

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 2009**

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

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2009**

---

<b>CONTENTS</b>	<b>Page</b>
Trustees' report	1
Independent auditor's report	12
Statement of financial activities	13
Balance sheet	14
Notes to the financial statements	15

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

**TRUSTEES' REPORT**

**YEAR ENDED 31 MARCH 2009**

---

**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Status</b>	Child Poverty Action Group ("the CPAG") is a charitable company limited by guarantee.	
<b>Governing document</b>	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.	
<b>Company number</b>	1993854	
<b>Charity number</b>	Registered with the Charity Commission for England and Wales registration number 294841, and with the Office of the Scottish Charity Regulator registration number SC039339	
<b>Registered office and operational address</b>	94 White Lion Street London N1 9PF	
<b>Email</b>	<a href="mailto:staff@cpag.org.uk">staff@cpag.org.uk</a>	
<b>Website</b>	<a href="http://www.cpag.org.uk">www.cpag.org.uk</a>	
<b>Honorary officers</b>	Peter Townsend Jennifer Bernard Adrian Sinfield Alison Griffin	President (deceased 8 June 2009) Chair Vice Chair Treasurer
<b>Chief Executive</b>	Kate Green	
<b>Company Secretary</b>	Kate Green	
<b>Bankers</b>	Lloyds TSB Bank plc Covent Garden Branch 22 Southampton Street London WC2E 7JB	
<b>Solicitors</b>	Russell-Cooke 2 Putney Hill London SW15 6AB  Capsticks 77-83 Upper Richmond Road London SW15 2TT	
<b>Auditors</b>	haysmacintyre Fairfax House 15 Fulwood Place London WC1V 6AY	

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

**TRUSTEES' REPORT**

**YEAR ENDED 31 MARCH 2009**

---

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

Jennifer Bernard	Chair
Adrian Sinfield	Vice Chair
Alison Griffin	Treasurer
Christopher Boon	
Helen Dent	
Mark McCallum	
Daniel Phillips	(Appointed 1 December 2008)
Hetan Shah	(Appointed 1 December 2008, resigned 21 May 2009)
Nazim Shah	
Jenny Talbot	
John Veit-Wilson	
Stewart Wright	

One trustee, Stewart Wright, has a contract with the charity for the supply of services for which he is entitled to remuneration. This payment was agreed by the board of trustees in line with the provisions of the Charity's Memorandum and Articles of Association, and follows the guidance issued by the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator. The payment is for Stewart Wright to act as consultant editor for the Charity's Housing Benefit legislation commentary, and the contract was entered into to enable the charity to take advantage of his expertise as a specialist in this highly technical area of law. Stewart Wright did not claim any remuneration for work done during 2008/09 and received no payment under this contract.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The charity is a company limited by guarantee without shares under the Companies Act 1985 and 1989 and governed by its Memorandum and Articles of Association. The guarantee of each member of the company is limited to £1. Members of the board of trustees are elected by the members of the charity from among its membership in accordance with the provisions of the Memorandum and Articles of Association, or may be coopted by the board of trustees.

**Membership**

At the end of the year CPAG had just over 2,450 members. CPAG members provide support for, and are a means of disseminating, the charity's campaigning, policy and welfare rights messages. 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.

**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 2008/09 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. Details of the activities and achievements of CPAG in Scotland are described under "Activities, achievements and performance" below.

**Related parties**

The charity owns a subsidiary company, CPAG Limited, which is dormant. The local charitable branches are independent and autonomous groups of individuals, who support the charity on a voluntary basis and work towards the goals and aims of the charity. They are licensed by the charity to use its name. Their constitutions are separate and distinct from the charity. The financial statements do not reflect the transactions of these entities, except to the extent that they arise from the normal activities of the charity on an arm's length basis.

The charity works with another charity, End Child Poverty (charity number 1099008) which has similar charitable objects. Helen Dent and Kate Green are trustees of End Child Poverty. During the year, CPAG provided office accommodation and facilities management for End Child Poverty's employees free of charge in office space which has no market value. CPAG provided other office services to End Child Poverty on a full cost recovery basis. CPAG also provides some personnel administrative services at no charge as part of its own personnel management system.

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

**TRUSTEES' REPORT (continued)**

**YEAR ENDED 31 MARCH 2009**

---

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Induction and training of trustees**

All new trustees are provided with a resource pack on appointment, which provides them with information on the charity's work and on their role as a charity trustee. This is supplemented by one-to-one briefing sessions with the Chair and Chief Executive where appropriate. 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 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 to the Chief Executive via a "Scheme of Delegation", who in turn delegates various duties to senior staff.

**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 promote action for the relief directly or indirectly of poverty among children and families with children.

**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;
- 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 2009**

---

**OBJECTIVES (continued)**

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

**The charity's aims**

- Develop and promote policies which benefit low-income families and children
  - identify, analyse and present evidence on child poverty
  - lobby and campaign and build support for policy improvements in favour of low-income families and children
- Raise advisers' knowledge and awareness of income maintenance so as to equip them to advise their clients and to maximise take-up
  - provide specialist training to advisers
  - provide second tier specialist advice to advisers
  - provide published and online resources to advisers
- Secure by judicial decision the interpretation of social security, tax credits and related law to promote the rights of claimants, and secure fairness in the system to ensure that benefits provision is as widespread and generous as possible
  - mount legal test cases

**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**

**Bringing about positive policy change and protecting family incomes**

The objective of policy and research activity is both to present evidence to raise awareness of the causes and consequences of child poverty, and, through lobbying and campaigning, to build support for policy improvements which benefit low income families and children. In this way CPAG delivers public benefit through its policy work. This activity takes place through written work, targeted at public, press, politicians and government officials, meetings with officials and representatives, regular press comment and broadcast interviews and speaking engagements. CPAG uses information gained through both its analysis and research work and its advice work to contribute to liaison meetings with officials from, *inter alia*, the Department for Work and Pensions, the Treasury, Her Majesty's Revenue and Customs (HMRC), the Child Poverty Unit, the Scottish Government and networks with various voluntary sector groups.

