

Company number: 1993854
Registered Charity number (England and Wales): 294841
Registered Charity number (Scotland): SCO39339

CHILD POVERTY ACTION GROUP
(A Company Limited by Guarantee)
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

**CHILD POVERTY ACTION GROUP
(A Company Limited by Guarantee)**

**REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013**

| CONTENTS | Page |
|-----------------------------------|-------------|
| Trustees' report | 3 – 12 |
| Independent auditor's report | 13 – 14 |
| Statement of financial activities | 15 |
| Balance sheet | 16 |
| Notes to the financial statements | 17 – 25 |

**CHILD POVERTY ACTION GROUP
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT
YEAR ENDED 31 MARCH 2013**

REFERENCE AND ADMINISTRATIVE DETAILS

| | | |
|--|--|----------------------------------|
| 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 | 94 White Lion Street London N1 9PF | |
| Email | staff@cpag.org.uk | |
| Website | www.cpag.org.uk | |
| Honorary officers | Christopher Boon John Veit-Wilson Alan Thackrey | Chair Vice Chair Treasurer |
| Chief Executive | Alison Garnham | |
| Company Secretary | Oyinlola Ayandokun | |
| Bankers | Lloyds TSB Bank plc Covent Garden Branch 22 Southampton Street London WC2E 7JB | |
| Solicitors | Russell-Cooke 2 Putney Hill London SW15 6AB Capsticks 77-83 Upper Richmond Road London SW15 2TT | |

**CHILD POVERTY ACTION GROUP
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT
YEAR ENDED 31 MARCH 2013**

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

| | |
|--------------------|-----------------------------|
| Christopher Boon | Chair |
| John Veit-Wilson | Vice Chair |
| Alan Thackrey | Treasurer |
| Eileen Bye | |
| Helen Dent | |
| Daniel Phillips | |
| Pip Salvador Jones | |
| Tony Orhnia | |
| Gaynor Humphreys | |
| Kim Catcheside | |
| Jonathan Bradshaw | |
| Mark O'Kelly | (Appointed 4 December 2012) |
| Alan Marsh | (Appointed 4 December 2012) |

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

Six trustees are elected by the members of the charity and six members are appointed by the Trustees. Trustees are elected or appointed for a term of three years and may be re-elected or 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. Trustees may be co-opted by the board to fill vacancies until the next Annual General Meeting should vacancies arise.

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 2013 was 1,867 (2012 – 2,010). The Trustees are members of the charity but this entitles them only to voting rights. 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. There are a small number of independent local branches which work towards the goals and aims of the charity and are licensed by the charity to use its name, but their constitutions are separate and distinct from the charity. The financial statements do not reflect the transactions of these entities.

**CHILD POVERTY ACTION GROUP
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)
YEAR ENDED 31 MARCH 2013**

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 gave 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 to our publications without charging.

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 enjoy 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 have established a Governance Working Group to consider how the Board can be strengthened.

Risk statement

During the year, Trustees considered all identified risks potentially affecting all parts of CPAG's activities and assessed them in terms of likelihood and impact. In formulating its future strategy, Trustees gave particular attention to potential operational, reputational and financial risks involved in refocusing the organisation. This was 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. We confirm that the major risks to which the charity is exposed, as identified by us, have been reviewed and systems have been established to mitigate those risks.

OBJECTIVES

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.

The charity's aims

The charity's aims are to:

- Raise awareness of the causes, extent, nature and impact of poverty, and strategies for its eradication and prevention;
- Bring about positive policy changes for families with children in poverty; and
- Enable those eligible for income maintenance to have access to their full entitlement.

**CHILD POVERTY ACTION GROUP
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)
YEAR ENDED 31 MARCH 2013**

To achieve its aims, CPAG's current objectives, working where appropriate through effective partnerships and alliances with others, are to:

- Develop and promote evidence-based policies which will reduce, and ultimately end, child poverty:
 - identify, analyse and present evidence on the causes, effects and solutions to child poverty; and
 - lobby, campaign and build support for policy improvements on child poverty.
- Use CPAG's expertise in advice and rights to enable low income families to maximise their incomes and to inform and support CPAG policy and campaigns:
 - provide specialist advice and training to advisers; and
 - publish highly regarded printed and online resources for advisers.

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 fee charging policy. CPAG's work is specifically aimed at benefiting the 4 million children in the UK who grow up in poverty, and their families. Some of the second-tier support we provide to frontline advisers is charged for: different levels of charge are 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. The Trustees keep fee structures under review.

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

BUSINESS PROGRAMMES

The core objective of business programmes is to offer expert information and training to a national network of frontline workers advising and supporting families in poverty. This is achieved by producing a range of leading publications, training courses and membership offers. The team is responsible for generating vital income for the charity via its products and services, as well as an increasing focus on income generation via fundraising activity.

Publications

In 2012-13 we continued to offer a broad range of publications, both in print and online. We produced and distributed over 20 authoritative publications, with sales in excess of 21,000 copies, including a new edition of the *Welfare Benefits and Tax Credits Handbook*, which remains our bestselling publication. We also sold and distributed 6,759 copies of books from other publishers which complement our own range.

