

The logo for Child Poverty Action Group is a magenta trapezoidal shape with the text "CHILD POVERTY ACTION GROUP" in white, bold, uppercase letters stacked vertically.

**CHILD
POVERTY
ACTION
GROUP**

CHILD POVERTY ACTION GROUP

(A Company Limited by Guarantee)

Report and Financial Statements
Year Ended 31 March 2023

Company Registration number 1993854

A decorative geometric pattern in the bottom right corner, consisting of various colored polygons (magenta, yellow, dark blue, light grey, and red) arranged in a complex, overlapping design.

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The charity's aims

Objects of the charity

The objects of the charity are to prevent poverty among children and families with children and to promote action for the relief directly or indirectly of such poverty, in the UK.

Our vision

Our vision is of a society free from child poverty, where all children can enjoy a childhood without financial hardship and have a fair chance in life to reach their full potential.

Our theory of change:

By promoting our values, we advance the public and political will for a society free of child poverty

By developing evidence-based solutions, we encourage policymakers and practitioners to act to prevent and end child poverty

By campaigning, we work towards social and political change that will keep families from poverty

By developing and sharing our social security expertise, we help maximise families' resources, inform our evidence for change and, through our social enterprise, sustain our income

Our strategic objectives are:

Objective 1 – end child poverty

- Achieve all-party support for a comprehensive strategy to prevent and end child poverty across the UK

Objective 2 – secure futures for children and families

- Achieve political support for a renewed vision for social security

Objective 3 – sustain and build our sector leading products and services

- Sustain and develop our high quality welfare rights content, training and membership by exploiting new technology in order to design new products, market effectively, grow income and gain new supporters

Objective 4 – stay financially secure, maintain modern infrastructure and manage effectively

- Stay positive, forward-looking, adaptable and capable, in an attractive work environment with well-managed staff and sufficient resources

Key activities, achievements and performance in 2022-2023

Delivering public benefit

The charity's Trustees have had due regard to the Charity Commission and OSCR guidance in relation to delivering public benefit, and particularly in relation to benefiting a section of the public and to fee charging activities. CPAG's work is specifically aimed at benefiting the 4.2 million children in the UK who grow up in poverty, and their families. Some of the second-tier support we provide through publications, subscriptions and training to frontline advisers is charged for with different levels of charge levied depending on the nature of the organisation. In addition, some published material is provided on a heavily subsidised basis to individuals in receipt of state benefits.

Positive changes for children and families this year

- Benefits increased by 10.1 per cent.
- The benefit cap also increased by 10.1 per cent.
- The UK government introduced payments to help people meet high energy costs.
- Bereavement support payment was extended to non-married parents.
- All under-16s in Scotland in families claiming universal credit are now eligible for the Scottish child payment of £25 a week.
- Universal primary free school meals have now been rolled out to the youngest learners in primary schools in Wales.
- The Welsh government is planning Community Focused Schools to lessen the impact of poverty on children and is making progress towards a poverty strategy.

CPAG IN NUMBERS

10.1% INCREASE IN SUPPORT FROM OUR SOCIAL SECURITY SYSTEM

21,000 FAMILIES ABLE TO MAKE RETROSPECTIVE CLAIMS FOR BEREAVEMENT BENEFITS

31,040 PEOPLE SUPPORTED THROUGH OUR HELPLINE FOR FRONTLINE WORKERS AND ADVISERS

35,000 HOUSEHOLDS WE ESTIMATE HAVE BEEN PROTECTED FROM THE BENEFIT CAP BECAUSE IT WAS INCREASED BY 10.1 PER CENT

270,000 MORE CHILDREN IN LONDON TO BENEFIT FROM FREE SCHOOL MEALS IN 2023-24

Spotlight on our work on the cost of living

The cost of living crisis has been a defining feature of this year. Inflation was at 9 per cent in April 2022, while benefits went up by only 3.1 per cent based on the inflation rate the previous September. Families who were already struggling have faced ever higher costs and insufficient support.

Campaigning for more support for families

At CPAG we focussed our campaigning efforts this year on highlighting the huge gap between rising costs and inadequate support. Our Cost of a Child in 2022 report showed the biggest deterioration in living standards since this research began 10 years ago.

At the beginning of the crisis we convened a coalition of organisations united behind the need for more support for people delivered through the social security system. Our calls contributed to the UK government introducing targeted support in the form of one-off payments from May 2022. We welcomed the fact this support was delivered through our social security system – something the UK government had been reluctant to do because it had been very difficult for them to remove the £20 added to universal credit during the pandemic. And it was positive that the payments also went to those affected by the benefit cap, with the chancellor acknowledging that there are many reasons why people might claim social security during their lives. We have highlighted just how squeezed those affected by the cap have become by rising costs, and so this was a win. But there were problems with the payments. Firstly, one-off payments do not provide stability or certainty. Secondly, these payments suggest the problem of rising prices is temporary, when it is not. And thirdly, flat rate payments take no account of family size and so are insufficient for families with children. Proper inflationary increases to benefits (uprating) remained our key ask.

With inflation remaining high throughout the year, we focussed on three priorities: proper uprating of benefits as soon as possible to match rising costs; reduced deductions taken from benefits; and removal of the benefit cap.

We did extensive research and advocacy on each of these issues, working closely with other organisations ranging from Action for Children to Age UK. For example, when it was suggested that benefits might only be increased by average wages, we highlighted that 200,000 more children would be pushed into poverty as a result, an argument used in a *Times* leader column. But if the benefit cap were to remain in place, higher benefits would mean more people hit by the cap and therefore not getting the support they need. Our analysis showed that 35,000 more families were likely to be affected by the benefit cap if benefits were increased with inflation, leaving them with a growing gulf between their income and rising costs.

Across the year, there was a lot of political change, with two new prime ministers. We therefore couldn't rely on an early promise that benefits would be increased with inflation and had to keep making that argument until the Sunak government confirmed it in November 2022. This is only the fourth time in 13 years that benefits have been properly uprated by inflation. We also secured the first ever increase to the benefit cap, meaning all families would see their support increase by 10.1 per cent.

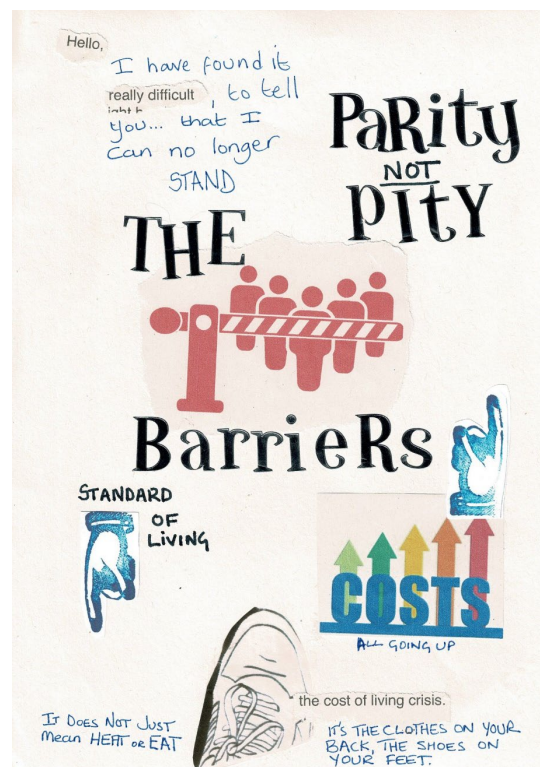
We are not case studies, but people with stories you would have nightmares about if it was your reality. Perhaps you don't see desperation unless you have lived it? Well learn from us. Because we are living it.

Extract from letter to prime minister from Changing Realities participants

Much of our campaigning on the cost of living has been alongside parents and carers on a low income and the University of York through the *Changing Realities* research programme, the successor to *Covid Realities*. Collectively we have called for more support through the crisis, and for support that reflects families' needs, but also investment in the social security system in the longer-term. The participants jointly wrote a letter to the Prime Minister, which was displayed as part of an exhibition, called *Milk*, at

the Wellcome Collection in London. The project has continued to promote art-based campaigning too, including via zines (see below). Read more at changingrealities.org

We successfully secured a doubling of the final Scottish child payment bridging payment – an additional £130 payment for children entitled to free school meals. We led on making this a key cost of living call and co-ordinated an open letter from over 100 civic society organisations to the first minister in Scotland.



Zine by Jo, a participant in Changing Realities

Providing more support for frontline workers

Many families entered the cost of living crisis already struggling financially. The effect of rising costs has been that many more have also needed support. We have continued to ensure that advisers and other frontline workers have what they need to help families facing hardship. This included delivering training for Members of the Scottish Parliaments' case workers about support during the crisis.



On AskCPAG, our platform for advisers to access up-to-date information and tools to navigate the complexities of the social security system, we launched specialised cost of living pages. They feature time-saving checklists to help advisers find additional sources of support for their clients after a general benefit check has been completed. There are 10 individual checklists, each designed for clients in particular situations such as those with ill health, parents, or unpaid carers. It instantly became our most popular topic area.

In September, we launched a Food Bank Income Maximisation Service in partnership with Trussell Trust, to provide dedicated benefits advice, resources and training to over 140 food bank workers.

We also launched a guide for schools to help them consider how they're already supporting families and how they can make small changes to policies, practices and communications to help families through times of economic difficulty.

Delivering our objectives

End Child Poverty:

Achieve all-party support for a comprehensive strategy to prevent and end child poverty across the UK

Policy and campaigns

Our policy and advocacy work is centred on making the case for tackling child poverty across government. We regularly engage with and brief politicians in the Westminster and Scottish parliaments, and in the Senedd. We give oral and written evidence to committees on a regular basis. The Work and Pensions Committee in the House of Commons called for an urgent review of the benefit cap, a review of benefit adequacy and the suspension of deductions as a result of evidence given by us and others.

We continue to play a key role in the delivery of Scotland's child poverty strategy, this year joining the Scottish Government Child Poverty Delivery Plan Programme Board to help provide oversight and advice. We were very pleased to see the Scottish child payment, now at £25 a week thanks to longstanding campaigning led by CPAG, rolled out to all eligible under 16s from November 2022. As leadership changed in Scotland at the end of this reporting year, we led efforts to ensure child poverty continued to be a top priority for the new first minister.

The Scottish Budget announced an increase in the top two rates of income tax, and freezes or reductions to income tax thresholds, from April 2023. We had called, with others, for use of tax powers to generate revenue to ensure resources are available for anti-poverty policies. As a result of Scottish tax and benefit policies (that CPAG has been instrumental in influencing) the Institute for Fiscal Studies concluded that "amongst the poorest 30 per cent of households, those with children will see their incomes boosted by around a sizeable £2,000 a year on average" compared with the system in England and Wales.

The Welsh government consulted on a Benefits Charter on the underlying principles behind how the social security system should be administered, which we fed into. It is also consulting on a child poverty strategy.

In the Spring Statement, the UK government announced the expansion of before- and after-school childcare provision (something we have long called for, most recently publishing research on the economic case with Magic Breakfast), the lifting of the cap on childcare fees that can be reimbursed to parents on universal credit, and the switch to payment of childcare costs upfront rather than in arrears for parents on universal credit. It was also positive to see the expansion of free childcare places to children from nine months to two-year-olds, which we have repeatedly highlighted was a gap in support.