Carefully selected test cases are taken up to clarify or challenge the way that social security and tax credits legislation are interpreted with the objective of securing fairness in the system and ensuring that benefit provision is as widespread and generous as possible.

In 2008-09, key themes pursued were as follows:

*Child poverty target and strategy*

CPAG worked to raise attention on the **child poverty targets**, and to highlight gaps in policy both at a UK and Scottish Government level. We worked closely with many other organisations, particularly through our membership, and hosting, of the Campaign to End Child Poverty to raise the issue of child poverty. The highlight of the campaign was a rally in Trafalgar Square in October 2008 to raise the profile of child poverty in the UK , with 10,000 marchers powerfully demonstrating public support for change.

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

**TRUSTEES' REPORT (continued)**

**YEAR ENDED 31 MARCH 2009**

---

**ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (continued)**

*Child poverty target and strategy*

In 2008 Government committed itself to **enshrining the 2020 child poverty targets in primary legislation**, a move organisations including CPAG had been campaigning on. In conjunction with Gingerbread CPAG has engaged with and lobbied politicians and civil servants to seek to shape the development of this law.

To develop the debate on child poverty and **child wellbeing**, CPAG published briefings on child poverty and two reports focused on the multi-dimensionality of poverty and its impact on child wellbeing, including a summary of an up-to-date league table of child wellbeing in European countries, which placed the UK 24<sup>th</sup> out of 29 countries. In March 2009, to mark the 10<sup>th</sup> anniversary of the commitment to eradicate child poverty, CPAG published and launched a manifesto **Ending Child Poverty: a manifesto for success**, laying out 10 urgent steps for change to reach that goal. The launch was addressed by Secretary of State for Children, Schools and Families, Ed Balls MP and statements on the importance of tackling child poverty from the major party leaders were read out.

In Scotland, CPAG, along with other members of the End Child Poverty, coalition lobbied the Scottish Parliament's Local Government and Communities Committee to undertake a child poverty inquiry and then gave written and oral evidence. CPAG policy calls were also fed into the Scottish Government's consultation on its approach to tackling poverty and inequality.

The UK remains off target to meet the 2010 goal of halving child poverty, and disappointingly Government did little over this period to narrow the gap, though concerns expressed by CPAG over rising joblessness and campaigning on child benefit did yield positive moves in both areas. CPAG contributed to debates around both financial statements, arguing for fiscal stimulus measures to boost the economy and reduce child poverty through increased benefits and tax credits, and gave oral and written evidence on the Parliamentary inquiry into the 10p tax rate abolition. Though the 2010 child poverty target looks likely to be missed Government can remedy this and, at a time of rising unemployment and growing hardship, CPAG continues to campaign for Government to keep the national promise.

*Local anti-child poverty work*

CPAG has worked with the Child Poverty Unit, the Local Government Association (LGA), London Child Poverty Commission and others to support emerging thinking in relation to local and regional government's role in addressing child poverty. In addition to the development of toolkit materials for use locally (see "Equipping advisers" below), CPAG encouraged the adoption of the child poverty indicator in the suite of measures in Local Area Agreements, and contributed to a range of local government debates and briefing events, and held a fringe meeting with Inclusion at the Conservative party conference. In Scotland CPAG has been pressing for the Single Outcome Agreement process to explicitly set out how local authorities will contribute to national goals to reduce child poverty and for clear mechanisms to measure the impact of local policy and service delivery on levels of child poverty, and contributed to Scottish Government, Convention of Scottish Local Authorities (CoSLA) and Scottish Government Local Government Forum Against Poverty events exploring the role of local government in tackling child poverty.

*Social protection – adequacy, coverage and delivery*

This year CPAG sought to raise attention on the inadequacy of social security benefits and tax credits, on administration and on ongoing 'welfare reform' plans. We also published work to mark the 60<sup>th</sup> anniversary of the welfare state in 2008 with a dedicated edition of *Poverty* and related party political conference activity.

**Tax credits** remain a major tool to eradicate child poverty, and a large part of our work continues to be on the tax credits scheme. CPAG has used feedback from CPAG's advice line, tax credits monitoring network, and training course participants to press for improvements to the scheme. We have regularly engaged with civil servants and Ministers through consultative groups to lobby for better administration and provided written evidence to the Treasury for its consultation on tax credit policy. In particular CPAG has continued to raise concerns about how HMRC deal with overpayments following separation and its failure to use its discretion not to recover and / or to set in place an offsetting process.

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

**TRUSTEES' REPORT (continued)**

**YEAR ENDED 31 MARCH 2009**

---

**ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (continued)**

*Social protection – adequacy, coverage and delivery*

Government plans for the reform of 'welfare' continue. CPAG responded to the **Welfare Reform** Green Paper in summer 2008 and has been lobbying MPs and Lords to make changes to the Welfare Reform bill. In Scotland CPAG has been a leading member of the Scottish Campaign on Welfare Reform, and has raised questions over the welfare reform agenda at Scottish party conferences and by briefing Scottish MPs and peers. We also held a fringe meeting at the Liberal Democrats' conference. CPAG has been active in raising concerns about the potential impact of welfare reform on children. In particular we have focused on aspects of welfare reform most likely to impact on poorer children, including plans to move lone parents from income support onto jobseeker's allowance and potentially exposing them to loss of income as a result of sanctions. In partnership with other organisations we achieved some concessions to improve the way the flexibility of the Jobseekers' Allowance (JSA) scheme will operate for lone parents. To address new proposals on delivering employment services, CPAG conducted research with claimants using different (public, private and voluntary sector) forms of delivery and published a review of international experience of contracting out provision, supported by The City Bridge Trust and the Baring Foundation.