Training

We delivered 129 training courses from our London and Glasgow offices to just over 2,000 delegates; we delivered 203 in-house training courses throughout the UK (57 in Scotland, 146 throughout the rest of the UK) reaching an estimated 4,000 delegates. This is more than a 100% increase on that of the previous year's total of in-house courses delivered. We continued to offer a range of courses across the spectrum of welfare benefits advice and tribunal appeals. As with last year we have focussed a lot of effort in producing new courses in line with the introduction of welfare reform, which have included extended courses on universal credit and personal independence payment.

Membership

CPAG engaged with over 1,800 members who provide support for, and are a means of disseminating, the charity's campaigning, policy and welfare rights messages. We communicated regularly with our members up-dating them on our charitable work to eradicate child poverty. In addition, members provide one of the charity's main sustainable income streams through subscription fees, and are also prime purchasers of other CPAG products and services.

Fundraising

Fundraising activities during the year brought in a total of £890,000 through restricted and unrestricted grants, individual donations and legacies. This represents a 24% increase on the previous year's fundraising income.

Looking Ahead

For 2013-14, Business Programmes plan to grow CPAG's business and income generating activities and deliver a sustainable strategy to support and make an active contribution to CPAG's charitable aims.

Specifically we aim to:

- Secure and increase our profit margins across the full range of business activities to continue to fund our charitable objectives.
- Identify new markets and build our customer base by producing new products and services that take advantage of the opportunities presented by welfare reform.
- Develop our website and online technological capabilities to deliver reliable, user-friendly and widely accessible services to our customer base.
- Extend the reach of our re-launched membership scheme to maximise income and member engagement.
- Conduct research into the needs of both existing and potential customers to deliver improved publications, products and services and engage them with our charitable aims.
- Expand our fundraising activity and test the responsiveness of our donor base via a broad range of fundraising campaigns, appeals, grant applications, corporate and individual relationship building and events.

POLICY AND ADVOCACY ACTIVITIES

Like the years immediately before, 2012-13 was dominated by the UK Government's austerity and welfare reform changes, with significant cuts and policy changes being announced or implemented.

Key achievements at UK level included:

- Producing a report on the progress made on child poverty, 'Ending child poverty by 2020: progress made and lessons learned,' written by 15 leading experts, including Jonathan Bradshaw (pro bono), Jonathan Portes, Mike Brewer and Naomi Eisenstadt.
- Persuading the Department for Work & Pensions not to end the collection of data on benefits take-up statistics, as proposed in a consultation paper in Summer 2012.
- Highlighting the issue of in-work poverty and that six in ten poor children have a working parent. CPAG published a briefing and undertook a number of media activities, working closely with the shopworkers trade union USDAW, to highlight how changes to tax credit rules in April 2012 were hitting working families. This prompted widespread media and political attention (including a parliamentary debate).
- Maintaining CPAG's position in the media as the leading UK child poverty charity with, for example, several appearances on the BBC's flagship Newsnight and Today programmes and regular print and online coverage.
- Leading the campaign in the media and in parliament against the Welfare Benefits Uprating Bill which made significant real-term cuts to both in and out of work benefits. As well as a number of briefings, CPAG also published an expert report – 'The Double Lockout: How low income families will be locked out of fair living standards' – highlighting concerns and addressing the Government's arguments.
- Helping to influence, through oral and written evidence, the findings of the Work & Pensions Select Committee inquiry on Universal Credit, particularly those on the pressures on the advice sector and on how Universal Credit payments will be made.
- Holding a parliamentary launch of CPAG's first 'what you need to know' guide aimed at non-experts, on Universal Credit. The event was hosted by Harriet Baldwin MP and addressed by Teresa Perchard, Director of Policy for Citizen's Advice.
- Publishing a CPAG report on free school meals - 'Going Hungry? Young People's experience of free school meals' – which explored the concerns of young people and revealed that in some schools the value of the free meal allowance is insufficient to cover the costs of a healthy and balanced lunch.
- Strengthening our work with English local authorities, and their partners, thanks to support from the Barrow Cadbury Trust, for a project to improve the effectiveness of local child poverty strategies.

**CHILD POVERTY ACTION GROUP
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)
YEAR ENDED 31 MARCH 2013**

- Holding discussions with local authorities around England on the localisation of the Social Fund to inform a report for local authorities considering options for replacement schemes. The House of Commons Library note for MPs on the Social Fund contained a significant section on CPAG's report.
- Taking forward CPAG's London child poverty project, supported by the Trust for London, to work with other charities to influence London decision-makers and published a number of reports: 'The implementation of the Child Poverty Act', 'Between a rock and a hard place: early impacts of welfare reform on London', and 'We can work it out: parental employment in London'. Activities for the 2012 mayoral election included an election hustings and a family friendly manifesto.
- Making a significant contribution as a member of the Leicester Child Poverty Commission, contributing to its conference and to the report and recommendations that followed.
- Running a successful fringe meeting and engagement programme at each of the three main political party conferences and holding regular meetings and discussions with ministers, frontbenchers and advisers of all the main parties.
- Hosting the End Child Poverty coalition. CPAG again produced the annual End Child Poverty report highlighting the extent of child poverty at a local level.