In the Westminster parliament, we support the All-Party Parliamentary Group on Poverty, which this year had a short inquiry into benefit adequacy. We are grateful to the **TUUT Charitable Trust** for co-funding our parliamentary work.

The End Child Poverty coalition, which we host, now numbers over 100 organisations. The coalition continues to publish annual child poverty statistics, and we are collectively campaigning against the two-child limit (see below). When the statistics were released in 2022 we met 22 MPs to discuss how they could support the campaign to end child poverty.



Education

Our UK-wide project on the Cost of the School Day, funded by the **National Lottery Community Fund**, came to an end this year, although our work in schools continues and our Cost of the School Day project in Scotland is ongoing thanks to support from the **Scottish government**. We launched a new Cost of the School Day eLearning course and Ideas Bank to help schools reduce financial barriers to learning.

The UK Cost of the School Day, 2019-2022

Our Lottery-funded UK Cost of the School Day project ended in December 2022. Over the last three years, the project 'poverty proofed' 55 schools (39 primary, 13 secondary and 1 SEN school) with partners Children North East, reaching 25,000 pupils of whom 12,000 took part in discussions and focus groups. We also heard from 2,000 parents and carers.

The project has contributed substantially to the following positive changes for children and families:

- All primary school children in Wales and Scotland will receive free school meals in the next few years. In England, children with no recourse to public funds (subject to an income threshold) have become permanently eligible for free school meals, and these families also now receive discretionary support with free school meals through their local authorities in Scotland and Wales.
- During the pandemic we successfully pushed for cash-based replacements for free school meals, with almost all local authorities in Scotland and Wales moving to this approach including in the school holidays. Devices for home learning were widely distributed.
- New guidance has been published in England, meaning that schools have to ensure their uniforms are affordable for families. In Scotland, the school uniform grant available to eligible families has been increased to a minimum of £120 for primary and £150 for secondary school and national statutory uniform policy guidance is being introduced this year. In Wales, the PDG- Access grant, which helps eligible families with school costs like uniform, learning materials and laptops, has also increased in value and been extended to more year groups.
- The Scottish government has provided funding so that core curriculum costs can be waived: this means costs such as materials for home economics, musical tuition and drama qualifications do not land on families. The Scottish government has also committed to additional support for school trip costs.

Poverty has a stark knock-on effect, impacting pupil wellbeing, attainment and attendance – all of which place enormous pressure on stretched school staff to try to resolve.

Extract from letter written by the Education Anti-Poverty Coalition to chancellor Jeremy Hunt

Our Youth Panel continues to meet, working to increase understanding of child poverty among peers and school staff and ensure those who are experiencing poverty do not feel alone or excluded.

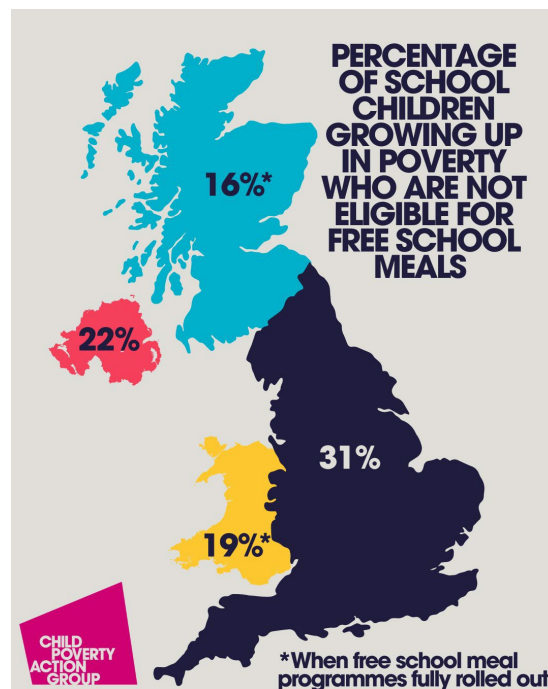
We have brought together organisations from across education to form a new coalition, *The Education Anti-Poverty Coalition* which is formed of school governors, head

teachers, teachers, PTAs and others working in schools to campaign on the impact of child poverty and education and for action that gets to the root cause: insufficient family income. The coalition has already called for an increase in child benefit of £20 a week, and free school meals for every school-age child who needs one.

We have published research on the proportion of children growing up in poverty who are not eligible for free school meals. This has been very widely reported and taken up by others to make the case for more children to have access to free school meals.

We campaign with others and independently for the expansion of free school meals until they are universal. We welcomed the Mayor of London's announcement that all primary school children would get free school meals for at least a year from September 2023. Universal primary free school meals have now been rolled out to the youngest learners in primary schools in Wales. The roll out is due to be complete by 2024.

We are pleased to be supporting the UK Youth Parliament's campaign, *Food for Learning*, which is calling for all political parties to add free school meals for all to their manifestos. We are helping to coordinate this campaign with the British Youth Council.



Outside of term time, three-year funding has been agreed for The Holiday Activities and Food fund in England which provides free holiday programmes for those eligible for free school meals. The Welsh government agreed to continue providing free school meal payments through school holidays for the rest of the financial year. In Wales, The PDG-Access Grant (which supports eligible families with school costs) was extended to children in all year groups as opposed to just certain ages. The grant has also been temporarily increased by £100, so eligible families now receive £225 or £300 if their child is in Year 7. The Welsh government also announced plans for investment in Community Focused Schools as a way to lessen the impact of poverty on children, citing CPAG's work in this area. We published a guide with NEU Cymru on some small steps schools can take to help make learning more accessible for children and families living in poverty in Wales.

Work

Our **Barclays**-funded *Your Work, Your Way* programme supported 70 clients in 2022 in Bury, Coventry, Luton and Taunton with benefits advice and personal employment support. An annual average of £2,579 per client in benefits was claimed for 22 clients (to date). As well as demonstrating how the social security system can better support families, we showcased our approach to personal employment support and overcoming barriers to employment (eg childcare and lack of transport) to a Work and Pensions Select Committee inquiry into Employment Support. Personal budgets have been key to enabling clients to access specialist training, IT equipment, transport, childcare and business start-up costs.

We published the second report of our *London Calling* project, funded by **Trust for London**. It shared what our panel members, 32 working parents from a Black and minority ethnic backgrounds from across London, want their councillors to prioritise. They highlighted five main themes: childcare, free school meals, housing, children's activities and community engagement.

Secure futures for children and families:

Achieve political support for a renewed vision for social security

Policy and campaigns

In its response to the cost of living crisis, the UK government recognised that the social security system is the appropriate way to support families on lower incomes, and that there is also a role to play for universal schemes like the energy price guarantee too.

We continue to ensure that our social security expertise, Early Warning System case evidence and Secure Futures principles are informing the development of the Scottish social security system. We did this through, for example, our response to the Scottish government consultation on proposed changes to Scotland's social security system, our membership of the Scottish government's Disability and Carer benefits Expert Advisory Group and Minimum Income Guarantee steering group and through strong relationships with government and Social Security Scotland officials.

Much of our work this year has focussed on the immediate challenges presented by the cost of living crisis, and the changes needed to the social security system as it currently operates. Our work on the benefit cap is discussed above, but while the UK government increased the rate of the cap, the Scottish government is now mitigating the cap as fully as possible within its devolved powers. Our case evidence, and social security expertise, allowed us to support Scottish government officials to turn this longstanding policy call into a deliverable reality.



We continue to draw attention to the negative impact of the benefit cap and the two-child limit extensively, both independently and with others. We are supporting the Nuffield Foundation-funded *Benefit Changes and Larger Families* study (our element funded via the University of York) to draw attention to the harm the policies are causing to families, helping to promote their research on the impact of the two-child limit on fertility and how the two policies interact. All the findings from the study are at largerfamilies.study

Our analysis shows that abolishing the two-child limit is the most cost-effective way of reducing child poverty – lifting 250,000 children out of poverty. A further 850,000 children would be in less deep poverty at a cost of just £1.3 billion. CPAG now jointly leads the All Kids Count campaign to end the two-child limit with End Child Poverty. We supported the Bishop of Durham with his bill to end the two-child limit, which has now passed the House of Lords.

With IPPR and the TUC, we called for the government to increase child benefit by £20 per week per child, remove the two-child limit and end the benefit cap. Our analysis showed this would lead to 900,000 fewer children in poverty. We work in coalition to strengthen our calls and bring together other organisations working on social security through the Social Security Consortium to facilitate information and intelligence sharing.

We welcomed changes to the household support fund in England which sees slightly longer-term funding (one year rather than 6 months). The UK government also removed demographic ring-fencing of the fund (removing requirements for local authorities to allocate a minimum portion towards pensioners which many struggled to do). The Welsh Winter Hardship Fund was launched by the Welsh government and offers families cash support for their needs over the winter period in line with CPAG recommendations.

Strategic litigation

CPAG continues to uphold families' rights through our strategic litigation work. We were pleased to see the government finally extend bereavement support payment to non-married parents this year. Around 21,000 families will be able to make retrospective claims for this and its predecessor, widowed parent's allowance, and an estimated 1,800 additional families will benefit every year from now on.

We had a significant win in the Upper Tribunal in December. We took the case on behalf of a mother and daughter who fled home following domestic abuse with no cash at all. The mum has pre-settled status, an immigration status for EU nationals who have lived in the UK for less than five years. When she applied for universal credit to support her and her daughter the application was refused. We argued that this meant the family may be unable to live in dignified conditions and were at risk of not having the resources to buy adequate food, clothing and shelter. We argued that the family should be given universal credit. The government has been denying vital support to those with pre-settled status, regardless of what their needs are. The tribunal agreed with us this that this is not right. This legal case will hopefully protect people's right to dignity when they face unacceptable living conditions in the UK.

We also raised the issues faced by people being asked to 'reverify' their universal credit claims with politicians and in the media. At the start of the pandemic, the Department for Work and Pensions relaxed some evidence checks for people making a universal credit UC claim to provide quicker access to benefits. In January 2021, the department began reverifying the details of claims made while evidence checks were eased. This has resulted in some claimants being asked to pay back the entirety of their universal credit award.

We have also been part of a coalition calling for the UK government to scrap its plans to replace the Human Rights Act with a Bill of Rights, which was dropped in June 2023. And we fed into the consultation on the terms of reference for the official Covid inquiry, successfully calling for the experience of children and young people, and a consideration of the unequal impact on different groups to be looked at.

Advice services

We continued to deliver our second-tier service for advisers including a telephone and email advice service, the only UK-wide universally available service to anyone who advises people living on a low income and which responded to 7,760 cases, helping an estimated 31,040 people. We also provide support through our Upper Tribunal and judicial review specialist advice services thanks to funding from **The Legal Education Foundation**. We advised on 39 upper tribunal cases from 32 advisers at 32 organisations. Visitors to our website downloaded 5,067 pre-action judicial review letter templates, and our judicial review project worker assisted 110 advisers from 93 organisations on 162 issues, provided advice in 96 cases and created 15 new template letters.

We continued to support advisers and professionals helping universal credit claimants through our UK-wide and London universal credit advice projects. This included creating appeal templates and submissions on behalf of the clients.

