77	1,222
Total	1,212	101	1,313	1,145	77	1,222
Expenditure on charitable activities						
CAP Debt Centres	7,326	1,277	8,603	7,480	1,280	8,760
CAP Job Clubs	341	66	407	434	85	519
Fresh Start	196	35	231	210	40	250
CAP Life Skills	514	107	621	686	131	817
Kick Start	29	7	36	-	-	-
Client welfare	367	67	434	455	91	546
CAP Money	131	7	138	121	7	128
International	233	7	240	403	7	410
Raising awareness	756	74	830	913	56	969
Total	9,893	1,647	11,540	10,702	1,697	12,399
Other costs	28	-	28	36	-	36
Impairment on fixed assets	1,365	-	1,365	-	-	-
Total resources expended	12,498	1,748	14,246	11,883	1,774	13,657

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

	Principal basis of allocation of activities	2020 £'000	2019 £'000
General management and support	Headcount	355	441
Financial management	Headcount	468	341
Human resources	Headcount	455	345
Supporter relations	Headcount	397	438
IT	Headcount	27	120
Governance	Headcount	46	89
Total		1,748	1,774

Notes to the financial statements for the year ended 31 December 2020

7. Analysis of grants given

	Grants to individuals 2020 £'000	Grants to churches 2020 £'000	Total 2020 £'000	Grants to individuals 2019 £'000	Grants to churches 2019 £'000	Total 2019 £'000
Insolvency fee bursary	288	-	288	175	-	175
Increasing debt advice capacity in Scotland	-	31	31	-	-	-
Total	288	31	319	175	-	175

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

8. Employee emoluments

	2020 £'000	2019 £'000
Wages and salaries	8,723	8,355
Social security costs	789	742
Pension costs	759	686
Total	10,271	9,783

During the year there were no redundancy payments (2019: £16,580).

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

	2020	2019
£60,000 - £69,999	2	-
£70,000 - £79,999	-	3
£80,000 – £89,999	2	-

The key management personnel of the charity comprises the UK Chief Executive Officer, Founder, Chief Operating Officer, Chief People and Culture Officer, Director of Engagement and Influence, Director of Finance, Risk and Compliance, Director of Debt Operations, Director of Church Network and Director of Technology and Digital Transformation. The total employee benefits of the key management personnel were £591,745 (2019: £602,472).

The average monthly headcount was 377 staff (2019: 366) and the average number of full-time equivalent employees (including casual and part-time staff) during the year was:

	2020	2019
Head office	313	311
Total	313	311

9. Net income for the year

	2020 £'000	2019 £'000
Is stated after charging		
Auditor's remuneration		
External audit fees	29	23
Advisory services	17	16
Depreciation	127	133
Amortisation	42	42
Operating lease rentals	43	44
Impairment of fixed asset investments	-	-
Impairment of fixed assets	1,365	-
Interest payable	28	36

10. Intangible fixed assets

	Software development £'000	Total £'000
Cost		
At 1 January 2020	421	421
Additions	46	46
Transfers	-	-
Disposals	-	-
At 31 December 2020	467	467
Accumulated amortisation		
At 1 January 2020	56	56
Charge for the year	42	42
Disposals	-	-
At 31 December 2020	98	98
Net book values		
At 31 December 2020	369	369
At 31 December 2019	365	365

	Infrastructure and buildings £'000	Computer equipment £'000	Furniture and equipment £'000	Total £'000
Cost				
At 1 January 2020	3,454	659	89	4,202
Additions	-	48	-	48
Disposals	-	(1)	-	(1)
At 31 December 2020	3,454	706	89	4,249
Accumulated depreciation				
At 1 January 2020	337	581	41	959
Charge for the year	60	57	10	127
Disposals	-	-	-	-
At 31 December 2020	397	638	51	1,086
Accumulated impairment				
At 1 January 2020	-	-	-	-
Charge for the year	1,365	-	-	1,365
At 31 December 2020	1,365	-	-	1,365
Net book values				
At 31 December 2020	1,692	68	38	1,798
At 31 December 2019	3,117	78	48	3,243

Included in the net carrying amount of freehold land and buildings is £1,374,141 (2019: £2,663,140) pledged as security against the charity's bank loans.