Key achievement through our Scotland office included:

- Strengthening our political and official contacts to ensure an increased priority is being attached to child poverty by the Scottish Government, a key outcome being the establishment of a new Ministerial Advisory Group on child poverty, including CPAG.
- Regularly being called to give written and oral evidence to relevant Scottish Parliamentary committees, brief individual MSPs and contribute to the development of child poverty related policy of both the governing and opposition parties.
- Maintaining the high profile of child poverty issues and CPAG policy messages in the Scottish media, political debate and within wider policy discussions, including appearances on Newsnight Scotland and comment pieces in national newspapers.
- Ensuring child poverty is addressed as a key issue within the wider constitutional debate by, for example, working with other members of the End Child Poverty coalition to organize an event on child poverty and the constitution addressed by the Deputy First Minister.
- Helping secure and inform the development of a national Scottish Welfare Fund with £9.2m additional investment from the Scottish Government to replace those elements of the discretionary social fund abolished by the UK government.
- Influencing the development of interim passporting regulations for devolved benefits and new arrangements for support with council tax resulting from UK welfare reforms.
- Coordinating, on behalf of the Scottish Campaign on Welfare Reform, lobbying of Scottish MPs and peers on the Welfare Benefits Up-rating Bill.

In 2013-14, CPAG will

- Protect the child poverty framework set out in the Child Poverty Act 2010; work with the Social Mobility and Child Poverty Commission; continue to hold the government accountable for making progress and influence the development of the second national child poverty strategy, which is expected to be published in 2014.
- Develop a powerful, evidence-based poverty narrative to improve public understanding of child poverty and generate political support for effective solutions.
- Reinforce our position as the leading experts on social security through an in-depth understanding of the changing UK and Scottish systems and by making a powerful case for long term reform. This will include commissioning research to develop evidence-based policies in order to build political support, including parliamentary activity, for improved social security.
- Develop a model for universal childcare and work to maximise the poverty reduction benefits from improved early childhood education and care and schools.
- Ensure that parents have improved job opportunities and that having a job lifts more families out poverty.
- Be an experienced and well-respected partner in developing and implementing effective local strategies in London and other regions.

**CHILD POVERTY ACTION GROUP
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)
YEAR ENDED 31 MARCH 2013**

Specifically through our Scotland team we will:

- Influence the development and of the second Scottish child poverty strategy and effective mechanisms to ensure its implementation.
- Seek to ensure that support for families from council tax support, replacement social fund and passported benefits in Scotland continues to be protected and improved.
- Ensure our expertise on welfare reform and its implications for children informs the development of devolved early years and wider early intervention policies and services.
- Inform the constitutional debate to promote child poverty preventing approaches to social security, wherever key powers end up lying, through for example publication of a new edition of Poverty in Scotland.
- Continue to bring a Scottish perspective to UK debates on child poverty and social security and contribute to identification and promotion of child poverty preventing policy approaches across UK nations and regions.

WELFARE RIGHTS ACTIVITIES

Through our London and Glasgow based offices CPAG's welfare rights activities help families receive their full entitlement to welfare benefits and tax credits. Our specialist helplines, training courses and published and online information help advisers maximise family incomes and protect the rights of children. Our policy and rights activities both feed into and are supported by our long established test case work.

Key achievements included:

- Securing High Court agreement that the UK Government acted unlawfully in producing a national child poverty strategy without consulting a child poverty commission.
- Successfully arguing in the Gorry case at the Court of Appeal that the size criteria in housing benefit discriminates unlawfully on grounds of disability by failing to allow for housing benefit to cover an additional bedroom where two children cannot share a room because of disability.
- Introducing a new CPAG helpline following the Legal Services Commission's decision to end funding in July 2012 for specialist support helplines.
- Advising 493 different organisations through our UK wide advice line, on 1,338 individual advice queries, often of a specialist nature.
- Providing casework support in an additional 1674 advice cases through our Scotland specific advice line.
- Maintained our position as the leading source of welfare rights expertise in the sector through the continued publication of the Welfare Rights Bulletin, the providing of the secretariat function for the National Association of Welfare Rights Advisers and the hosting of annual Welfare Rights conferences for advisers in London and Glasgow.
- Securing additional funding from Scottish Government, new sources of funding from grant giving trusts and increased income from training activity.
- Developing new partnerships with national disability and children's organisations in Scotland to deliver training on welfare reform to frontline staff.
- Delivering 150 training courses to 2,493 frontline workers from across the Scottish voluntary and public sectors.
- Increasing the role our expert Glasgow based rights workers play in informing policy – in particular in relation to the development of newly devolved welfare responsibilities.
- Publishing new editions of our two handbooks dealing with aspects of devolved Scottish support and the benefits system, in hard copy and online.
- Developing a new eLearning programme to promote benefit awareness.
- Expanding our work with the Scottish NHS, updating benefits information, providing new resources for health visitors, and delivering training sessions for family nurses.