We delivered a project, *Survivors' Welfare Advice Project*, funded by **Barclays**, which provided bespoke advice to frontline workers supporting survivors of domestic abuse, whose clients faced problems with their social security benefits. The project came to an end in June 2022, but we have shared information for advisers on AskCPAG (more information below).

The Early Warning System

Our Early Warning System helps us get a better understanding of how changes to the social security system are affecting the lives of children and families. We gather information from advisers about the experience of children and families. This intelligence informs much of our policy, research and campaigning work, and also feeds into the advice we give frontline advisers. We received 1,964 submissions this year.



Issues raised by the Early Warning System and resolved include:

- The DWP introduced an improvement to the universal credit build to make it easier for work coaches to record and check explicit consent granted by the claimant.
- The DWP changed its non-digital/digital-to-phone claim processes and guidance for its agents.
- The DWP undertook stakeholder engagement, user research and design work to fix the issue of missing carer elements for universal credit claimants.

Our Early Warning System evidence featured in the report of the Work and Pensions Committee's inquiry on health assessments for benefits. And we delivered training sessions for Scottish government officials on the interactions between UK and Scottish benefits with reference to Early Warning System evidence.

Our new managed migration project, funded by **abrdn Financial Fairness Trust**, is run through our Early Warning System. We are encouraging people to participate in the project if they have been invited to move to universal credit via 'managed migration', and have begun interviewing claimants and advisers about their experiences to inform briefings for the Department for Work and Pensions about how they can improve the process.

We remain concerned about how families will be moved onto universal credit and have raised our concerns alongside other organisations like Mind and Shelter. The UK government has announced that managed migration will be delayed for people claiming employment and support allowance, though it continues for those claiming tax credits.

Cases from the Early Warning System, alongside new research, form the basis of a report on the digitisation of universal credit and to what extent it meets rule of law principles. *You Reap What You Code* was published in June 2023, thanks to funding from **The Legal Education Foundation**.

Sustain and build our sector leading products and services

Sustain and develop our high-quality welfare rights content, training and membership by exploiting new technology in order to design new products, market effectively, grow income and gain new supporters

Training

We delivered 172 public programme training courses with 1,882 attendees in total, and 192 in-house training courses for approximately 2,500 attendees. Face-to-face training was reintroduced to our programme, after an absence of 29 months, with in-person training events held at eight different locations across England.

In response to the soaring prices we've witnessed, we expanded our training around income maximisation and developed and delivered a number of new courses designed to support people in the most vulnerable circumstances, including training on *universal credit and work* and *using medical evidence in benefit appeals*.

We upgraded and redesigned our digital learning site and developed 14 eLearning courses completed by 1,565 people.

We held our London annual welfare rights conference online for a third year running, which offered delegates a mixture of pre-recorded and live content, stretching over 7 days in late November and early December 2022. This was attended by 226 people. Our Scotland welfare rights conference returned as an in-person event in June 2023. Our five webinars offered up-to-the-minute insights on topics of concern and were attended by 635 advisers.

Website

We're continuing to see good levels of engagement on our website, with around 50,000 engaged sessions each month. Our most popular pages, as always, are those giving headline information about child poverty: facts and figures, causes and effects. Around 9 in 10 of our users are new to the site and are most likely to come via a search engine.

AskCPAG and publications

We sold 12,575 CPAG publications this year, with 10 new titles. This compares to 13,195 sold last year. We also sold 5,745 publications from other publishers. Many of our titles are now published online and updated throughout the year (see AskCPAG below).

AskCPAG is our platform for advisers to access up-to-date information and tools to navigate the complexities of the social security system. We have been continuously working to make improvements to the usability of the site, particularly the handbooks. The structure, search function and appearance of the webpages has been vastly improved.

We now have eight CPAG handbooks available digitally on AskCPAG including our *Welfare Benefits and Tax Credits Handbook*, *Benefits for Migrants Handbook*, *Benefits for Students in Scotland* and the *Children's Handbook Scotland*.

New to AskCPAG this year, the *Fuel Rights Handbook* is free to access, thanks to both the Indigo Trust and the Clothworkers' Foundation. Our brand new *Mental Health and Benefits Handbook* was developed in collaboration with Mind and funded by Fusion21, Riverside and the Northwick Trust. Our *Debt Advice Handbook* continues to be available, sponsored by Money Advice and Pensions Service (MAPs). In addition, we publish the *Disability Rights Handbook* online for Disability Rights UK. All are regularly updated throughout the year.

Also, on the platform – in flipbook format – are the *Welfare Rights Bulletin*, our *Poverty Journal*, our policy books and the Big Book of Mental Health.

We've introduced three new topic areas to AskCPAG. Our new *survivors of domestic abuse* topic page includes a series of factsheets on benefit rules relevant to people who have experienced domestic abuse. It also has a new tool to check whether the value of a property can be ignored for universal credit when someone has been forced to leave a home they own due to domestic abuse.

Our *migration to universal credit* topic page brings together information on moving from legacy benefits to universal credit. It includes links to useful articles, briefings, tools and template letters.

Our *cost of living* topic area is discussed above.

AskCPAG now has 3,500 active subscribers.

Membership

We had 1,197 memberships set up or renewed in 22/23, including 916 individual print members and 245 individual online members. Our new organisational memberships have been taken up by 28 small organisations (with 10 affiliate members per membership) and eight large organisations (with 30 affiliate members per membership). 20 organisations switched from individual to organisational membership in January and February 2023.

Stay financially secure, maintain modern infrastructure and manage effectively

Stay positive, forward-looking, adaptable and capable, in an attractive work environment with well-managed staff and sufficient resources



BBC Radio 4 Appeal

Armando Iannucci, an award-winning writer and broadcaster, presented our appeal, raising over £35,000 towards our work making sure poverty isn't a barrier to any child's education.

Armando has since become CPAG's first Patron and we are extremely grateful to him for all his support in raising awareness and funds.

"Now more than ever the issue of poverty in Britain is forefront in everyone's minds. I'm keen to do as much as I can to highlight what positive efforts can be done to address and hopefully alleviate childhood poverty and the stigma attached to it, so that everyone can grow up with the same opportunities to flourish in the UK."

Armando Iannucci, CPAG's Patron

Fundraising

Donors to CPAG can be assured that we comply with the regulatory standards for fundraising. CPAG is registered with the Fundraising Regulator and is committed to the Fundraising Promise and adherence to the Code of Fundraising Practice. CPAG's fundraising team are all members of the Chartered Institute of Fundraising. CPAG's fundraising is monitored regularly by the senior management team and at least quarterly by the Trustees.

Fundraising during the year raised donations and legacies totalling £1,290,203 (2022: £1,254,390) and restricted grants income of £2,766,127 (2022: 2,748,787).

Registered with



FUNDRAISING
REGULATOR

We would like to thank the following trusts and foundations for core, unrestricted grants to use where most needed: **Oak Foundation** (£1m over five years); **Esmée Fairbairn Foundation** (£400,000 over five years); **Pears Foundation** (£110k over two years); **Betty Messenger Charitable Foundation** (£50k), and **Andor Charitable Trust** (£10k).

We secured continued funding from CORRA and the Scottish government to support our second-tier welfare rights work, cost of the school day activity, early warning system and policy work in Scotland.

Thanks to the **National Lottery Community Fund** (£1.9m total grant for our UK Cost of the School Day project), **The Legal Education Foundation** (£230k for Access to Justice in the Social Security System) and **Trussell Trust** (£360k total grant for Food Bank Income Maximisation Project).

We are grateful to **Barclays** for funding our innovative Your Work Your Way project and Survivors Welfare Advice Project.

We received other restricted grants from a number of trusts to whom we are grateful including: **City Bridge Trust** (universal credit advice project in London); **Comic Relief** (universal credit advice project); **abrdn Financial Fairness Trust** (project on difficulties faced by claimants migrated onto universal credit and ending the need for foodbanks project); **Trust for London** (London advocacy project); **Fusion21 Foundation, Riverside and Northwick Trust** (mental health and benefits handbook); **Indigo Trust and Clothworkers Foundation** (fuel rights handbook); **Therium Access Fund** (legal project); **Pears Foundation** (UK Cost of the School Day project); **TUUT Charitable Trust** (parliamentary assistant); **York University** (Changing Realities and Larger Families projects); **Digital Freedom Fund, Strategic Legal Fund, Charities Advisory Trust, 29th May 1961 Charitable Trust** and many others. Thanks to **Coventry City Council, Orbit and Greenwich Council**, who funded the extension of our UK Cost of the School Day work in schools.

We are grateful to over 1,718 individuals (2022: 1,445) who donated £260k and 11,746 supporters (2022: 10,479) who contributed to our efforts in other ways to prevent and end child poverty. We would particularly like to thank everyone who donated to our **Big Give cost of living crisis appeal** (£23k with donations matched by the Big Give); **BBC Radio 4 Appeal** (£35.5k) to enable our cost of the school day work to continue; and **Deborah and Laurence Harris** for their generous gift towards our legal work.

A huge thanks to the following companies for donations, choosing CPAG as their charity of the year and/or staff fundraising: **New Look** (£5.5k); **Tartan Blanket Co** (£4.5k); **Drift Live/ Little Mix/ Modest Management** (£4k); **Saison Information Systems Co** (£4k); **Gardner Halliday** (£3.6k); **TTC Global** (£3.5k); **Weightmans LLP** (£3k); **Herbert Smith Freehills LLP** (£2.5k); **Paper Bird Publishing** (whose Christmas cards raised £2.2k); **Bryan Cave Leighton Paisner** (£2k); **Kohler Mira** (£1.4k); **Skillcast** (£1k); **Tyruplex Limited** (£1k); **Eden Brown Synergy; Open Online Agents** and many more.

CPAG does not employ third party suppliers to raise funds. For those who fundraise on our behalf, we ensure that the correct safeguards are in place including agreements with 'commercial participators' or 'corporate partners'.

We are also very grateful to over 75 (2022: 220) organisations and individuals who raised over £55k (2022: £67k) through a huge variety of imaginative fundraising and tireless effort including: young Isaac, Joshan and Allegra, Sebastian and Austin, who all asked for donations to CPAG instead of birthday gifts; young Orla for holding a bake sale; Paul and Luke Tucker who raised a fantastic £4,805 trekking along Hadrian's Wall; Michelle and her son for their walk from Ashford to Hastings; Matt and Dave who ran the Chester marathon, Jeremy who ran the London Marathon, Alan who ran the Glasgow half marathon and Leah who did the Brighton Triathlon; Sophie who shaved her head; Glasgow Gaelic School; Summerhill School; Christian and Eliza; the British Association of Social Workers; and the Gentlemen's Film and Leisure Club.

We are grateful to all our supporters, too many to list here. More fundraising heroes and their stories can be found on our website.

We would like to give a special mention to the late **Chris Boon**, for a wonderful donation of £5,000 to the charity he loved chairing for six years. We also received legacies from the estates of **Mrs Qamer Qadar Adam, Jenny Sorensen** and **Geoffrey Brogden**. Family and friends donated in memory of **Jon Blanchard, Martin Waddell, Nicolas Ford, Brian Stapleton** and **Philip Lewis**.