With wider welfare reform plans have come suggestions to reform the **social fund**. CPAG gave written evidence, jointly with Gingerbread, Save the Children and Family Action on a consultation on the future of the social fund in 2008. We also set up and ran a series of meetings with the Minister to seek to influence reform plans. Though Government has pulled back from initial plans to charge interest on social fund loans, it has retained powers to outsource provision in the Welfare Reform bill on which CPAG continues to lobby.

One key area of concern coming through CPAG's advice networks relates to the "**right to reside**" test. These cases show that the test, which places benefit restrictions on some European migrants to the UK is causing hardship to families. Alongside our advice work, CPAG has raised concerns with officials, written to the European Commission with case examples of the impact this test is having on low-income families (the Commission has contacted the DWP to discuss our concerns), taken on legal test cases including an intervention in a case which concerned the rights of workers present in the UK before Directive 2004/38/EC came into force, giving a clear right of permanent residence to those lawfully in the UK for 5 years - the Court of Appeal expressed the view that the claimant could benefit from the Directive, and referred the matter to the European Court of Justice.

As part of our Migration and poverty project, funded by the City Parochial Foundation, CPAG has provided written evidence on plans to reform immigration and citizenship law (with implications for benefit entitlement), and has briefed and lobbied on the **Borders Immigration and Citizenship** legislation (which entered the Lords in 2008).

CPAG has worked with other organisations at both UK and Scottish levels to raise attention on **fuel poverty**, including through its membership of the Fuel Poverty coalition. In Scotland, CPAG has taken a lead role in the Scottish Children's Fuel Poverty coalition and had success, with Scottish Ministers announcing the extension of enhanced energy efficiency packages (currently restricted to pensioners) to reach low income families with children under five or with a disabled child.

People working in the legal and advice sector play a major role in helping families to obtain their correct benefit entitlements. Changes to the legal aid funding have threaten and local advice provision. Responding to this CPAG has continued to play a role in the **Access to Justice** Alliance, and to challenge proposed changes to the funding and structure of legal services (including responding to consultations on proposed changes to the Legal Services Commission's contracts for advice provision).

In 'RJM' CPAG had an important **test case** success in June 2008 establishing the principle that where claimants are discriminated against in the social security system they should be able to challenge this under the Human Rights Act.

*Employment*

CPAG continues to campaign on low pay and the rate of the minimum wage, working with other organisations as members of the 'Fair pay network' and in Scotland working to support the development of the Scottish Living Wage campaign. CPAG has also undertaken joint work with the GMB union which will yield a report on low pay in 2009 to follow up CPAG's manifesto. Through our work on welfare reform, CPAG has also sought to raise attention to the issue of support into employment (including removing barriers to work, and providing more accessible, affordable childcare).

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

**TRUSTEES' REPORT (continued)**

**YEAR ENDED 31 MARCH 2009**

---

**ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (continued)**

*Education*

Education is an important theme in tackling child poverty, both because of an understanding that child poverty reduces children's chances at school and because doing badly at school reduces children's long term prospects. In this period of time, CPAG launched a dedicated campaign website ([www.cpag.org.uk/2skint4school](http://www.cpag.org.uk/2skint4school)), drawing together our published work on education. We continued to raise issues around the links between poverty and education in the media and held an event at the Labour party conference on the costs of school. In Scotland, CPAG continued to play a lead role in the Campaign for Free School Meals, and gave evidence to the Scottish Parliament's education committee and continued to lobby MSP's and local authorities to ensure the agreed rollout of free school meals to all primary 1 to 3 school children in 2010 is implemented. We also contributed to the Scottish Government's Working Group reviewing School Clothing grant provision, seeking to create greater consistency in the level of grant and entitlement criteria across the country.

*Equipping advisers*

Ensuring that people receive their full entitlement to welfare benefits and tax credits is a key part of CPAG's work in providing public benefit to prevent and relieve income poverty and to benefit low-income families and their children. Our welfare rights activity is directed at supporting this aim.

*Advice*

The complexity of the social security and tax credits system is such that there is a great need for advisers to have access to expert second-tier advice and support on all aspects of social security and tax credits legislation in order to maximise the incomes of their clients. CPAG runs advice services, accessed through helplines, and provides training and published and online information for advisers.

There is a clear demand for our second-tier advice services and CPAG was able to meet more of this demand by increasing the opening hours to its advice service for advisers in England, following its success in securing three year funding from the Legal Services Commission.

During the year CPAG responded to over 2000 enquiries from advisers from our London office, with CPAG in Scotland dealing with a further 1030 cases. CPAG regularly seeks feedback from its users to assess service quality and make any necessary improvements. The feedback is consistently positive. One advice line user commented "CPAG are an invaluable source of support and have helped to secure very good outcomes for difficult cases in the last 12 months including support around the non recovery of an overpayment of £73,000 and complicated issues relating to A8 nationals. A wise and kind friend to me."

*Training*

As part of ensuring advisers have the knowledge and skills to maximise their clients' income CPAG provides a comprehensive range of training courses for advisers from its offices in London and Glasgow and at in-house venues across the UK. CPAG offers over 50 different courses, attended by around 5,000 people (including over 1500 in Scotland), covering social security and tax credits, parental employment rights, debt, training skills, and benefit take-up campaigns. In Scotland new courses were developed on benefits and tax credits for children living away from their parents and for disabled children, and training was specifically promoted and delivered to agencies working with black and minority ethnic communities.

Participants are asked to complete an evaluation form and this feedback is used to ensure that the courses are kept to a high quality and meet trainees' needs. Feedback during the year was consistently high. One delegate commented: "The knowledge gained has raised the standard of our advice here beyond all expectations. I picked up so much in those two days which is helping us to assist clients in a really focussed way."