**CHILD POVERTY ACTION GROUP
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)
YEAR ENDED 31 MARCH 2013**

In 2013-14 CPAG will:

- Review and update our test case strategy to ensure we protect and promote rights to social security and the rights of children.
- Provide effective, appropriate and high quality capacity building support for advisers across the UK through expert helplines, training courses and conferences, publications and online information and support for the National Association of Welfare Rights Advisers.
- Provide better support for non-expert frontline advisers looking for signposting and basic information as increasing numbers of families are affected by benefit cuts and other changes in the social security system, including the implementation of Universal Credit from October 2013.
- Further develop our eLearning services.
- Continue to ensure our expert knowledge informs devolved and local policy responses to welfare reform and develop mechanisms for gathering and analysing evidence from our work with frontline agencies to better inform our policy activity.

FINANCIAL REVIEW

CPAG reported a surplus for the year of £8,000 on unrestricted funds. This surplus is a reflection of the impact of the restructuring and change programme commissioned by the Trustees and implemented over the past two years. There was an overall improvement in incoming resources to £2,574,000 (2012 £2,393,000) including increases in publications income, training income, grant income all of which outweigh the fall in Welfare rights and test cases and voluntary income.

Total resources expended dropped by over 13% to £2,496,000 (2012 £2,898,000). Notable increases to spend were in charitable activities relating to marketing our profile and an increase in demand for our training activities which resulted in an increase in income. Other costs, including publications, membership, information, research and governance fell in line with expectations.

The overall position for the 2013 financial year was a surplus £78,000 (2012 £506,000 deficit) but this level of surplus was mainly the consequence of under spending on restricted funds by £70,000. Restricted funds at the end of the year rose to £130,000. Restricted funds are those which arise from specific project funding and can only be expended on those projects. The specific purposes for which restricted funds are held are described in Note 15 to the financial statements.

Reserves policy

The Trustees have a policy of holding sufficient unrestricted reserves in order to provide working capital in the event of any unexpected shortfall in income or additional expenses. A balance of £9,000 in general funds is considered insufficient for these purposes, but the Trustees are confident that the financial condition of the charity will continue to improve and are working closely with the leadership team to restore general funds to a satisfactory level over an acceptable period of time.

Post Balance Sheet Event

Subsequent to the year end, CPAG exchanged contracts for the sale of its freehold premises for an amount in excess of the net book value.

Investment policy

The Trustees have powers set out in the Memorandum 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. However, the need to carry out a major restructuring of the organisation has meant that very little (£50,000) has been invested in an interest-bearing deposit account. This has resulted in an extremely low level of investment income (£1,500) being achieved in the year.

Recent events (exchange of contract on sale of premises) reaffirm the belief that CPAG's financial position is secure in spite of the current low level of general funds. 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 our level of activity with the need to maintain financial security.

**CHILD POVERTY ACTION GROUP
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)
YEAR ENDED 31 MARCH 2013**

PLANS FOR FUTURE

The Trustees have embarked on a programme of refocusing the activities and structure of the organisation on three overarching objectives:

- **Policy and Rights**
In order that the rights of children and families are promoted, protected and met, and their risk of experiencing poverty reduced and ultimately eradicated, we will drive policy and practice change and ensure our expertise is used to maximise family incomes across the UK.
- **Business**
We will grow CPAG's business and income generating activities and develop a sustainable business strategy to support and make an active contribution to CPAG's charitable aims.
- **Organisation**
We will put in place organisational and governance arrangements and develop working practices that bring together and strengthen CPAG's rights, policy and business expertise to achieve maximum impact towards achieving our core aim.

**CHILD POVERTY ACTION GROUP
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)
YEAR ENDED 31 MARCH 2013**

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 & 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 were appointed auditors at the annual general meeting on 1 December 2008. They were re-appointed during the year and have indicated their willingness to continue in that capacity

Approved by the Trustees on 22nd August 2013 and signed on their behalf by



**Christopher Boon
Chair**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHILD POVERTY ACTION GROUP

YEAR ENDED 31 MARCH 2013

We have audited the financial statements of Child Poverty Action Group for the year ended 31 March 2013 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 and the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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.

Respective responsibilities of Trustees and Auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, the Trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHILD POVERTY ACTION GROUP
(continued)**

YEAR ENDED 31 MARCH 2013

Matters on which we are required to report by exception

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

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



Murtaza Jessa
Senior Statutory Auditor
for and on behalf of haysmacintyre
Chartered Accountants and Statutory Auditors

Fairfax House
15 Fulwood Place
London

22 August 2013

CHILD POVERTY ACTION GROUP
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an income and expenditure account)
YEAR ENDED 31 MARCH 2013