At CPAG, we are committed to data privacy including compliance with the GDPR, which is a positive development in the way people are contacted and vulnerable people protected. Our fundraising activities are designed to ensure we protect privacy and we have systems in place to enable us to fulfil the wishes of those supporters who do not want to receive appeals. Our website outlines our complaints policy for the public. We received one complaint in 2022/23. A supporter was sent correspondence when they had requested no post due to human error in selecting the wrong mailing list. We apologised immediately and put in new checks to prevent this in future. We are signed up to the Fundraising Preference Service to enable individuals to opt out from receiving fundraising communications from us. We received no such requests from this service last year.

IT

We have continued to improve our IT infrastructure across the year, including a move to SharePoint and working within Microsoft teams.

Staff, diversity, safeguarding and resources

Staff are CPAG's greatest asset and we benefit from a highly skilled, expert and dedicated team. We cannot thank them enough. We have taken steps to improve staff wellbeing by investing in counselling support, social activities and additional management support. We aim to do more.

We secured new office premises in central Glasgow to provide a better working environment for the team. We continue to offer hybrid working for all staff and our policy on working from home was implemented following the Covid lockdown and is up for review this coming year. We regularly review our policies on safeguarding and GDPR in compliance with Charity Commission guidance. We will also pay attention to environmental sustainability by implementing practical learnings from our eco-audit.

We are working towards embedding a culture of equality, diversity and inclusion which includes an audit by Diverse Matters and further training. The Board agreed the following statement:

'We are proud to be an organisation that is not afraid to point out injustice and inequality and have policies in place that recognise the importance of equality and diversity. However, we know as an organisation that there is always room for improvement. We acknowledge the problem with racial diversity within the charity sector and we are committed to taking action to change this. In trying to achieve social change, greater fairness and equality, we must also hold ourselves to account. We want to build a diverse group of talented people working towards our shared vision.

'To this end we have set up an Equality, Diversity and Inclusion (EDI) group to advise on and help lead this work. Championed by our Board and leadership, we aim for EDI to be embedded throughout our organisation and strategy. We are committed to making change where it is needed and look forward to being part of a sector that prioritises diversity and equality.

'We are prepared to invest resource, to where possible recruit for potential rather than seek perfection and recognise the need for a better understanding of racial and other biases in order to reflect the communities we

work in. We continue to value the insights brought to the organisation through lived experience. CPAG needs to be a safe place to work, to challenge and feel safe to have uncomfortable conversations.'

Looking ahead

Despite the successes set out above, there are still 4.2 million children living in poverty and facing a worrying social and economic outlook. We will need to combine an ambitious vision for children's futures with a realistic assessment of what we can influence. We will continue to emphasise the disproportionate impact of child poverty on young children, children in Black and minority ethnic families, children in larger families and on disabled children, and will continue to prioritise the voice of children and families. In addition to a comprehensive child poverty strategy, we must prioritise reform of social security particularly the policies that are driving up child poverty and making life worse for children, including: the two-child policy, the benefit cap, the need for universal free school meals and the restoration of child benefit.

We have developed a new strategic plan for the period 2023/26 and we anticipate that a UK general election will take place at some point during the life of this plan. It will be important to keep child poverty high on the agenda for all political parties as well as in the build-up to Scottish Parliament and Welsh Senedd elections in 2026. We will continue to respond in context and to opportunities in different nations but retain our overarching approach across the UK.

The economy has been rocked from the lockdowns, from Brexit and from the cost of living crisis. Low-income families with children went into the lockdowns in a bad way. As a result of benefit cuts, by 2022, we were spending as a nation £42 billion a year less on social security than we would have been on 2010 policies. Campaigning through lockdown, while a challenge, made possible some very focused campaigns and greater cross-sector collaboration, first to try and keep the £20 payment and second to get benefits increased by inflation.

Looking ahead, we need to build on this success. We will also use our hard-won funds to re-build our website, to build our individual donor base and drive up unrestricted funding to contribute to the sustainability of the charity, and we will also invest in our campaigning capacity. Our new strategy positions us ready to meet these demands.

Plans for the future

The Trustees have approved a programme of work for the coming year building on last year's work.

We have four cross-cutting priorities:

- achieve comprehensive cross-government strategies to end child poverty across the UK
- achieve political support for a renewed vision for social security – secure futures
- promote equality, diversity and inclusion both within CPAG and through our work
- put children and families with children at the centre of all that we do

We have five specific strategic objectives for the next three years:

Objective 1 – strengthen public commitment to end child poverty

Specifically we will:

- 1.1. Invest in a strong, media-focused campaign on child poverty and the need to address it.
- 1.2. Focus relentlessly on showing the impact of child poverty on children across the UK.
- 1.3. Focus on: abolition of two-child policy and benefit cap, restoring children's benefits and expansion of free school meals.
- 1.4. Centre the voices of children and families to drive the conversation on child poverty and its solutions.
- 1.5. Attract and mobilise supporters to promote our campaign and charitable mission across the UK.

Objective 2 – ensure government adoption of evidence-based policy solutions to child poverty

Specifically we will:

- 2.1. Develop research showing the impact of child poverty and the most effective solutions.
- 2.2. Make a compelling and forward-looking case for evidence-based solutions to the most pressing issues, including reform of social security.
- 2.3. Deliver expert projects to develop solutions around work, home and school.
- 2.4. Lead and collaborate with partners to engage policy-makers and promote our evidence-based solutions.

Objective 3 – use our expertise to maximise family incomes and reduce child poverty

Specifically we will:

- 3.1. Maximise incomes through the best, most accessible, welfare rights advice and information.
- 3.2. Ensure frontline advisers are equipped to deal with pressing issues, such as the cost of living, digitisation and managed migration.
- 3.3. Continue to win change and fight discrimination through work on appeals and strategic litigation.
- 3.4. Use our early warning system evidence to expose weaknesses in social security and advocate for change.
- 3.5. Scrutinise social security developments UK-wide including the most effective use of devolved administrations' powers.

Objective 4 – continue to be a sustainable charity

Specifically we will:

- 4.1. Sustain income, control expenditure and maintain a healthy level of reserves.
- 4.2. Grow unrestricted income, specifically individual giving, legacy fundraising and core grant income.
- 4.3. Invest in the best analytics, technology and digital presence to stay ahead.
- 4.4. Continue to drive innovation on content, sales and marketing.
- 4.5. Maintain and develop business and funder partnerships.
- 4.6. Continue to engage with supporters and their donor journey.

Objective 5 – be a great place to work

Specifically we will:

- 5.1. Attract, develop and support a highly talented staff team.
- 5.2. Look after the wellbeing of all staff.
- 5.3. Embed a culture of equality, diversity and inclusion through a policy audit and internal training.
- 5.4. Pay attention to environmental sustainability by implementing practical learnings from our eco-audit.

Structure, governance and management

Status	Child Poverty Action Group (“the CPAG”) is a charitable company limited by guarantee.	
Governing document	The charitable company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.	
Company number	1993854	
Charity number	Registered with the Charity Commission for England and Wales registration number 294841, and with the Office of the Scottish Charity Regulator registration number SC039339	
Registered office and operational address	30 Micawber Street London N1 7TB	
Email	office@cpag.org.uk	
Website	cpag.org.uk	
Honorary officers	Jane Millar Mark Cooke Mark Cooke	Chair Vice Chair Treasurer
Chief Executive	Alison Garnham	
Company Secretary	Chineze Okonkwo-Onyilo	
Bankers	NatWest Bank plc Islington Angel Branch 2/3 Upper Street London N1 0PH	
Solicitors	Russell-Cooke 2 Putney Hill London SW15 6AB	
Auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG	

Trustees who served during the year and thereafter were as follows:

Alan Buckle	
Alison Inglis-Jones	
Ann McVie	From 6 December 2022
Clarissa Corbisiero	From 6 December 2022
Esther Kuku	
Kitty Stewart	From 6 December 2022
Satwat Rehman	
Simon Thompson	
Stephen Watmough	
Torsten Bell	

Constitution

The charity is a company limited by guarantee without shares and governed by its Memorandum and Articles of Association. The guarantee of each member of the company is limited to £1.

Trustees are appointed by the Board for a term of three years and may be re-appointed for up to a maximum of nine years. The mix of skills and experience represented on the Board of Trustees needs to be appropriate to the aims and objectives of the charity, and the current and longer-term challenges it faces, and trustees are selected for appointment with a view to maintaining that balance. Additional trustees may be co-opted by the Board for a period of 12 months and may be re-appointed for a further two 12-month terms.

Membership

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2023 was 883 (2022: 956). The Trustees are members of the charity, but this entitles them only to the same voting rights as other members. The Trustees have no beneficial interest in the charity.

CPAG in Scotland

In addition to its main office in London, CPAG maintains an office in Glasgow to enable the charity to maximise its input to Scottish policy makers, its reach to advisers working in Scotland and to ensure devolved experience is fed into UK-wide child poverty activity. Over the year CPAG in Scotland continued to be a key voice on child poverty issues in Scotland, widening its policy influencing activity (working in partnership wherever possible) and developing and growing its second-tier welfare rights services.

Related parties

The charity owns a subsidiary company, CPAG Limited, which is dormant. Other than transactions with Trustees disclosed in note 3 and the remuneration of key management personnel disclosed in note 5, there are no related party transactions requiring disclosure in these accounts.

Training of Trustees

Training of Trustees is supported by an ongoing programme of presentations to the Board on CPAG's policy and rights work, and on charity finance, law and practice. In addition, individual Trustees attend ad hoc external training events as appropriate.

Volunteers

Trustees and other committee members give their time not just in attending meetings, but in contributing their expertise and advice more generally to CPAG's work. We are grateful to those who worked for us in a voluntary capacity and others who, during the year, contributed articles or text to our publications without charging.

Senior staff payment policy

The pay of senior staff comprising the Chief Executive and senior management team is reviewed annually and normally increased with inflation. The charity uses a pay scale devised for CPAG after benchmarking against median salaries in the sector.

Organisational structure and the decision making process

The Trustees are responsible for the strategic direction of the charity, and for monitoring its performance and effectiveness. They are supported by a number of subcommittees, whose responsibilities are set out by the Board. Committees do not have decision-making powers, except where specifically authorised by the Board in relation to individual decisions, but act in an advisory capacity to staff and to the Board of Trustees.

The operational responsibilities of the charity are delegated via a "Scheme of Delegation" to the Chief Executive, who in turn delegates various duties to senior staff.

Governance

Trustees are responsible for ensuring the highest standards of governance are attained and regularly consider how the Board can be strengthened.

Risk statement

During the year, Trustees continued to identify risks potentially affecting all parts of CPAG's activities and assessed them in terms of likelihood and impact using the qualitative analysis methodology. In formulating the strategy, the Board of Trustees continue to give particular attention to potential reputational, financial and operational risks involved in managing the organisation. This formed part of the subject of discussion at Board meetings and measures to address the risks have been identified and steps taken to ensure that these are adequate. As an enterprising and creative organisation, CPAG does not seek to avoid all risks. The Trustees' policy is to understand the risks we are taking and to ensure that appropriate steps are taken to control and mitigate them. A table below lists major risks to which the charity is exposed, as identified by us, and demonstrates that they have been reviewed and systems have been established to mitigate those risks alongside strategic priorities. These risks are subject to regular review at FRC and Board meetings.