In order to respond to training needs and ensure advisers are fully up to speed with the latest changes in law CPAG developed and ran new courses on the local housing allowance, new tribunal rules and the new test for incapacity for work. Throughout the year CPAG met large demand for training advisers in the new benefit for people unable to work due to ill health or disability (employment and support allowance).

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

**TRUSTEES' REPORT (continued)**

**YEAR ENDED 31 MARCH 2009**

---

**ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (continued)**

*Local anti-child poverty materials*

To encourage and support more local action to gear public services to tackling child poverty, with *Inclusion*, CPAG launched the Child Poverty Toolkit ([www.childpovertytoolkit.org.uk](http://www.childpovertytoolkit.org.uk)), and worked specifically with a number of local authorities to help support local anti-child poverty activity in England. With *Inclusion* and *Save the Children*, CPAG has also been seeking to promote the idea of developing a toolkit for Scottish authorities.

*Quids for Kids toolkit*

Funding from the Local Government Association enabled CPAG to revive the Quids for Kids take-up materials. CPAG worked in close partnership with the LGA to re-create and promote the free Quids for Kids toolkit – equipping advisers with the materials for running successful benefits and tax credits take-up work to support them in tackling child poverty. The materials have been integrated into the *Child Poverty Toolkit*.

*Information sharing*

CPAG holds annual conferences in London and Glasgow in order for advisers to increase their knowledge and exchange information on the subject of welfare rights, and to raise awareness of the causes and experience of income poverty for low-income families and their children. The events were very well attended with over 150 delegates at each from the advice, legal and policy sectors. Feedback from the events was very positive with one delegate commenting: “First time attendee – can’t wait for the next one”.

CPAG also continued to provide core support to the National Association of Welfare Rights Advisers - whose aims include challenging, influencing and improving welfare rights policy and legislation - and in doing so contributed to a number of national discussions and workshops on topical welfare rights issues.

CPAG provides tax credits e-bulletins to over 800 advisers. This ensures advisers are up to date with the latest tax credit news and gives advisers the opportunity to feed in details of how policy is impacting on their clients via case evidence. Case evidence from these advisers has helped us with our push for changes to the rules on offsetting tax credits overpayments against underlying entitlement, for example in cases where a couple separate and for use in submissions to Parliamentary Committees. In Scotland e-bulletins on tax credits, benefits for students and issues for disabled children and their families were also regularly produced and distributed to up to 655 adviser contacts while 23 factsheets were updated and three new factsheets produced and published online and distributed in hard copy.

An independent evaluation of CPAG in Scotland’s second tier Tax Credits training, information and advice services during 2008 involved an extensive survey of service users, focus groups and analysis of ongoing evaluation and monitoring returns. The researchers (FMR) concluded that “as well as meeting or exceeding its targets, CPAG in Scotland’s Tax Credits training, information and advice services were rated very highly” with “some of the highest satisfaction findings FMR has evaluated”.

*Publishing*

CPAG’s handbooks aim to enable those eligible for income maintenance to have access to their full entitlement, either directly - through the sale of subsidised advice guides at a reduced price to benefit/tax credit claimants - or indirectly through sale to their advisers. These publications are up to date and authoritative, and are a highly regarded resource used by thousands of volunteer and professional advisers, community workers, local authority staff, Citizens Advice Bureau workers, libraries, claimants and other members of the public. Annually revised and updated editions were produced of: the *Welfare Benefits and Tax Credits Handbook*, *Child Support Handbook*, *Student Support and Benefits Handbook: England, Wales and Northern Ireland*, *Benefits for Students in Scotland Handbook*, and *CPAG’s Housing Benefit and Council Tax Benefit Legislation*. The first edition of a new Scottish Government funded annual guide was published – the *Children’s Handbook Scotland: A benefits guide for children living away from their parents*. Two further titles were updated and published in 2008/09: the *Debt Advice Handbook* and the *Paying for Care Handbook*. The *Welfare Rights Bulletin*, is produced six times a year for advisers, and the annual *Benefit and Tax Credit Rates Poster* is co-published with Citizens Advice.

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

**TRUSTEES' REPORT (continued)**

**YEAR ENDED 31 MARCH 2009**

---

**ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (continued)**

*Publishing*

The reputation of CPAG's handbooks continues to flourish, and book sales remain healthy despite the pressures of recession. In the words of one reviewer: "The CPAG handbooks are not only an essential feature of all welfare rights advisers' (and associated professionals') bookshelves, they can also be used practically by service users and claimants themselves. In an era where empowerment and self-advocacy are rightly prioritised, the CPAG titles stand out as ones which provide information in a clear and unfussy format."

CPAG's online welfare rights services continued to be developed and updated. There are four subscription-based packages, based on the *Welfare Benefits & Tax Credits Handbook*, *CPAG's Housing Benefit and Council Tax Benefit Legislation* and the *Child Support Handbook*. The main service based on the *Welfare Benefits & Tax Credits Handbook* was enhanced by incorporating detailed advance coverage of employment and support allowance in the months leading up to implementation of the new scheme in October 2008. By March 2009 over 2,300 user licences had been sold.

In addition, the *Benefits for Students in Scotland Handbook* and the new *Children's Handbook Scotland* are available online via CPAG's website as a free access service, funded by the Scottish Government.

**Fundraising**

It has been a challenging year for fundraising with the economic climate affecting both individual donors and trust income. However, we were successful in securing new grant income to be received in the next financial year.

Strategic funding, from the Department for Children, Schools and Families, will be used to develop a training programme for workers in Sure Start Children's Centres. Beginning in April 2009 the grant is worth £237,000 over two years.

During the year Esmée Fairbairn Foundation generously agreed to support the recruitment and salary costs of a new senior management post. The grant will be payable on appointment of a suitable candidate. The grant agreement is for 3 years and is worth £156,487.