| | Notes | Unrestricted General £ | Designated £ | Restricted £ | 2013 £ | 2012 £ |
|---|-------|------------------------------|-----------------|-----------------|-----------|-----------|
| INCOMING RESOURCES | | | | | | |
| Incoming resources from generated funds | | | | | | |
| Voluntary income | 2 | 58,769 | - | - | 58,769 | 100,613 |
| Legacies | | 9,549 | - | - | 9,549 | - |
| Activities for generating funds | | | | | | |
| Rent and room hire | | 112,934 | - | - | 112,934 | 100,646 |
| Investment income | | 1,561 | - | - | 1,561 | 3,156 |
| Incoming resources from charitable activities | | | | | | |
| Publications | 3 | 898,328 | - | 174,938 | 1,073,266 | 1,019,564 |
| Welfare rights and test cases | | 74,803 | - | 189,256 | 264,059 | 595,691 |
| Training | 7 | 470,410 | - | 232,885 | 703,295 | 388,064 |
| Membership | | 106,300 | - | - | 106,300 | 116,942 |
| Information, research and campaigning | | - | - | 224,694 | 224,694 | 48,897 |
| Other incoming resources | | 19,538 | - | - | 19,538 | 20,014 |
| Total incoming resources | | 1,752,192 | - | 821,773 | 2,573,965 | 2,393,587 |
| RESOURCES EXPENDED | | | | | | |
| Costs of generating funds | | | | | | |
| Fundraising and publicity | | 164,547 | 3,384 | - | 167,931 | 144,563 |
| Charitable activities | | | | | | |
| Publications | | 616,974 | 9,123 | 174,938 | 801,035 | 953,685 |
| Welfare rights and test cases | | 241,974 | 10,621 | 196,812 | 449,407 | 681,258 |
| Training | | 353,734 | 7,723 | 188,746 | 550,203 | 472,971 |
| Membership | | 60,583 | 1,456 | - | 62,039 | 89,873 |
| Information, research and campaigning | | 209,349 | 8,039 | 191,724 | 409,112 | 470,817 |
| Governance costs | | 55,352 | 930 | - | 56,282 | 85,580 |
| Total resources expended | 4 | 1,702,513 | 41,276 | 752,220 | 2,496,009 | 2,898,747 |
| Net incoming/(outgoing) resources before transfers | | | | | | |
| | 3 | 49,679 | (41,276) | 69,553 | 77,956 | (505,160) |
| Gross transfers between funds | | (40,195) | 40,195 | - | - | - |
| Net income/(expenditure) for the year | | 9,484 | (1,081) | 69,553 | 77,956 | (505,160) |
| Unrealised gains/(losses) | | (80) | - | - | (80) | (1,260) |
| Net movement in funds | | 9,404 | (1,081) | 69,553 | 77,876 | (506,420) |
| Total funds brought forward | | - | 675,395 | 60,958 | 736,353 | 1,242,773 |
| Total funds carried forward | | 9,404 | 674,314 | 130,511 | 814,229 | 736,353 |

**BALANCE SHEET
AT 31 MARCH 2013**

| | Notes | 2013 | | 2012 | |
|---|-------|------------------|------------------|------------------|------------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 8 | | 1,018,406 | | 1,053,717 |
| Investments | 9 | | 52,232 | | 77,260 |
| | | | <u>1,070,638</u> | | <u>1,130,977</u> |
| CURRENT ASSETS | | | | | |
| Stock | 10 | 94,661 | | 113,166 | |
| Debtors | 11 | 435,192 | | 223,973 | |
| Cash and Short term deposits | 12 | 98,518 | | 120,377 | |
| | | | <u>628,371</u> | <u>457,516</u> | |
| CREDITORS: amounts falling due within one year | 13 | <u>(719,217)</u> | | <u>(649,738)</u> | |
| NET CURRENT ASSETS | | | <u>(90,846)</u> | | <u>(192,222)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 979,792 | | 938,755 |
| CREDITORS: amounts falling due after one year | 14 | | <u>(165,563)</u> | | <u>(202,402)</u> |
| NET ASSETS | | | <u>814,229</u> | | <u>736,353</u> |
| FUNDS | | | | | |
| Restricted funds | | | 130,511 | | 60,958 |
| Unrestricted funds: | | | | | |
| Designated funds | | | 674,314 | | 675,395 |
| General funds | | | 9,404 | | - |
| TOTAL CHARITY FUNDS | 15 | | <u>814,229</u> | | <u>736,353</u> |

The financial statements were approved and authorised for issue by the Trustees on 22 August 2013 and were signed below on its behalf by:



Christopher Boon
Chair



Alan Thackrey
Treasurer

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities 2005.

Voluntary income

Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable

Legacies

Legacies are accounted for on a receivable basis. Legacies notified but not received are included in the financial statements if it can be assessed with reasonable certainty 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, the incoming resources 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 incoming resources received or generated for the charitable purposes.

Designated funds

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

Cost of Generating funds

Costs of generating funds relate 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.

Resources Expended

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are 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.

Going Concern

The accounts are prepared on a going concern basis. Having considered the forecast income, expenditure and cashflow of the charity and the financing available, the Trustees are satisfied that this basis is appropriate.

CHILD POVERTY ACTION GROUP
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2013

1. ACCOUNTING POLICIES (continued)

Resources Expended (continued)

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

| | 2013 | 2012 |
|---------------------------------------|-------------|-------------|
| Publications | 22% | 26% |
| Welfare Rights and Test Cases | 26% | 29% |
| Training | 19% | 15% |
| Membership | 4% | 4% |
| Information, Research and Campaigning | 19% | 18% |
| Fundraising and Publicity | 8% | 6% |
| Governance | 2% | 2% |

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:

| | |
|-----------------------------------|----------|
| Freehold buildings | 50 years |
| Fixtures, furniture and equipment | 10 years |
| Office machines & Website | 5 years |
| Computers including software | 4 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. Net investment gains and losses for the year are disclosed in note 8.

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.