Strategic priority	Risk	Mitigating actions
<p>Failure to sustain income or sudden unforeseen loss of income</p> <p>Large or sudden increase in expenditure against approved budget levels</p>	<p>Our reliance on funders and business income, and pressures facing supporters and customers, creates risk.</p> <p>Any reduction in sales or cancellation of grants may lead to inability to sustain our vital policy and advocacy work. We aim to build unrestricted income which enables us to post a surplus and build reserves to the required levels.</p>	<ul style="list-style-type: none"> • Sales and income reports generated and regularly reviewed to enable agility and timely corrective action. • Close monitoring of grant-funded projects to ensure that funding conditions are met within timescales given. • Improve our CRM (database) and website to enable us to develop fundraising in areas other than trusts and foundations including legacies programme, individual donations and corporates. • Continue to develop new creative offerings to our publications, training and membership customers. • Continue to use more effective debt-chasing procedures. • The reserves increased substantially in the previous year and this year. We have sufficient funds in the bank for deferred income.
<p>Loss of reputation or market share over time as leading experts on social security and child poverty for government, media, users and stakeholders or sudden reputational risk</p>	<p>Given greater media interest in charities and increased exposure to public comment through social media activity of our advocacy and policy work, there is a risk that our reputation, credibility or market share as the leading independent experts on social security and child poverty may be challenged.</p> <p>Other organisations have moved into the poverty and social security fields. They are often better resourced than we are. Nevertheless we continue to use our limited resources in a targeted and strategic way to maintain our leadership role.</p>	<ul style="list-style-type: none"> • We comment and focus only where we are expert and have evidence. • We have clear lines of accountability for sign-off of all external documents and designated media spokespeople in place. • We have prioritised funding to employ more expert analysts than before. • Regular horizon-scanning of sector issues and competition. • Policy Committee regularly review positioning. • CPAG has received pro bono advice on the implications of the Lobbying Act and, during regulated periods, ensures a review is undertaken on whether registration is needed, relevant activities are signed off and a log kept of relevant spending. • CPAG continues to maintain a leadership role on child poverty and social security, including hosting End Child Poverty which strengthens this work through regular sector meetings. • We pursue joint working with partners where possible and appropriate.
<p>Failure in organisational governance or regulatory failure</p>	<p>Law and guidance are constantly developing and we operate in a complex and fast-changing environment.</p>	<ul style="list-style-type: none"> • Board aware of its governance role, receiving regular updates on charity law. We have an induction pack for new Trustees. • Elected Board means we can fill skills gaps. • Public accountability via annual report. • Regular review of skills set and performance against Charity Commission guidelines. • Regular review of all policies including safeguarding and GDPR.

<p>Recruitment and retention of staff – particularly senior and specialist staff due to better-off competitors</p>	<p>Recruitment and retention of staff – particularly senior and specialist staff due to better-off competitors.</p>	<ul style="list-style-type: none"> • Hire the best staff CPAG can attract. • System of development and appraisals means reward can be reviewed and support offered. • Opportunities for development prioritised by managers. • Procedure for proper handover on exits in place. • Continue to conduct regular supervisions and reviews. • Training offered wherever possible.
<p>Failure to manage shrinkage in organisation size when large projects end</p>	<p>Growth in organisation has stimulated growth in income generating and servicing teams.</p> <p>Given our ambitions to grow our impact there is a risk that, as we expand, we fail to successfully downsize after delivery of large projects.</p>	<ul style="list-style-type: none"> • Constant monitoring of activities and resources within large projects. • Including the projects as part of our risk assessment process which involves Trustees and the senior management team working together. • Staff leave as contracts end unless additional funding has been found.
<p>Major ICT systems failure due to hardware or software systems crash, viral attack or failure to meet business requirements</p> <p>Failure to stay ahead of IT developments which optimise use of CRM, website and online shop</p>	<p>Our objective to move towards digital provision and service continues with investment from funding and core where appropriate.</p> <p>We are increasingly reliant on IT systems and need to keep up, and also to keep our data and users' data safe.</p>	<ul style="list-style-type: none"> • Our new ICT company, Taran, run our support contract and ICT issues are now dealt with much faster than before. Most ICT issues are now resolved within four hours of being raised. • All staff now equipped for home working, with laptops, cloud-hosted VPN and Office 365. Risks of access to VPN and server problems now gone. There is no more use of personal laptops. • Mobile device management (MDM) added to all mobiles and laptops, protecting from data breaches when used at home or out of office. • Getting Cyber Essentials Plus certification (CE+) – the most advanced level, suitable for organisations with remote workers. • We have moved to offsite backup facilities and we now have internal ICT support. • We know how to implement a plan to ensure minimal disruption to business as usual with staff all capable of working remotely. • We have implemented SharePoint in 2023 which reduces risk of hardware failure and VPN no longer needed. • Continual improvements to all platforms, including CMS. • Cpag.org.uk rebuild underway now that Drupal 7 obsolete. • Our Board Digital Committee monitors digital developments.
<p>Loss of reputation due to industrial action and/or expensive involvement in employment tribunal</p>	<p>The sector has experienced more pay disputes and HR issues due to lockdown and the cost of living crisis</p>	<ul style="list-style-type: none"> • Good working practices and procedures and disciplinary policies in place • Comprehensive Staff Handbook in place. • Regular one-to-ones, team and staff meetings and positive working relationship with staff members. • Focussing more attention on staff health and wellbeing and support since Covid. • Continue to review policies and procedures. • SMT receives help on policy development from our employment lawyer and HR consultants.

<p>Another pandemic, natural or local disaster or energy outage where access to office or home working is disrupted.</p>	<p>The senior management team (SMT) and finance and resources committee (FRC) sub-committee of Trustees continue to assess the risk from external factors which might arise and put in place mitigating actions where necessary.</p>	<ul style="list-style-type: none">• We know how to implement a plan to ensure minimal disruption to business as usual with staff all capable of working remotely.• More online and digital resources that can meet need remotely.• Regular risk assessments established during Covid which can be taken up again if necessary.• Staff and Trustees are fully and regularly informed of the situation.• Feedback which supported continuation of online training.
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Financial Review

CPAG ended the financial year with a surplus of £376,034 (2022: £987,960) in a year that was anticipated to be a tough year because of cessation of some significant funding and increase in cost driven by economic and inflationary pressures. The significant surplus is mainly because of delay in delivery of several of activities by suppliers and as a result these activities have been postponed to the next financial year.

Total income for the year decreased by £77,506 to £5,757,724 (2022: £5,835,230) compared to the previous year. This decrease is after the provision for bad debt was increased by £73,313 to account for the risk associated with historic debtors over three years being irrecoverable. Without this adjustment our income for the year would have matched previous years' income with a small difference of £4,193. The impact of the provision adjustment is within the publication, training, and membership income streams.

Our income performance is largely attributed to the continued financial support from our donors and funders in the financial year which enabled us to maintain income at above of £5.5 million.

Donation unrestricted income continues to show impressive growth, increasing by £53,527 to £1,265,844 (2022: £1,212,357). As we continue to receive financial support from our principal funders with some of our trusts and foundations supporting us in the financial year with core, unrestricted donations. We are making significant investment to increase our individual unrestricted income commencing from the next financial year by investing in a digital acquisition campaign to ensure that this income stream continues to grow.

Publications, Training, and membership income remained stable when compared to the previous year. Training income has shown some growth despite a struggle throughout the year with poor sign up to Face-to-face training events. Training income increased by £21,724 to £718,887 (2022: £697,163). Membership income increased to £68,325 (2022: £61,593) and publications income reduced to £1,106,273 (2022: £1,144,527).

Total Income from charitable activities declined by 2.8 per cent to £4,428,857 (2022: £4,555,288) due to some funded projects such as the three-year Lottery funded Cost of the School Day project ending in the financial year. Principal grant funders for the charity during the year, as for the previous year, were trusts and foundations and the Scottish government. The support of our donors and funders continues to be fundamental to the success of our vital policy, rights, and advocacy work.

Total expenditure increased by £534,529 in the year to £5,381,868 (2022: £4,847,339). Due to economic inflationary pressures there have been significant cost increases from various suppliers ranging from 10% to 35% particularly within publications activity impacting raw materials, distribution and packaging costs. Staff costs which remain the largest single cost comprising 64% (22: 66%) of costs also increased to £3,461,071 (2022: £3,212,042) attributed to the cost of living rise.

Support costs in the year was to £1,147,812 compared to £1,020,270 in the previous year.

Ninety-four per cent of our expenditure was on charitable activities. This means that for every £1 spent, 94p was spent on our work in policy, research, communications, campaigns, advocacy and welfare rights activities.

Overall, because of the surplus generated in the year, charitable funds increased to £4,932,490 (2022: £4,556,456) and are all held in unrestricted reserves at year-end, of which £3,308,275 have been designated by the Trustees.

Designated funds

The operational fixed assets of £1,571,400 and net operating working capital of £901,129 are regarded as designated funds, as they are not available for expenditure.

Alongside their review of the reserves policy, the Trustees reviewed all of the previous project designated funds. In the light of the updated strategy of CPAG the Trustees agreed that all of the previous designated funds should be released to reserves except for £55,746 of project funds budgeted to be utilised during 2023-24. In addition:

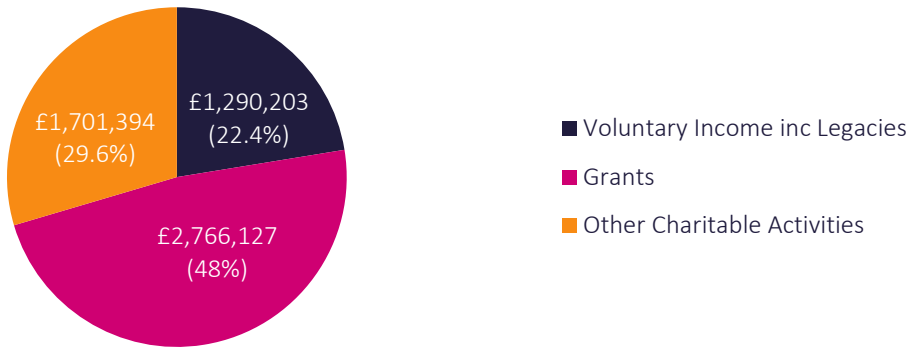
- a) A new fund of £110,000 has been designated to meet the costs of a project to develop individual fundraising over the next year, which has been approved by the Trustees.
- b) A further development fund of £500,000 has been designated to fund further identified strategic projects to increase the income of CPAG over the period of the strategy.
- c) A further impact fund of £170,000 has been designated to fund additional campaign projects during the period of the strategy.

Total project designated funds are therefore £835,746, as further set out in note 13 to the accounts.