Grant funding received in 2008-09 is detailed below.

City Parochial Foundation - £35,000 towards the Migration Project (part of a two-year grant agreement worth £102,200).

FSA - £9,000 towards the Personal Finance Handbook. This funding is delivered through SAFE at Toynbee Hall.

The balance of grant funding from Joseph Rowntree Charitable Trust contributed to the production of a briefing on low pay.

In April 2008 we were awarded £997,481 by the Scottish Government Social Inclusion division over three years towards the costs of funding CPAG in Scotland's Advice, Information and Training Services. A further £281,903 was awarded from the Scottish Government Lifelong Learning Directorate for the purpose of assisting with CPAG in Scotland's Benefits for Students Training, Advice and Information Service.

We are also grateful to HMRC for grant in aid supporting our work on tax credits advice. This was the first year of a 3 year grant agreement worth £90,000 per year.

During the year CPAG received £93,000 from bequests generously left by supporters of our work.

As always we are extremely grateful to the many individuals, community groups, companies, unions and faith organisations who have made donations to the work of CPAG over the year. This continuing support is vital to the ongoing work of the charity.

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

**TRUSTEES' REPORT (continued)**

**YEAR ENDED 31 MARCH 2009**

---

**FINANCIAL REVIEW**

There was a small deficit of £29,000 for the year on unrestricted funds. This, added to planned net spending on restricted funds of £67,000, resulted in overall net outgoing resources of £96,000. The tendency towards operating deficits, now made worse by the more challenging economic environment, is being addressed by trustees in the ongoing strategic review.

Fundraising and governance costs have continued to be tightly controlled and amounted to less than 1.7% and 1.8% of total expenditure respectively. Income increased by over 3% to £2,867,000 while expenditure increased by over 8% to £2,963,000, most of it on charitable activities which increased by 9% compared to the previous year

Restricted funds at the end of the year had been reduced from £163,000 to £96,000. This was largely due to a reduction of £69,000 in the latest 3 year round of funding from the Scottish Government, which was to correct slower than planned expenditure during the previous 3 year round. The specific purposes for which restricted funds are held are described in Note 16 to the financial statements. Designated funds, also described in the same Note, amounted to £1,433,000, an increase from £1,410,000 at the beginning of the year. Within this overall increase in designated funds, the amount set aside for the Change Programme (to implement the results of the strategic review) was increased to £257,000. The operating deficit referred to above and the transfer of funds to the change programme designated fund were the main factors in reducing the balance of General funds to £69,000.

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 expense. The balance of £69,000 in general funds is potentially insufficient for these purposes, but the trustees are confident that the financial condition of the charity is healthy as funds have been set aside to invest in changes which will boost CPAG's income generating capacity at the same time as improving efficiency by driving down costs. We expect to restore general funds to a satisfactory level within a few years.

Designated funds other than the tangible fixed asset fund are expected to be expended within the next 3 years, although additional funds might be designated during this period to meet subsequent expenditure. If the original purpose for which the funds were designated ceases to be relevant within the 3 year period, then the designated funds affected will be transferred back to general funds.

**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. An investment of £500,000 was maintained in an interest-bearing deposit account. Surplus funds above this were kept in bank deposits earning the best rates of interest whilst allowing for the flexibility CPAG needs to manage seasonal fluctuations in its cash flow.

This continuing policy of investing in fixed interest deposits has resulted in CPAG's investments maintaining their value during the year while the value of equity investments in other hands fell dramatically. Mainly as a result of the fall in interest rates our investment income fell to £41,000 from £59,000 the previous year.

With net assets of £1,598,000 (£1,167,000 of which is represented by the written down value of fixed assets including our freehold premises in London), CPAG's financial position is believed to be secure in spite of the temporary shortage of general funds. The trustees will 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.

**PLANS FOR FUTURE**

Following a careful review of its purpose, mission and impact, and financial position and use of resources, the trustees have embarked on a programme of refocusing the activities and structure of the organisation which is designed to maximise and sustain its impact. The trustees have decided that they wish to increase focus on the prevention and eradication of child poverty particularly through developing policy understanding and influence, and have begun consulting staff on a set of proposals to bring this about.

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

**TRUSTEES' REPORT (continued)**

**YEAR ENDED 31 MARCH 2009**

---

**RESPONSIBILITIES OF THE TRUSTEES**

The trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the group and charity and the incoming resources and application of resources, including the net income or expenditure, of the group for the year. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and charity and which enable them to ensure that the financial statements comply with the Companies Act 1985. The trustees are also responsible for safeguarding the assets of the group and charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. The trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

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 2008 was 2,643 (2006-7 – 2,906). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

**AUDITORS**

As Sayer Vincent had served as CPAG's auditors for 9 years, the trustees decided as a matter of good practice to invite tenders. Nine firms were invited to tender. After a rigorous selection process the Board selected haysmacintyre to be CPAG's auditors and proposed their appointment to the annual general meeting on 1 December 2008. The members approved this appointment without dissent and haysmacintyre were appointed auditors for the year to 31 March 2009. Sayer Vincent's resignation as auditors was received.

Approved by the trustees on 2 October 2009 and signed on their behalf by

**Jennifer Bernard**  
**Chair**

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

---

We have audited the financial statements of Child Poverty Action Group for the year ended 31 March 2009 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 described in the Statement of Trustees' Responsibilities the Trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The Trustees are also directors of Child Poverty Action Group for the purposes of company law.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2009 and of its incoming resources and application of resources in the year then ended, including its income and expenditure;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.

**haysmacintyre  
Chartered Accountants  
Registered Auditors**

.....2<sup>nd</sup> October 2009.....