	£	£
Shares in group undertakings	-	-
Total	-	-

	Total £
Cost	
At 1 January 2020	100
Additions	-
Disposals	(100)
At 31 December 2020	-
Accumulated impairment	
At 1 January 2020	100
Impairment loss	-
Eliminated on disposal	(100)
At 31 December 2020	-
Net book values	
At 31 December 2020	-
At 31 December 2019	-

The charity is the sole member of CAP America, a non-stock corporation registered in the USA, whose principal activity is that of debt counselling. On 30 January 2019, the Directors issued a 'Letter of Comfort' to CAP America, undertaking to financially support CAP America to the full extent of any liabilities incurred by them that are unable to be satisfied by the assets of CAP America, not exceeding (USD) \$300,000 per annum. As at 31 December 2020 the corporation had reserves of (USD) \$86,116 (2019: \$118,657), and the deficit for the year was (USD) \$32,541 (2019: surplus of \$118,657). As at 31 December 2020 there were no outstanding balances with the corporation.

Notes to the financial statements for the year ended 31 December 2020

13. Debtors

	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Total 2020 £'000	Total 2019 £'000
Income tax recoverable	130	-	130	102
Trade debtors	25	-	25	55
Accrued income	857	213	1,070	1,176
Prepayments	132	-	132	94
Other debtors	6	-	6	13
Total	1,150	213	1,363	1,440

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

	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Total 2020 £'000	Total 2019 £'000
Receivable within one year	785	20	805	425
Receivable in more than one year	245	20	265	650
Total	1,030	40	1,070	1,075

14. Creditors - amounts falling due within one year

	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Total 2020 £'000	Total 2019 £'000
Building fund loans	2		2	2
Bank loans	217		217	209
Other tax and social security	202		202	201
Accruals and deferred income	154	10	164	121
Trade creditors	91		91	140
Other creditors	20		20	42
Total	686	10	696	715

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

	Total 2020 £'000	Total 2019 £'000
Bank loans	377	594
Total	377	594

Loans outstanding at the year end amounted to £595,692 (2019: £804,585) and these are repayable as follows:

	Total 2020 £'000	Total 2019 £'000
Within one year	219	211
Between two and five years	377	594
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 2020 was £435,363 (2019: £592,528), which represents 43% 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 2020 was £158,829 (2019: £210,557), which represents 70% of the balance sheet value of the properties. The loan is secured against the two properties.

16. Other financial commitments

Operating lease payments represent rentals payable by the charity for certain items of computer equipment and for office space in Belfast. At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	31 Dec 20 £'000	31 Dec 19 £'000
Operating leases which expire:		
Within one year	43	43
Between two and five years	111	131
After more than five years	6	29

Notes to the financial statements for the year ended 31 December 2020

17. Financial instruments

	31 Dec 20 £'000	31 Dec 19 £'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,101	1,244
Carrying amount of financial liabilities		
Measured at amortised cost	861	1,108

18. Movement of funds

Description of fund	Balance 1 Jan 2020 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Balance 31 Dec 2020 £'000	Balance 1 Jan 2019 £'000	Incoming resources £'000	Resources expended £'000	Balance 31 Dec 2019 £'000
General unrestricted funds	5,618	14,242	(13,270)	256	6,846	4,764	13,776	(12,922)	5,618
Restricted funds:									
Individual centres	-	3	(3)	-	-	-	18	(18)	-
Wales region	-	1	(1)	-	-	-	1	(1)	-
Scotland region	-	3	(3)	-	-	-	4	(4)	-
North East region	-	-	-	-	-	-	4	(4)	-
Northern Ireland expansion	-	12	(12)	-	-	-	75	(75)	-
CAP America	-	-	-	-	-	48	22	(70)	-
Debt Operations	-	459	(459)	-	-	-	80	(80)	-
Energy Coordinator	-	11	(11)	-	-	-	22	(22)	-
Social policy role	19	-	(19)	-	-	-	50	(31)	19
Advocacy	-	-	-	-	-	-	20	(20)	-
Client emergency aid	-	97	(76)	-	21	110	3	(113)	-
Insolvency bursary fund	-	185	(185)	-	-	-	153	(153)	-
Client 'Discovery Breaks'	-	-	-	-	-	-	64	(64)	-
CAP Job Clubs	-	1	(1)	-	-	-	1	(1)	-
CAP Life Skills	-	-	-	-	-	-	58	(58)	-
CAP Fresh Start	-	-	-	-	-	-	15	(15)	-
CAP Money	-	1	(1)	-	-	-	-	-	-
CAP Kick Start	-	10	(10)	-	-	-	-	-	-
Staff benevolent fund	-	2	(2)	-	-	-	2	(2)	-
Financial capability project	-	16	(16)	-	-	-	4	(4)	-
Opportunity fund	-	100	-	-	100	-	-	-	-
Increasing debt advice capacity	-	109	(109)	-	-	-	-	-	-
Increasing debt advice capacity (Scotland)	-	68	(68)	-	-	-	-	-	-
Scotland funding manager role	-	40	-	-	40	-	-	-	-
Total restricted funds	19	1,118	(976)	-	161	158	596	(735)	19
Revaluation reserve	256	-	-	(256)	-	256	-	-	256
Total funds	5,893	15,360	(14,246)	-	7,007	5,178	14,372	(13,657)	5,893