Income and Expenditure

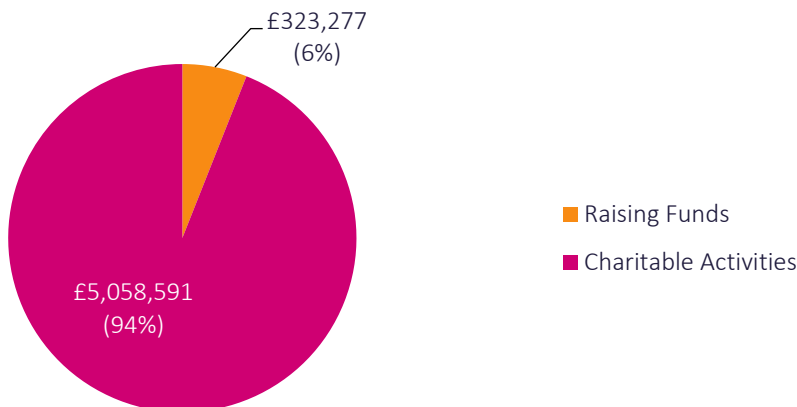
Where Money Comes From

Year Ended 31 March 2023



Where Money Goes

Year Ended 31 March 2023



Thank you to organisations and individuals who choose to support CPAG's work through time and valuable skills, campaigning, regular and one-off donations.

For every £1 of our expenditure in 2022/23, 94p was spent on our charitable activities

Reserves policy and going concern

The Trustees conducted a full review of CPAG's reserves policy during 2022-23. The revised policy requires CPAG to hold sufficient free reserves to cover the largest decline in income, or increase in unplanned costs, that could realistically occur over a year. This would allow CPAG sufficient capacity to adjust its operations to the new financial situation in an orderly manner and continue to achieve its mission.

Free reserves are defined in the policy to exclude the tangible fixed assets (such as offices and equipment) and operating working capital (such as stock and trade debtors) necessary for CPAG to operate. They also exclude restricted funds and other designated funds set aside for identified projects planned for the near future.

Adequacy of reserves and going concern

The Trustees have reviewed the level of free reserves at 31 March 2023 against the reserves policy.

They have assessed that the level of free reserves required is £1,500,000, and that the free reserves held are £1,624,215, after taking account of the designated funds set out below. This means that the level of free reserves at the 31 March 2023 exceeded the required level by a small amount £124,215. The trustees concluded that no further action was required to maintain free reserves at a satisfactory level, other than to ensure CPAG continues to set budgets close to break-even, after taking into account the utilisation of the designated funds.

The Trustees are therefore satisfied that CPAG is a going concern, that is, that it will be able to continue its operations for at least twelve months from the date of this report, and for the foreseeable future.

Investment policy

The Trustees have powers set out in the Memorandum and Articles of Association that allow them to invest surplus funds after receiving advice from a financial expert and include the power to delegate the management of investments to a financial expert. An investment of £1,554,237 was maintained in an interest-bearing notice account as at year end.

The Trustees continue to strive to increase the charity's income and to use its resources to maximum effect in combating child poverty, balancing the need to maximise the impact of our activities with the need to maintain financial security.

Responsibilities of the Trustees

The Trustees, who are also the directors for the purposes of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees/Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;

- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records which are sufficient to show and explain the transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 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.

So far as each of the Directors/Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- each Director/Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of this information.

Auditors

Haysmacintyre LLP were reappointed auditors at the annual general meeting on 6 December 2022 and have indicated their willingness to continue in that capacity

The Trustees' Report, including the Strategic Report, was approved by the Trustees on 28 September 2023 and signed on their behalf by

Jane Millar
Chair

We have audited the financial statements of Child Poverty Action Group for the year-ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Opinion

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its net movement in funds, including the 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 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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 charity 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 group'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 trustees are responsible for the other information. The other information comprises the information included in the Trustees 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.

Other information (continued)

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

Opinions on other 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 Trustees' Annual Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report (which incorporates the directors' report prepared for the purpose of company law).

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

- adequate accounting records have not been kept by the charitable company; 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 for the financial statements

As explained more fully in the trustees' responsibilities statement set out on pages 28-29, 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.

Responsibilities of trustees for the financial statements (continued)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to registered charities, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, and other factors such as income tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to areas of estimation uncertainty and to manual accounting journals. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing manual journals, in particularly any unusual items; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Lee Stokes (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London, EC4R 1AG

Statement of financial activities – current year
(incorporating an income and expenditure account)
Year ended 31 March 2023

	Notes	Unrestricted £	Restricted £	2023 £
Income from:				
Donations	2	1,265,844	-	1,265,844
Legacies	2	24,359	-	24,359
Activities for generating funds				
Rent and room hire		830	-	830
Charitable activities:				
Publications		1,033,061	73,212	1,106,273
Welfare rights and test cases		109,977	1,040,809	1,150,786
Training	7	444,207	274,680	718,887
Membership		68,325	-	68,325
Information, research and campaigning		7,161	1,377,426	1,384,587
Investments		37,833	-	37,833
Other		-	-	-
Total		2,991,597	2,766,127	5,757,724
Expenditure on:				
Raising funds		323,277	-	323,277
Charitable activities:				
Publications		968,573	73,212	1,041,785
Welfare rights and test cases		232,572	1,040,809	1,273,381
Training		373,653	276,682	650,335
Membership		37,926	-	37,926
Information, research and campaigning		677,738	1,377,426	2,055,164
Total	4	2,613,739	2,768,129	5,381,868
Net income/(expenditure) before investment gains		377,858	(2,002)	375,856
Gross transfers between funds		-	-	-
Net income/(expenditure)	3	377,858	(2,002)	375,856
Unrealised investment gains	9	178	-	178
Net movement in funds		378,036	(2,002)	376,034
Total funds brought forward		4,554,454	2,002	4,556,456
Total funds carried forward		4,932,490	-	4,932,490

Statement of financial activities – prior year
(incorporating an income and expenditure account)
Year ended 31 March 2022

	Notes	Unrestricted £	Restricted £	2022 £
Income from:				
Donations	2	1,212,357	-	1,212,357
Legacies	2	42,033	-	42,033
Activities for generating funds				
Rent and room hire		-	-	-
Charitable activities:				
Publications		1,092,552	51,975	1,144,527
Welfare rights and test cases		187,618	979,983	1,167,601
Training	7	464,488	232,675	697,163
Membership		61,593	-	61,593
Information, research and campaigning		250	1,484,154	1,484,404
Investments		9,706	-	9,706
Other		15,846	-	15,846
Total		3,086,443	2,748,787	5,835,230
Expenditure on:				
Raising funds		259,642	-	259,642
Charitable activities:				
Publications		768,121	51,975	820,096
Welfare rights and test cases		279,858	985,843	1,265,701
Training		257,085	232,675	489,760
Membership		39,217	-	39,217
Information, research and campaigning		482,015	1,490,908	1,972,923
Total	4	2,085,938	2,761,401	4,847,339
Net income/(expenditure) before investment gains		1,000,505	(12,614)	987,891
Gross transfers between funds		-	-	-
Net income/(expenditure)	3	1,000,505	(12,614)	987,891
Unrealised investment gains	9	69	-	69
Net movement in funds		1,000,574	(12,614)	987,960
Total funds brought forward		3,553,880	14,616	3,568,496
Total funds carried forward		4,554,454	2,002	4,556,456

Balance sheet as at 31 March 2023

	Notes	2023		2022	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	8	1,571,400		1,653,916	
Investments	9	1,555,740		1,528,211	
			<u>3,127,140</u>		<u>3,182,127</u>
CURRENT ASSETS					
Stock	10	84,277		91,684	
Debtors	11	1,024,127		1,081,585	
Cash and short-term deposits		2,563,644		2,276,789	
			<u>3,672,048</u>		<u>3,450,058</u>
CREDITORS: amounts falling due within one year	12	<u>(1,866,698)</u>		<u>(2,075,729)</u>	
NET CURRENT ASSETS			<u>1,805,350</u>		<u>1,374,329</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,932,490</u>		<u>4,556,456</u>
NET ASSETS	13		<u><u>4,932,490</u></u>		<u><u>4,556,456</u></u>
FUNDS					
Restricted funds			-		2,002
Unrestricted funds:					
Designated funds			3,308,275		3,582,229
General funds			1,624,215		972,225
TOTAL CHARITY FUNDS	14		<u><u>4,932,490</u></u>		<u><u>4,556,456</u></u>

The financial statements were approved and authorised for issue by the Trustees on 28 September 2023 and were signed below on its behalf by:

Jane Millar
Chair

Mark Cooke
Treasurer

Cash flow statement
Year ended 31 March 2023

	2023	2022
	£	£
Cashflows from operating activities		
Net cash provided by operating activities (see note below)	281,403	1,253,570
Cash flows from investing activities		
Investment income received	37,833	9,706
Purchase of property, plant and equipment	(5,030)	(6,196)
Purchase of investments	(27,351)	(409,698)
Net cash (used in)/provided by investing activities	5,452	(406,188)
Change in cash and cash equivalents in the year	286,855	847,382
Cash and cash equivalents at the start of the year	2,276,789	1,429,407
<i>Cash and cash equivalents at the end of the year</i>	2,563,644	2,276,789

Note: reconciliation of net expenditure to net cash used by operating activities

Net income/(expenditure) for the year	376,034	987,960
Adjustments for:		
Depreciation	87,545	96,290
Investment (gains)/losses	(178)	(69)
Investment income	(37,833)	(9,706)
Decrease/(increase) in stock	7,407	(16,740)
Decrease/(increase) in debtors	57,458	491,533
(Decrease)/increase in creditors	(209,030)	(295,698)
Net provided by operating activities	281,403	1,253,570

No reconciliation of net debt is provided as the charitable company has no borrowings and hence no net debt.

Notes to the financial statements

1. Accounting policies

The principal accounting policies adopted, judgements and key of estimation for uncertainty in the preparation of the financial statement are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition, 2019) – (Charities SORP (FRS 102)), and the Companies Act 2006.

CPAG meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting note(s).

Going concern

The accounts are prepared on a going concern basis. Having considered the forecast income, expenditure and cash flow of the charity and the financing available, the Trustees are satisfied that this basis is appropriate and that there is no material uncertainty in connection with the charitable company's ability to continue to operate for the foreseeable future and a minimum period of twelve months from the approval of the accounts.

Donations

Donations are received by way of donations and gifts and are included in full in the Statement of Financial Activities (SoFA) when receivable.

Legacies

Legacies are accounted for on a receivable basis. Legacies notified but not received are included in the financial statements if it is probable that they will be received and the value can be quantified.

Grants

Grants are credited to the statement of financial activities when received or receivable whichever is earlier. Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, income are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the charity can meet such conditions the incoming resource is deferred.

Earned income

Income generated from the supply of goods or services is included in the statement of financial activities in the period in which the supply is made, net of VAT where applicable.

Restricted funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds

Unrestricted funds are donations and other income received or generated for the charitable purposes.

Designated funds

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Expenditure for raising funds

Expenditure for raising funds relates to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on a proportional basis.

Expenditure

Expenditure is recognised in the period in which it is incurred. Expenditure includes attributable VAT which cannot be recovered.

Expenditure is allocated to the particular activity where the cost relates directly to that activity. The cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the basis of staff time.

Support costs

Support costs are re-allocated to each of the activities on the basis of estimated staff time attributable to each activity. This has resulted in the following percentage allocations:

	2023	2022
Publications	10%	8%
Welfare rights and test cases	29%	29%
Training	18%	12%
Membership	0%	1%
Information, research and campaigning	37%	44%
Fundraising and publicity	5%	5%
Governance	1%	1%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Depreciation

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

For assets brought forward from 2019-20 and earlier years:	
Leasehold buildings	50 years
Fixtures, furniture and equipment	10 years
Office machines, CRM and website	5 years
Computers including software	4 years

For new additions from 2020-21 following the change in the fixed asset policy, assets costing more than £1,000 are capitalised and the depreciation period revised as follows:

Leasehold buildings	50 years
Fixtures, furniture and equipment	5 years
CRM and website	5 years
Computers including other software	3 years

Investments

Investments have been stated at market value at the date of the Balance Sheet. The gains and losses of each period are taken to the statement of financial activities.