**Fairfax House  
15 Fulwood Place  
London  
WC1V 6AY**

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

**STATEMENT OF FINANCIAL ACTIVITIES**  
(Incorporating an income and expenditure account)

**YEAR ENDED 31 MARCH 2009**

	Notes	Unrestricted			2009 £'000	2008 £'000
		General £'000	Designated £'000	Restricted £'000		
<b>INCOMING RESOURCES</b>						
<b>Incoming resources from generated funds:</b>						
Voluntary income	2	177	-	-	177	76
Activities for generating funds						
Rent and room hire		110	-	-	110	103
Investment income		41	-	-	41	59
<b>Incoming resources from charitable activities</b>						
	3					
Publications		1,260	-	87	1,347	1,371
Welfare rights and test cases		178	-	319	497	429
Training		423	-	82	505	431
Membership		151	-	-	151	134
Information, research and campaigning		25	-	14	39	56
<b>Other incoming resources</b>		-	-	-	-	116
<b>Total incoming resources</b>		<u>2,365</u>	<u>-</u>	<u>502</u>	<u>2,867</u>	<u>2,775</u>
<b>RESOURCES EXPENDED</b>						
<b>Costs of generating funds</b>						
Fundraising and publicity		44	4	2	50	62
<b>Charitable activities</b>						
Publications		914	51	97	1,062	1,018
Welfare rights and test cases		229	41	221	491	466
Training		445	47	175	677	540
Membership		223	23	11	247	212
Information, research and campaigning		294	30	59	383	380
<b>Governance costs</b>		<u>45</u>	<u>4</u>	<u>4</u>	<u>53</u>	<u>54</u>
<b>Total resources expended</b>	4	<u>2,204</u>	<u>190</u>	<u>569</u>	<u>2,963</u>	<u>2,732</u>
<b>Net incoming/(outgoing) resources before transfers</b>						
	5	161	(190)	(67)	(96)	43
Gross transfers between funds		(213)	213	-	-	-
<b>Net income/(expenditure) for the year</b>		<u>(52)</u>	<u>23</u>	<u>(67)</u>	<u>(96)</u>	<u>43</u>
Unrealised (losses)/gains		(3)	-	-	(3)	1
<b>Net movement in funds</b>		<u>(55)</u>	<u>23</u>	<u>(67)</u>	<u>(99)</u>	<u>44</u>
Total funds brought forward		124	1,410	163	1,697	1,653
<b>Total funds carried forward</b>		<u><u>69</u></u>	<u><u>1,433</u></u>	<u><u>96</u></u>	<u><u>1,598</u></u>	<u><u>1,697</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16 to the financial statements.

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

**BALANCE SHEET**

**AT 31 MARCH 2009**

	Notes	2009		2008	
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible fixed assets	8		1,167		1,208
Investments	9		502		505
			<u>1,669</u>		<u>1,713</u>
<b>CURRENT ASSETS</b>					
Stock	10	128		114	
Debtors	11	404		341	
Short term deposits	12	252		492	
Cash at bank		46		17	
		<u>830</u>		<u>964</u>	
<b>CREDITORS: amounts falling due within one year</b>	13	604		656	
<b>NET CURRENT ASSETS</b>			<u>226</u>		<u>308</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,895</u>		<u>2,021</u>
<b>CREDITORS: amounts falling due after one year</b>	14		297		324
<b>NET ASSETS</b>	15		<u><u>1,598</u></u>		<u><u>1,697</u></u>
<b>FUNDS</b>					
Restricted funds			96		163
Unrestricted funds					
Designated funds			1,433		1,410
General funds			69		124
<b>TOTAL CHARITY FUNDS</b>			<u><u>1,598</u></u>		<u><u>1,697</u></u>

The financial statements were approved and authorised for issue by the trustees on 2<sup>nd</sup> October 2009 and were signed below on its behalf by:

Jennifer Bernard  
Chair

Alison Griffin  
Treasurer

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2009**

---

**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 1985. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (issued in March 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. During the year the method of allocating staff and publication costs to Membership was improved and the comparative figures were adjusted on the same basis.

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:

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 MARCH 2009**

**1. ACCOUNTING POLICIES (continued)**

**Resources Expended (continued)**

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	5 years
Computers including software	4 years

**Investments**

Investments have been stated at market value in accordance with SORP. 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 9.

**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.

<b>2. VOLUNTARY INCOME</b>	<b>Unrestrict ed</b>	<b>Restricted</b>	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Donations	84	-	84	74
Legacies	93	-	93	2
	<u>177</u>	<u>-</u>	<u>177</u>	<u>76</u>
	<u><u>177</u></u>	<u><u>-</u></u>	<u><u>177</u></u>	<u><u>76</u></u>

Legacies include an amount due of £17,000. Receipt has been delayed because another legatee under the will cannot be traced. The executors have requested an indemnity in case the missing legatee eventually claims their share of the estate. Such indemnity has been provided.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2009

**3. INCOMING ACTIVITIES FROM CHARITABLE ACTIVITIES**

	Publications £'000	Welfare rights and test cases £'000	Training £'000	Memberships £'000	Information research and Campaigning £'000	2009 £'000	2008 £'000
<b>Unrestricted income</b>							
Publication sales	1,260	-	-	-	2	1,262	1,317
Test case income	-	34	-	-	-	34	3
Specialist Support Project (LSC contract)	-	135	-	-	-	135	109
Training courses	-	-	423	-	-	423	313
Membership subscriptions	-	-	-	151	-	151	134
Other income	-	9	-	-	23	32	-
	<u>1,260</u>	<u>178</u>	<u>423</u>	<u>151</u>	<u>25</u>	<u>2,037</u>	<u>1,876</u>
<b>Restricted income</b>							
<b>Grants</b>							
HM Revenue and Customs	33	27	30	-	-	90	142
The Scottish Government	34	282	52	-	-	368	338
SAFE (Financial Services Authority)	9	-	-	-	-	9	-
City Parochial Foundation - Migration project	11	10	-	-	14	35	-
DCSF & London Councils	-	-	-	-	-	-	20
Joseph Rowntree C Trust	-	-	-	-	-	-	1
The Baring Foundation/The City Bridge Trust	-	-	-	-	-	-	16
SIED ( Interact Project)	-	-	-	-	-	-	6
Network for Social Change	-	-	-	-	-	-	6
Local Government Association	-	-	-	-	-	-	16
	<u>87</u>	<u>319</u>	<u>82</u>	<u>-</u>	<u>14</u>	<u>502</u>	<u>545</u>
<b>Total</b>	<u><u>1,347</u></u>	<u><u>497</u></u>	<u><u>505</u></u>	<u><u>151</u></u>	<u><u>39</u></u>	<u><u>2,539</u></u>	<u><u>2,421</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2009