Notes to the financial statements for the year ended 31 December 2020

18. Movement of funds (continued)

The restricted funds for individual centres is made up of a number of small gifts towards the centralised costs of servicing 8 different centres at an average of £414 per centre.

The restricted fund for Debt Operations is made up of a number of donations towards the salary costs of our Debt Advisors.

Client emergency aid represents money given towards emergency food shops for clients who have no food in the house when we first visit them.

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

The restricted donation received for CAP Kick Start was towards the start-up costs of the new resource.

The Financial Capability project was commissioned research on the impact of our combined services of debt advice and financial education.

The opportunity fund was created to enable donors to give into a fund that would be available for CAP to use in the event that any unexpected opportunities arose that would require funds. As at the end of 2020 none of this fund had yet been spent.

The restricted donation for increasing debt capacity was a grant received to fund the recruitment of a cohort of new Debt Advisors.

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

19. Capital commitments

The charity had no capital commitments at 31 December 2020 (2019: £nil).

20. Analysis of net assets between funds

	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Total 2020 £'000	Unrestricted funds 2019 £'000	Restricted funds 2019 £'000	Total 2019 £'000
Intangible fixed assets	369	-	369	365	-	365
Tangible fixed assets	1,788	10	1,798	3,243	-	3,243
Cash at bank and in hand	4,602	(52)	4,550	2,136	18	2,154
Other net current assets	464	203	667	724	1	725
Creditors of more than one year	(377)	-	(377)	(594)	-	(594)
Total	6,846	161	7,007	5,874	19	5,893

21. Reconciliation of net debt

	Balance 1 Jan 2020 £'000	Cash flows £'000	Balance 31 Dec 2020 £'000
Cash at bank and in hand	2,154	2,396	4,550
Bank loans	(803)	209	(594)
Total	1,351	2,605	3,956

22. 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 2020 was £1,976,240 (2019: £2,450,870).

23. Transactions with Trustees

During the year no remuneration was paid to any of the Trustees (2019: £nil). In total one Trustee received travel expense reimbursements of £187 (2019: £990) from the charity. The charity paid a sum of £1,383 for Charity Trustee Insurance within its main insurance policy (2019: £1,023).

24. Related party transactions

During 2020 the charity donated £nil (2019: £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 2020 CAP Australia had net assets of (AUD) \$1,057,518 (2019: \$340,639).

During 2020 the charity donated £20,000 (2019: £20,000) to CAP Canada, a charity registered in Canada, of which Ellie Gage is a Trustee. In December 2014, the Directors issued a ‘Letter of Comfort’ to CAP Canada similar to the one issued to CAP Australia a year earlier. At December 2020 CAP Canada had net assets of (CAN) \$273,653 (2019: \$112,036).

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

	Total 2020 £	Total 2019 £
CAP Canada	683	739
CAP New Zealand	15,463	11,943
CAP Australia	7,898	7,216
CAP America	-	-

Notes to the financial statements for the year ended 31 December 2020

24. Related party transactions (continued)

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

	Total 2020 £	Total 2019 £
CAP Canada	5,715	4,391
CAP New Zealand	60,948	53,766
CAP Australia	31,592	28,801
CAP America	-	797

On 22 February 2016 The Light Church, a church of which John Kirkby was a Trustee during 2020, 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 (2019: £30,000). There were no outstanding amounts at the balance sheet date.

25. 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 2020 amounted to £759,216 (2019: £686,012). All contributions due have been fully paid and the balance outstanding at the end was included in unrestricted liabilities

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