Short term deposits

Short-term deposits are defined as cash balances which cannot be withdrawn within 24 hours without notice and without penalty.

Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

Pension costs

The charity operates a defined contribution pension scheme. 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 under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.

Rentals under operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight line basis over the minimum lease term.

Critical judgements and estimation uncertainty

The principal area of judgement and estimation uncertainty relates to the determination of provisions against bad and doubtful debts.

2. Voluntary income

Current year

	Unrestricted £	Restricted £	2023 £
Donations	1,265,844	-	1,265,844
Legacies	24,359	-	24,359
	<u>1,290,203</u>	<u>-</u>	<u>1,290,203</u>
	<u><u>1,290,203</u></u>	<u><u>-</u></u>	<u><u>1,290,203</u></u>

Prior year

	Unrestricted £	Restricted £	2022 £
Donations	1,215,857	-	1,215,857
Legacies	42,033	-	42,033
	<u>1,257,890</u>	<u>-</u>	<u>1,257,890</u>
	<u><u>1,257,890</u></u>	<u><u>-</u></u>	<u><u>1,257,890</u></u>

3. Net income

	2023	2022
	£	£
This is stated after charging:		
Depreciation	87,545	96,290
Operating lease rentals:		
Property	7,618	41,685
Equipment	16,716	4,199
Auditors' remuneration:		
Audit Current Year provision	18,000	15,000
Audit relating to previous year	1,000	-
Trustees' remuneration:		
Costs paid for Trustees	-	-
Trustees' reimbursed expenses	121	-
	<u> </u>	<u> </u>

Trustees' reimbursed expenses of £121 (2022: £NIL) represents the reimbursement of travel and subsistence costs of 1 Trustee (2022: 0 Trustees) relating to attendance at meetings of the Trustees and other committees. During the year, Trustees made donations to the charity totalling £1,362 (2022: £755).

4. Expenditure

Current year

	Support Costs	Direct Costs	2023
	£	£	£
Costs of generating funds			
Raising funds	69,456	253,821	323,277
Charitable activities			
Publications	127,615	914,170	1,041,785
Welfare rights	323,316	950,065	1,273,381
Training	165,156	485,179	650,335
Membership	4,439	33,487	37,926
Information, research and campaigning	457,830	1,597,334	2,055,164
Total expenditure	<u>1,147,812</u>	<u>4,234,056</u>	<u>5,381,868</u>

Prior year

	Support Costs £	Direct Costs £	2022 £
Costs of generating funds			
Raising funds	51,987	207,655	259,642
Charitable activities			
Publications	85,074	735,022	820,096
Welfare rights	301,562	964,139	1,265,701
Training	122,159	367,601	489,760
Membership	6,380	32,837	39,217
Information, research and campaigning	453,108	1,519,815	1,972,923
Total expenditure	1,020,270	3,827,069	4,847,339

5. Staff costs and emoluments

	2023 £	2022 £
Salaries and wages	2,967,170	2,740,720
Social security costs	309,763	271,577
Pension contributions	164,273	154,062
Redundancy costs	16,897	-
	<u>3,458,103</u>	<u>3,166,359</u>
Agency staff costs	2,968	45,683
Total staff costs	3,461,071	3,212,042

The number of employees who earned £60,000 or more (including benefits in kind) during the year was as follows:

	2023	2022
£80,001 - £90,000	1	1
£60,001 - £70,000	4	3

The pay of senior staff is reviewed annually and increased with the same cost of living inflation figure as for all staff. The charity uses a pay scale devised for CPAG after benchmarking against median salaries in the sector. The key management personnel of the charity comprise the Chief Executive Officer, Director of Finance and Resources, Director of Business, Director of CPAG in Scotland and Director of Policy, Rights and Advocacy. The total employee benefits of the key management personnel of the charity were £404,064 (2022: £380,002).

The average weekly headcount during the year was 80 (2022: 80) and the average weekly number of employees (full-time equivalent) during the year was as follows:

	2023	2022
	Number	Number
Welfare rights and test cases	18	17
Information, research and campaigning	23	27
Fundraising and publicity	3	3
Training	8	6
Membership	1	1
Publications	4	5
Governance	1	1
Support activities	10	9
	<u>68</u>	<u>69</u>

6. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

7. Training

Net training income will continue to be ring-fenced and only used to continue or enhance the charity's educational supplies.

8. Tangible fixed assets

	Leasehold buildings £	Fixtures, furniture & equipment £	Computers & software £	Total £
Cost				
At 01/04/2022	1,766,146	107,225	381,555	2,254,926
Additions in year	-	3,664	1,366	5,030
At 31 March 2023	<u>1,766,146</u>	<u>110,889</u>	<u>382,921</u>	<u>2,259,956</u>
Depreciation				
At 01/04/2022	251,261	76,296	273,453	601,010
Charge for 2022/23	35,537	9,211	42,798	87,546
At 31 March 2023	<u>286,798</u>	<u>85,507</u>	<u>316,251</u>	<u>688,556</u>
Net Book Value				
At 31 March 2023	<u>1,479,348</u>	<u>25,382</u>	<u>66,670</u>	<u>1,571,400</u>
At 31 March 2022	<u>1,514,885</u>	<u>30,929</u>	<u>108,102</u>	<u>1,653,916</u>

9. Investments

	2023	2022
	£	£
Market value at the start of the year	1,528,211	1,118,444
Amount deposited in the year	27,351	409,698
Unrealised gain	178	69
	<u>1,555,740</u>	<u>1,528,211</u>
Market value at the end of the year	1,555,740	1,528,211
	<u>1,557,243</u>	<u>1,529,537</u>
Investments comprise:		
Close Brothers Group Plc	1,554,237	1,526,886
Shares listed on the LSE	1,501	1,323
Investment in trading subsidiary	2	2
	<u>1,555,740</u>	<u>1,528,211</u>

The deposit of £1,554,237 in Notice accounts is managed by Close Brothers Group Plc. Trading subsidiary is CPAG Ltd and LSE stands for the London Stock Exchange. The shares represent 500 ordinary shares held in Banco Santander Hispano Central.

10. Stock

	2023	2022
	£	£
Work in progress	79,701	79,072
Publications for resale	4,576	12,612
	<u>84,277</u>	<u>91,684</u>

11. Debtors

	2023	2022
	£	£
Trade debtors	662,950	882,517
Other debtors	59,259	14,240
Prepayments	109,290	71,537
Accrued income	192,628	113,291
	<u>1,024,127</u>	<u>1,081,585</u>

12. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	207,275	6,499
Taxation and social security	80,982	103,877
Other creditors	254,803	229,530
Accruals and deferred income	1,323,638	1,735,823
	<u>1,866,698</u>	<u>2,075,729</u>

13. Analysis of net assets

Between funds – current

	Restricted	Designated			General	Total
		Fixed assets	Working Capital	Other		
	£	£	£	£	£	£
Tangible fixed assets	-	1,571,400	-	-	-	1,571,400
Fixed asset investments	-	-	-	1,555,740	-	1,555,740
Net current assets	-	-	901,129	(719,994)	1,624,215	1,805,350
	<u>-</u>	<u>1,571,400</u>	<u>901,129</u>	<u>835,746</u>	<u>1,624,215</u>	<u>4,932,490</u>
Net assets at the end of the year 2023	-	1,571,400	901,129	835,746	1,624,215	4,932,490

Between funds – prior

	Restricted	Designated			General	Total
		Fixed assets	Working Capital	Other		
	£	£	£	£	£	£
Tangible fixed assets	-	1,653,916	-	-	-	1,653,916
Fixed asset investments	-	-	-	1,528,211	-	1,528,211
Net current assets	2,002	-	1,166,770	(766,668)	972,225	1,374,329
	<u>2,002</u>	<u>1,653,916</u>	<u>1,166,770</u>	<u>761,543</u>	<u>972,225</u>	<u>4,556,456</u>
Net assets at the end of the year 2022	2,002	1,653,916	1,166,770	761,543	972,225	4,556,456

14. Movement in funds

Current year

	At start of the year	Income	Expenditure & unrealised losses	Transfers	At end of the year
	£	£	£	£	£
Restricted funds					
Scottish Government – second tier welfare rights service	-	732,000	(732,000)	-	-
National Lottery Community Fund – UK Cost of the School Day project	-	439,026	(439,026)	-	-
Barclays – Your Work Your Way	-	400,247	(400,247)	-	-
The Legal Education Foundation – Access to Justice in Social Security	-	230,687	(230,687)	-	-
Scottish Government through a CYPFEIF and ALEC Fund grant	-	139,650	(139,650)	-	-
Scottish Government – Cost of the School Day Project	-	123,421	(123,421)	-	-
Trussell Trust – Food Bank Income Maximisation Service	-	107,950	(107,950)	-	-
Grant for the Welfare Rights Advice Service and Universal Credit Advice project	-	95,217	(95,217)	-	-
City Bridge Trust – Universal Credit London advice project continuation	-	78,328	(78,328)	-	-
Trust for London – London Calling	-	46,407	(46,407)	-	-
Comic Relief – Universal Credit Project	-	37,447	(37,447)	-	-
Pears Foundation for UK Cost of the School Day Project	-	37,375	(37,375)	-	-
TUUT Charitable Trust	-	37,286	(37,286)	-	-
Donations to BBC Radio 4 appeal and other donations for UK Cost of the School Day project	-	36,281	(36,281)	-	-
Grants and donations for the Advice Line and other work in Scotland	-	36,225	(36,225)	-	-
Fusion21 Foundation, Northwick Trust, and Riverside for Mental Health and Benefits Handbook	-	29,998	(29,998)	-	-
abrdrn Financial Fairness Trust for the project on identifying difficulties claimants face when migrated onto Universal Credit	-	20,274	(20,274)	-	-
Grant and donations for removing the financial barriers to children's education after Covid-19	-	18,334	(18,334)	-	-
Barclays - Survivors Welfare Advice Project	-	17,997	(17,997)	-	-
Digital Freedom Fund – Access to justice in the face of digitalisation of means tested welfare benefits in the UK	-	13,842	(13,842)	-	-
Royal Borough of Greenwich contribution to the UK Cost of School Day project in London	-	13,333	(13,333)	-	-
Deborah and Laurence Harris to support legal test case work	-	12,500	(12,500)	-	-