CHILD POVERTY ACTION GROUP
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2013

| 2. VOLUNTARY INCOME | Unrestricted £ | Restricted £ | 2013 £ | 2012 £ |
|---------------------|-------------------|-----------------|---------------|----------------|
| Donations | 58,769 | - | 58,769 | 93,913 |
| Legacies | 9,549 | - | 9,549 | 6,700 |
| | <u>68,318</u> | <u>-</u> | <u>68,318</u> | <u>100,613</u> |

| 3. NET INCOMING RESOURCES FOR THE YEAR | 2013 £ | 2012 £ |
|---|--------------|--------------|
| This is stated after charging: | | |
| Depreciation | 41,272 | 41,025 |
| Interest payable on bank loan on land and buildings | 23,084 | 23,482 |
| Operating lease rentals: | | |
| Property | 14,084 | 14,084 |
| Equipment | 7,264 | 7,584 |
| Auditors remuneration: | | |
| Audit | 12,450 | 12,000 |
| Trustees' remuneration: | | |
| Trustees' reimbursed expenses | <u>1,769</u> | <u>3,033</u> |

Trustees reimbursed expenses of £1,769 (2012: £3,033) represents the reimbursement of travel and subsistence costs of 3 Trustees (2012: 3 Trustees) relating to attendance at meetings of the Trustees and other committees.

| 4. RESOURCES EXPENDED | Support Costs £ | Direct Costs £ | 2013 £ | 2012 £ |
|---------------------------------------|-----------------------|----------------------|------------------|------------------|
| Costs of generating funds | | | | |
| Fundraising and publicity | 44,047 | 123,884 | 167,931 | 144,563 |
| Charitable activities | | | | |
| Publications | 136,541 | 664,494 | 801,035 | 953,685 |
| Welfare rights and test cases | 152,083 | 297,325 | 449,408 | 681,258 |
| Training | 140,440 | 409,763 | 550,203 | 472,971 |
| Membership | 17,135 | 44,903 | 62,038 | 89,873 |
| Information, research and campaigning | 120,679 | 288,433 | 409,112 | 470,817 |
| Governance | <u>11,415</u> | <u>44,867</u> | <u>56,282</u> | <u>85,580</u> |
| Total resources expended | <u>622,340</u> | <u>1,873,669</u> | <u>2,496,009</u> | <u>2,898,747</u> |

**CHILD POVERTY ACTION GROUP
(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2013**

| 5. STAFF COSTS AND EMOLUMENTS | 2013 | 2012 |
|--------------------------------------|------------------|------------------|
| | £ | £ |
| Staff costs were as follows: | | |
| Salaries and wages | 1,191,049 | 1,349,642 |
| Social security costs | 125,159 | 143,132 |
| Pension contributions | 46,107 | 42,422 |
| | <u>1,362,314</u> | <u>1,535,196</u> |
| Agency staff costs | 11,361 | 8,712 |
| | <u>1,373,676</u> | <u>1,543,908</u> |

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

| | 2013 | 2012 |
|-------------------|-------------|-------------|
| £60,001 - £70,000 | 1 | 1 |

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

| | 2013 | 2012 |
|---------------------------------------|---------------|---------------|
| | Number | Number |
| Fundraising and publicity | 2 | 2 |
| Publications | 6 | 8 |
| Welfare rights and test cases | 6 | 8 |
| Training | 5 | 4 |
| Membership | 1 | 1 |
| Information, research and campaigning | 5 | 5 |
| Governance | 1 | 1 |
| Support activities | 8 | 9 |
| | <u>34</u> | <u>38</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

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

CHILD POVERTY ACTION GROUP
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2013

| 8. TANGIBLE FIXED ASSETS | Freehold land £ | Freehold buildings £ | Fixtures furniture and equipment £ | Computers including software £ | Total £ |
|---------------------------------|--------------------------------|-------------------------------------|---|---|--------------------|
| Cost | | | | | |
| At 1 April 2012 | 50,000 | 1,305,863 | 190,598 | 217,644 | 1,764,105 |
| Additions | - | - | - | 6,018 | 6,018 |
| Disposals in year | - | - | - | - | - |
| At 31 March 2013 | <u>50,000</u> | <u>1,305,863</u> | <u>190,598</u> | <u>223,662</u> | <u>1,770,123</u> |
| Depreciation | | | | | |
| At 1 April 2012 | - | 365,628 | 159,741 | 185,076 | 710,445 |
| Charge for year | - | 26,131 | 7,065 | 8,076 | 41,272 |
| Disposals in year | - | - | - | - | - |
| At 31 March 2013 | <u>-</u> | <u>391,759</u> | <u>166,806</u> | <u>193,152</u> | <u>751,717</u> |
| Net Book Value | | | | | |
| At 31 March 2013 | <u>50,000</u> | <u>914,104</u> | <u>23,792</u> | <u>30,510</u> | <u>1,018,406</u> |
| At 31 March 2012 | <u>50,000</u> | <u>940,235</u> | <u>30,857</u> | <u>32,568</u> | <u>1,053,660</u> |

| 9. INVESTMENTS | 2013 £ | 2012 £ |
|---------------------------------------|-------------------|-------------------|
| Market value at the start of the year | 77,312 | 403,377 |
| Amount withdrawn during the year | (25,000) | (325,000) |
| Unrealised (loss)/gain | (80) | (1,065) |
| Market value at the end of the year | <u>52,232</u> | <u>77,312</u> |
| Historic cost at year end | <u>50,000</u> | <u>75,000</u> |
| Investments comprise: | | |
| UK Common Investment Fund | 50,000 | 75,000 |
| Shares listed on the LSE | 2,230 | 2,310 |
| Investment in trading subsidiary | 2 | 2 |
| | <u>52,232</u> | <u>77,312</u> |