**4. TOTAL RESOURCES EXPENDED**

	Cost of Generatin g	Publication s	Welfare rights and test cases	Training	Membership	Information research and campaigning	Governanc e costs	Support costs	2009	2008
	Funds £'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs ( Note 6)	35	314	259	245	85	192	14	405	1,549	1,427
Publications production	-	416	8	12	83	20	-	-	539	501
Welfare rights	-	-	20	-	-	-	-	-	20	7
Training	-	-	-	167	-	-	-	-	167	142
Information	-	-	-	-	-	27	-	-	27	16
Marketing and promotion	-	30	-	34	-	-	-	-	64	57
Distribution	-	39	-	-	14	-	-	-	53	57
Literature and printing	-	-	3	-	-	-	-	2	5	5
Audit	-	-	-	-	-	-	13	-	13	14
Premises	-	15	-	22	-	-	-	107	144	131
Communications	1	13	9	8	4	6	-	8	49	44
Other costs	6	58	44	54	13	30	6	49	260	258
Depreciation	2	16	13	12	4	10	1	15	73	72
<b>Total resources expended</b>	<b>44</b>	<b>901</b>	<b>356</b>	<b>554</b>	<b>203</b>	<b>285</b>	<b>34</b>	<b>586</b>	<b>2,963</b>	<b>2,731</b>
Support Costs	6	161	135	123	44	98	19	(586)	-	-
<b>Total resources expended</b>	<b>50</b>	<b>1,062</b>	<b>491</b>	<b>677</b>	<b>247</b>	<b>383</b>	<b>53</b>	<b>-</b>	<b>2,963</b>	<b>2,731</b>

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 MARCH 2009**

<b>5. NET INCOMING RESOURCES FOR THE YEAR</b>	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
This is stated after charging/(crediting):		
Depreciation	72	72
Interest payable on bank loan on land and buildings	26	23
Operating lease rentals:		
Property	13	13
Equipment	8	8
Auditors remuneration:		
Audit	13	14
Trustees' remuneration	-	-
Trustees' reimbursed expenses	3	2
	<u>          </u>	<u>          </u>

Trustees reimbursed expenses of £3,113 represents the reimbursement of travel and subsistence costs of 6 trustees (2008: 10 trustees) relating to attendance at meetings of the trustees and other committees. One trustee was entitled to remuneration under a contract to act as consulting editor for one of CPAG's publications. He waived payment under this contract for the year.

<b>6. STAFF COSTS AND EMOLUMENTS</b>	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Staff costs were as follows:		
Salaries and wages	1,301	1,219
Social security costs	136	126
Pension contributions	48	41
	<u>          </u>	<u>          </u>
	1,487	1,386
Agency staff costs	62	42
	<u>          </u>	<u>          </u>
	1,549	1,428
	<u>          </u>	<u>          </u>

One employee (2008: One) earned between £60,000 and £70,000 during the year and in respect of whom pension contributions of £3,741 (2008: £3,604) were paid into the charity's defined contribution scheme.

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

	<b>2009</b>	<b>2008</b>
	<b>Number</b>	<b>Number</b>
Fundraising and publicity	1	1
Publications	8	7
Welfare rights and test cases	7	8
Training	7	6
Membership	2	1
Information, research and campaigning	5	6
Governance	1	1
Support activities	8	8
	<u>          </u>	<u>          </u>
	39	38
	<u>          </u>	<u>          </u>

**7. TAXATION**

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

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 MARCH 2009**

8. TANGIBLE ASSETS	FIXED	Fixtures			Computers	Total £'000
		Freehold land £'000	Freehold buildings £'000	furniture and equipment £'000	including software £'000	
<b>Cost</b>						
At 1 April 2008	50	1,306	179	183		1,718
Additions	-	-	10	21		31
At 31 March 2009	50	1,306	189	204		1,749
<b>Depreciation</b>						
At 1 April 2008	-	261	133	116		510
Charge for year	-	26	6	40		72
At 31 March 2009	-	287	139	156		582
<b>Net Book Value</b>						
At 31 March 2009	50	1,019	50	48		1,167
At 31 March 2008	50	1,045	46	67		1,208
<b>9. INVESTMENTS</b>				<b>2009</b>	<b>2008</b>	
				<b>£'000</b>	<b>£'000</b>	
Market value at the start of the year				505	504	
Unrealised (loss)/gain				(3)	1	
Market value at the end of the year				502	505	
Historic cost at the end of the year				500	500	
<b>Investments comprise:</b>						
UK Common investments funds				500	500	
Shares listed on the London Stock Exchange				2	5	
				502	505	

The deposit of £500,000 in COIF Charities Deposit Fund is managed by CCLA Investment Management Ltd.

The shares represent 500 ordinary shares held in Banco Santander Hispano Central. This shareholding is a consequence of shares in Abbey (subsequently taken over by Banco Santander) having been donated to CPAG when the former Abbey National Building Society was demutualised.