	At start of the year	Income	Expenditure & unrealised losses	Transfers	At end of the year
	£	£	£	£	£
University of York – Changing Realities project	-	10,032	(10,032)	-	-
abrdrn Financial Fairness Trust – ending the need for foodbanks project	-	8,688	(8,688)	-	-
University of York – Covid Realities project	-	7,872	(7,872)	-	-
Therium Access Limited – continuation funding towards solicitor	-	7,383	(7,383)	-	-
Coventry City Council contribution to UK Cost of the School Day project in Coventry	-	4,500	(4,500)	-	-
Charities Advisory Trust Good Gifts Catalogue - catch up education	-	4,500	(4,500)	-	-
University of York – benefit changes and larger families	-	4,376	(4,376)	-	-
Orbit Group contribution to UK Cost of the School Day project in Coventry	-	4,375	(4,375)	-	-
Strategic Legal Fund	-	3,276	(3,276)	-	-
Newcastle University - childhood poverty in the North East	-	2,225	(2,225)	-	-
Trussell Trust – ending the need for foodbanks: income maximisation and cash first project in Scotland	-	2,075	(2,075)	-	-
Other grants	2,002	3,000	(5,002)	-	-
Total restricted funds	2,002	2,766,127	(2,768,129)	-	-
<i>Designated funds</i>					
Tangible fixed assets	1,653,916	-	(87,546)	5,030	1,571,400
Capital and infrastructure reserve	100,000	-	-	(100,000)	-
Operational Working Capital	1,166,770	-	-	(265,641)	901,129
Development fund	100,000	-	-	400,000	500,000
Redundancy/leave	85,000	-	-	(85,000)	-
Investment fund	259,543	-	(119,763)	(84,034)	55,746
Campaign fund	50,000	-	(50,000)	-	-
Cost of living reserve	67,000	-	-	(67,000)	-
Fundraising investment	100,000	-	-	10,000	110,000
Impact Fund	-	-	-	170,000	170,000
Total designated funds	3,582,229	-	(257,309)	(16,645)	3,308,275
General funds	972,225	2,991,597	(2,356,252)	16,645	1,624,215
Total unrestricted funds	4,554,454	2,991,597	(2,613,561)	-	4,932,490
Total funds	4,556,456	5,757,724	(5,381,690)	-	4,932,490

Prior year

	At start of the year	Income	Expenditure & unrealised losses	Transfers	At end of the year
	£	£	£	£	£
Restricted funds					
Scottish Government – second tier welfare rights service	-	695,000	(695,000)	-	-
National Lottery Community Fund	-	650,743	(650,743)	-	-
Barclays – Your Work Your Way	-	316,808	(316,808)	-	-
Scottish Government through a CYPFEIF and ALEC Fund grant	-	133,000	(133,000)	-	-
The Legal Education Foundation (TLEF) – Improving public law education and capacity	-	96,321	(96,321)	-	-
Scottish Government – Cost of the School Day Project	-	92,780	(92,780)	-	-
TLEF – 'Computer Says No!' Access to justice in universal credit	12,614	83,519	(96,133)	-	-
Barclays – Survivors Welfare Advice Project	-	79,811	(79,811)	-	-
Comic Relief	-	76,441	(76,441)	-	-
City Bridge Trust	-	75,071	(75,071)	-	-
abrdn Financial Fairness Trust (formerly Standard Life)	-	69,262	(69,262)	-	-
TLEF - Access to justice in social security	-	60,471	(60,471)	-	-
Fusion21 Foundation	-	49,513	(49,513)	-	-
Therium Access Limited	-	43,637	(43,637)	-	-
Trust for London	-	42,835	(42,835)	-	-
Mitchell Charitable Trust	-	30,000	(30,000)	-	-
Glasgow Health and Social Care Partnership	-	23,614	(23,614)	-	-
TUUT Charitable Trust	-	22,514	(22,514)	-	-
Grants for Advice Line Glasgow	-	22,250	(22,250)	-	-
Donations to appeal for UK Cost of School Day project	-	17,265	(17,265)	-	-
Deborah and Laurence Harris	-	12,500	(12,500)	-	-
Baring Foundation	-	9,657	(9,657)	-	-
University of York – benefit changes and larger families	-	8,637	(8,637)	-	-
London Borough of Greenwich	-	6,667	(6,667)	-	-
Scottish Government – Scottish Benefit Take-up Fund	-	6,600	(6,600)	-	-
Oxfam	-	4,458	(4,458)	-	-
Newcastle University and NEPC	-	3,166	(3,166)	-	-
Orbit Group	-	3,125	(3,125)	-	-
Coventry City Council	-	3,000	(3,000)	-	-
Pears Foundation	-	2,625	(2,625)	-	-

	At start of the year	Income	Expenditure & unrealised losses	Transfers	At end of the year
	£	£	£	£	£
Digital Freedom Fund	-	2,103	(2,103)	-	-
Strategic Legal Fund	-	1,848	(1,848)	-	-
University of York – 'Covid Realities'	-	499	(499)	-	-
Other grants	2,002	3,047	(3,047)	-	2,002
Total restricted funds	14,616	2,748,787	(2,761,401)	-	2,002
<i>Designated funds</i>					
Tangible fixed assets	1,744,010	-	(96,290)	6,196	1,653,916
Capital and infrastructure reserve	40,000	-	-	60,000	100,000
Operational Working Capital				1,166,770	1,166,770
Development fund	100,000	-	-	-	100,000
Redundancy/leave	85,000				85,000
Investment fund	259,543				259,543
Campaign fund	50,000				50,000
Cost of living reserve				67,000	67,000
Fundraising investment		-	-	100,000	100,000
Total designated funds	2,278,553	-	(96,290)	1,399,966	3,582,229
General funds	1,275,327	3,086,512	(1,989,648)	(1,399,966)	972,225
Total unrestricted funds	3,553,880	3,086,512	(2,085,938)	-	4,554,454
Total funds	3,568,496	5,835,299	(4,847,339)	-	4,556,456

Purposes of Restricted Funds

Scottish Government – second tier welfare rights service	The aim of this project is to tackle poverty by improving the quality of advice made available to low-income households. The project achieves its aim through increasing the capacity and capability of frontline agencies to provide accurate, high quality and effective advice and information on benefits to eligible claimants, both in and out of work.
National Lottery Community Fund – UK Cost of the School Day project	Final year of a 39-month long project that breaks down financial barriers to education in England, Scotland and Wales. The project helps children and young people to take part and be happy at school.
Barclays – Your Work Your Way	Fourth of a four-year grant for an innovative work support programme for potential second earners from low-income families, helping them overcome barriers to get into work and progress.
The Legal Education Foundation	Second year of a 28-month project that increases access to justice for families on a low income accessing welfare benefits.
Scottish Government through a CYPFEIF and ALEC Fund grant	The Early Warning System in Scotland collects and analyses evidence about the impact of changes in social security on children, their families and the communities that support them.
Scottish Government – Cost of the School Day Project	Continued support for the Cost of the School Day project in Scotland as a national programme within the Scottish Attainment Challenge. First of a four-year grant towards salary and support costs of a part-time project manager, information officer and participation worker, and project costs. The project aims to provide more strategic leadership and support to more schools and local authorities on tackling cost barriers and maximising incomes. The project focuses on further national project development, awareness raising, professional learning, research and resource development, as well as a new lived experience strand working with children and young people.
Trussell Trust – Food Bank Income Maximisation Service	First of a two-year grant to support Trussell Trust’s income maximisation service at food banks through a second-tier welfare rights advice service to benefits advisers funded by the Trussell Trust, helping to ensure individuals can access their full benefit entitlement.
Grant for the Welfare Rights Advice Service and Universal Credit Advice project	Grant to CPAG’s UK-wide benefits advice and specialist universal credit advice services, free to any frontline worker, volunteer or adviser helping people on a low income.
City Bridge Trust	Second year of a three-year continuation grant for a London Universal Credit Welfare Rights Worker and associated project costs.
Trust for London	London Calling project, supporting local authorities and the Greater London Authority (GLA) in tackling child poverty in the capital and CPAG’s London family panel.
Comic Relief	Final six months of a three-year universal credit advice project.
Pears Foundation for UK Cost of the School Day project	Towards project extension (see above for project description).
TUUT Charitable Trust	Funding a parliamentary assistant.

Donations to BBC Radio 4 appeal and other donations for UK Cost of the School Day project	Contributions towards extending our UK Cost of School Day project in schools and legacy work.
Grants and donations for the Advice Line and other work in Scotland	Co-funding for our free service for anyone in Scotland who advises people living in poverty on social security and benefits.
Fusion21 Foundation, Northwick Trust, and Riverside	Grants for a new, free to access digital Mental Health and Benefits Handbook
abrdn Financial Fairness Trust - 'managed migration' project	An 18-month project started in December 2022 to identify difficulties claimants face when migrated onto universal credit from legacy benefits and how they adjust after the move, and to share this with policy makers.
Grant and donations for removing the financial barriers to children's education after Covid-19	Contribution to the legacy work of our UK Cost of the School Day project after Lottery and other funding ended in December 2022.
Barclays – Survivors Welfare Advice Project	The final part of a one-year project advising professionals working with domestic abuse survivors on issues relating to their benefit claims and entitlement.
Digital Freedom Fund	Project on access to justice in the face of digitalisation of means-tested welfare benefits in the UK.
London Borough of Greenwich	UK Cost of the School Day project extension in London.
Deborah and Laurence Harris	Towards our legal test case work.
University of York – Changing Realities	A collaborative project between parents and carers, researchers at the University of York, and CPAG, to document life on a low income and push for change.
abrdn Financial Fairness Trust – ending the need for foodbanks project	Final part of a two-year grant towards research and advocacy work to reform emergency support to reduce demand for food banks.
Therium Access Limited	Final part of continuation funding for the employment of a solicitor.
Coventry City Council	UK Cost of the School Day project extension in Coventry.
Charities Advisory Trust Good Gifts Catalogue	Donation directly helping school children across Dundee and at Surrey Square Primary School in southeast London
University of York – benefit changes and larger families	Project on how benefit changes affect larger families.
Orbit Group	UK Cost of the School Day project extension in Coventry.
Strategic Legal Fund	Pre-litigation research into EU citizens with pre-settled status and no other right to reside being excluded from social security benefits.
Newcastle University	Project on childhood poverty in the North East.
University of York – Covid Realities	Research project documenting the experiences of parents and carers on a low income during the pandemic.
Other grants	Grants towards our advice service and policy work.

Purposes of Designated Funds

Tangible fixed assets reserves	Reserve relates to the net book value of tangible fixed assets at the end of the financial year.
Operational Working Capital reserve	Reserve relates to net value of trade debtors, stock, and trade creditors at the end of the financial year.
Development fund reserve	Reserve to fund further identified strategic projects to increase the income of CPAG over the next three years.
Investment fund	Reserve to continue development of our leading digital products, website, e-commerce and shop over the next year.
Fundraising investment	Reserve to cover fundraising consultancy support to increase individual donors in the next financial year.
Impact fund	Reserve designated to fund additional campaign projects over the next three years.

15. Operating lease commitments

The charity had total commitments at the year-end under operating leases as follows:

	Property		Equipment	
	2023	2022	2023	2022
	£	£	£	£
Within 1 year	21,206	2,852	7,200	11,976
1 – 5 years	169,646	-	28,800	8,593
	<u>190,852</u>	<u>2,852</u>	<u>36,000</u>	<u>20,569</u>

The property lease is for the office of CPAG in Scotland. The old lease on Scotland property ended in May 2022. A new lease for another property will commence in April 2023.

16. Related party transactions

Other than the transactions with Trustees disclosed in note 3 and the remuneration of the key management personnel disclosed in note 5, there are no related party transactions requiring disclosure in these accounts.