The deposit of £50,000 in COIF Charities Deposit Fund is managed by CCLA Investment Management Ltd. 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 | 2013 £ | 2012 £ |
|-------------------------|-------------------|-------------------|
| Work in progress | 83,946 | 102,538 |
| Publications for resale | 10,715 | 10,628 |
| | <u>94,661</u> | <u>113,166</u> |

CHILD POVERTY ACTION GROUP
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2013

| 11. DEBTORS | 2013 | 2012 |
|---|-----------------------|-----------------------|
| | £ | £ |
| Trade debtors | 195,088 | 117,130 |
| Other debtors | 16,984 | 4,900 |
| Prepayments | 85,897 | 51,535 |
| Accrued income | 137,223 | 50,408 |
| | <u>435,192</u> | <u>223,973</u> |
| | <u><u>435,192</u></u> | <u><u>223,973</u></u> |
| | | |
| 12. CASH and SHORT TERM DEPOSITS | 2013 | 2012 |
| | £ | £ |
| Charities Aid Foundation (CAF Bank Ltd) | 356 | 13,361 |
| Lloyds TSB Bank Ltd | 98,162 | 107,016 |
| | <u>98,518</u> | <u>120,377</u> |
| | <u><u>98,518</u></u> | <u><u>120,377</u></u> |
| | | |
| 13. CREDITORS: amounts falling due within one year | 2013 | 2012 |
| | £ | £ |
| Bank borrowings (note 14) | 36,839 | 34,177 |
| Trade creditors | 200,859 | 175,186 |
| Taxation and social security | 35,351 | 39,921 |
| Other creditors | 49,078 | 42,800 |
| Accruals and Deferred Income | 397,090 | 357,594 |
| | <u>719,217</u> | <u>649,678</u> |
| | <u><u>719,217</u></u> | <u><u>649,678</u></u> |
| | | |
| 14. BANK BORROWINGS | 2013 | 2012 |
| | £ | £ |
| Borrowings falling due within one year | 36,839 | 34,177 |
| | <u>36,839</u> | <u>34,177</u> |
| Mortgage loan further instalments: | | |
| 1 – 2 years | 39,680 | 36,839 |
| 2 - 5 years | 125,883 | 128,597 |
| Over 5 years | - | 36,966 |
| | <u>165,563</u> | <u>202,402</u> |
| Borrowings falling due after one year | 165,563 | 202,402 |
| | <u>202,402</u> | <u>236,579</u> |
| | <u><u>202,402</u></u> | <u><u>236,579</u></u> |

The mortgage loan related to the premises at 94 White Lion Street is repayable with interest due by equal monthly instalments ending on 27 December 2017. The interest rate is fixed at 7.57%.

There were no other creditors falling due more than one year after 31 March 2013.

CHILD POVERTY ACTION GROUP
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2013

15. ANALYSIS OF NET ASSETS
BETWEEN FUNDS

| | Restricted £ | Designated | | General £ | Total £ |
|--|-----------------|-------------------|---------------|--------------|----------------|
| | | Fixed assets £ | Other £ | | |
| Tangible fixed assets | - | 1,018,406 | - | - | 1,018,406 |
| Fixed asset investments | - | - | 52,232 | - | 52,232 |
| Net current assets | 130,511 | (230,761) | - | 9,404 | (90,846) |
| Bank borrowing due after one year | - | (165,563) | - | - | (165,563) |
| Net assets at the end of the year | 130,511 | 622,082 | 52,232 | 9,404 | 814,229 |

16. MOVEMENT IN FUNDS

| | At start of the year £ | Incoming resources £ | Outgoing resources and unrealised losses £ | Transfers £ | At end of the year £ |
|---|------------------------------|----------------------------|--|----------------|-------------------------------|
| | | | | | |
| Restricted funds | | | | | |
| Second tier advice project funded by the Scottish Government | 21,870 | 388,607 | (388,607) | - | 21,870 |
| Training grants – funded by the Scottish Government | - | 90,487 | (58,588) | - | 31,899 |
| UC E-learning funded by the Scottish Government | - | 13,040 | (10,800) | - | 2,240 |
| Tax credits work funded by HM Revenue and Customs | - | 90,000 | (90,000) | - | - |
| Awards for All (England) | - | 10,000 | - | - | 10,000 |
| Awards for All (Scotland) | 10,000 | - | (10,000) | - | - |
| Esmée Fairbairn Foundation | - | 27,314 | (27,314) | - | - |
| Strategic Legal Fund | - | 14,981 | (10,037) | - | 4,944 |
| John Ellerman Foundation | 22,500 | 30,000 | (32,500) | - | 20,000 |
| The Trust For London | 6,588 | 56,500 | (56,733) | - | 6,355 |
| Barrow Cadbury | - | 27,000 | (14,102) | - | 12,898 |
| Webb Memorial | - | 16,408 | (5,278) | - | 11,130 |
| Orp Foundation | - | 18,687 | (9,512) | - | 9,175 |
| Other small grants | - | 38,750 | (38,750) | - | - |
| Total restricted funds | 60,958 | 821,774 | (752,221) | - | 130,511 |
| Unrestricted funds | | | | | |
| Designated funds | | | | | |
| Tangible fixed assets | 675,395 | - | (41,276) | 40,195 | 674,314 |
| Total designated funds | 675,395 | - | (41,276) | 40,195 | 674,314 |
| General funds | - | 1,752,192 | (1,702,593) | (40,195) | 9,404 |
| Total unrestricted funds | 675,395 | 1,752,192 | (1,743,869) | - | 683,718 |
| Total funds | 736,353 | 2,573,966 | (2,496,090) | - | 814,229 |

**CHILD POVERTY ACTION GROUP
(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2013**

16. MOVEMENTS IN FUNDS (continued)

Purposes of restricted funds

| | |
|---|--|
| The second tier advice, information and training service funded by the Scottish Government | This service is to help front-line advisers in Scotland to ensure that the people they advise receive the benefits and tax credits to which they are entitled. The funding covers case-work support, training, network support and the dissemination of information. It includes a project aimed at advisers working with students |
| The training of for local authority and front line staff funded by the Scottish Government | These grants were to provide training to frontline staff specialising in child-related issues on changes to the social security system and for local authority decision-makers administering the new Scottish Welfare Fund. |
| The training and support from frontline advice and support services funded by the Scottish Government | This grant was to provide awareness sessions to national organisations in relation to welfare reform and welfare reform training for frontline staff |
| The Universal Credit (UC) e-learning module funded by the Scottish Government | This grant was to provide a universal credit e-learning module with one year license and technical support as well as five factsheets for users of the Improvement Service's knowledge hub |
| The exceptional project work funded by the Scottish Government | This grant was to provide independent expert analysis and advice to the Scottish Government on the implications of welfare reform legislation and guidance to ensure the potential impact on individuals and families in Scotland is better understood |
| The tax credit work funded by the HM Revenue & Customs | This is to improve the take-up of tax credits by delivery of training courses to advisers, revising and re-publishing the Welfare Benefits and Tax Credits Handbook and supporting CPAG's tax credits monitoring network. |
| Online calculator funded by Awards for All (England) | This grant helped in developing an online calculator which will help to accurately assess a person's income taking into account variables such as personal expenses, social security benefits and wages. |
| Test case work funded by the Strategic Legal Fund/Diana Princess of Wales Memorial Fund. | Grant towards work that will seek to remove the discrimination faced by refugee children and other migrants in the administration of their claims to social security benefits. |
| Advice line funded by John Ellerman Foundation | Final year of a three-year funding commitment towards CPAG's advice line, specifically for the provision of support to non-specialist advice centres. |
| London voices project funded by Trust for London | Final year of a two year funding commitment towards the salary costs of a London Campaign Coordinator who works in partnership with VCS groups across the capital to ensure a focussed and strong voice represents children living in poverty in London. |

**CHILD POVERTY ACTION GROUP
(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 MARCH 2013**

16. MOVEMENTS IN FUNDS (continued)

| | |
|--|---|
| Responses to child poverty project funded by the Barrow Cadbury Trust | Grant to help put in place effective and well embedded child poverty strategies in local communities. |
| Analysis of the risks to families from Universal Credit funded by the Orp Foundation | First of a three year funding commitment towards staff costs to run a project that will help make Universal Credit less risky for families and ensuring that its impact is better understood by the public and opinion formers. |
| Advice line funded by Hugh Fraser Foundation | Second of a three-year funding commitment towards CPAG in Scotland's advice line. |
| Test case work funded by the London Legal Support Trust. | Grant towards costs associated with providing specialist advice for welfare benefit appeals to the Upper Tribunal |
| Advice line funded by The R S Macdonald Charitable Trust | This grant specifically contributes towards the costs of the Scotland advice line service. |

Purposes of designated funds

| | |
|-----------------------|---|
| Tangible fixed assets | Reserve relating to the net book value of tangible fixed assets, and the fact that all of the funds are currently tied up in fixed assets. Subsequent to the year end, CPAG exchanged contracts on the sale of its freehold premises. |
|-----------------------|---|

17. OPERATING LEASE COMMITMENTS

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

| | Property | | Equipment | |
|--------------------|---------------|---------------|--------------|--------------|
| | 2013 £ | 2012 £ | 2013 £ | 2012 £ |
| Less than one year | 14,084 | 14,084 | 7,021 | 7,584 |
| One year | - | - | - | - |
| | <u>14,084</u> | <u>14,084</u> | <u>7,021</u> | <u>7,584</u> |

The property lease is for the office of CPAG in Scotland.

18. TRANSACTIONS WITH RELATED PARTIES

Child Poverty Action Group hosts the End Child Poverty Coalition.