10. STOCK	2009	2008
	£'000	£'000
Work in progress	98	97
Publications for resale	30	17
	128	114

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 MARCH 2009**

<b>11. DEBTORS</b>	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Trade debtors	207	128
Other debtors	20	37
Prepayments	58	27
Accrued income	119	149
	<u>404</u>	<u>341</u>
	<u><u>404</u></u>	<u><u>341</u></u>
<b>12. SHORT TERM DEPOSITS</b>	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Charities Aid Foundation (CAFcash Ltd)	13	13
Lloyds TSB Bank Ltd	239	479
	<u>252</u>	<u>492</u>
	<u><u>252</u></u>	<u><u>492</u></u>
<b>13. CREDITORS: amounts falling due within one year</b>	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Bank borrowings (note 14)	27	25
Trade creditors	137	120
Taxation and social security	40	40
Other creditors	25	10
Accruals	29	51
Payments received in advance:		
Publication sales	169	239
Membership income and subscriptions	95	95
Other	82	76
	<u>604</u>	<u>656</u>
	<u><u>604</u></u>	<u><u>656</u></u>
<b>14. BANK BORROWINGS</b>	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Borrowings falling due within one year (Note 13)	<u>27</u>	<u>25</u>
	<u><u>27</u></u>	<u><u>25</u></u>
Mortgage loan further instalments:		
1 – 2 years	29	27
2 - 5 years	103	95
Over 5 years	165	202
	<u>297</u>	<u>324</u>
Borrowings falling due after one year	297	324
	<u>324</u>	<u>349</u>
	<u><u>324</u></u>	<u><u>349</u></u>

The mortgage loan related to the premises on 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 2009.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 MARCH 2009**

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted				Total £'000
	Restricted £'000	Fixed assets £'000	Designated Other £'000	General £'000	
Tangible fixed assets	-	1,167	-	-	1,167
Fixed asset investments	-	-	502	-	502
Net current assets	96	(27)	88	69	226
Bank borrowing due after one year	-	(297)	-	-	(297)
<b>Net assets at the end of the year</b>	<b>96</b>	<b>843</b>	<b>590</b>	<b>69</b>	<b>1,598</b>

  

16. MOVEMENT IN FUNDS	Incoming resources and				At the end of the year £'000
	At the start of the year £'000	unrealised gains £'000	Outgoing resources £'000	Transfers £'000	
<b>Restricted funds</b>					
Second tier advice project funded by the Scottish Government	87	277	(358)	-	6
Tax credits work funded by HM Revenue and Customs	27	90	(89)	-	28
Personal Finance handbook funded by SAFE	-	9	-	-	9
Benefits for Students – Training, Advice and Information Service funded by the Scottish Government	17	91	(90)	-	18
Rights, Advocacy and Independence project funded by The Baring Foundation and The City Bridge Trust	10	-	(10)	-	-
London Child Poverty Toolkit	4	-	(4)	-	-
Quids for Kids project	16	-	(5)	-	11
Migration project funded by The City Parochial Foundation	-	35	(13)	-	22
Other small funds	2	-	-	-	2
<b>Total restricted funds</b>	<b>163</b>	<b>502</b>	<b>(569)</b>	<b>-</b>	<b>96</b>
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Tangible fixed assets	859	-	(73)	57	843
Property maintenance	120	-	(18)	-	102
Information and communications technology development	100	-	-	-	100
Change programme	100	-	(56)	213	257
Sabbatical leave cover	231	-	(43)	(57)	131
<b>Total designated funds</b>	<b>1,410</b>	<b>-</b>	<b>(190)</b>	<b>213</b>	<b>1,433</b>
General funds	124	2,362	(2,204)	(213)	69
<b>Total unrestricted funds</b>	<b>1,534</b>	<b>2,362</b>	<b>(2,394)</b>	<b>-</b>	<b>1,502</b>
<b>Total funds</b>	<b>1,697</b>	<b>2,864</b>	<b>(2,963)</b>	<b>-</b>	<b>1,598</b>

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 MARCH 2009**

---

**16. MOVEMENTS IN FUNDS (continued)**

**Purposes of restricted funds**

The second tier advice project funded by the Scottish Government	This project is to help front-line advisers in Scotland to ensure that the people they advise receive the tax credits and other benefits to which they are entitled. The funding covers additional case-work support, training, enhanced network support and the dissemination of information.
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.
Personal Finance Handbook funded by SAFE	This project is to publish an updated edition of the Personal Finance Handbook for free distribution to users. It is funded by SAFE (Services Against Financial Exclusion at Toynbee Hall) with funding provided to them by the Financial Services Authority.
Benefits for students: training, advice and information service, funded by the Scottish Government	This project increases the capacity of front line advisers within educational institutions and the wider community to provide accurate and effective advice and information on benefits and tax credits for students. The funding covers additional case-work support, training and the dissemination of information.
The Rights, Advocacy and Independence Project funded by The Baring Foundation and The City Bridge Trust	This research project investigates the implications for claimants of different methods of delivering employment services. The project involves reviewing the UK and international evidence on contracting out interviews with claimants and advisers.
The Toolkit Project funded by London Councils and the Department of Children, Schools and Families	This project (joint with Inclusion) develops a series of web-based tools to support local authorities developing policy to tackle child poverty (stimulated by the new performance regime for local authorities now operating for England authorities)
The Quids for Kids Project funded by Local Government Association	This produces a toolkit, consisting of welfare rights and policy materials, which encourages and helps front-line workers to run benefit and tax credits take-up work to increase incomes of low-income families.
Migration project funded by The City Parochial Foundation	This project seeks to highlight migrant children's experience of poverty and the disadvantages they face, and to ensure frontline advisers have access to accurate and up to date information to enable their clients to claim their full entitlements.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 MARCH 2009**

**16. MOVEMENTS IN FUNDS (continued)**

**Purposes of designated funds**

Tangible fixed assets	Reserve relating to the net book value of tangible fixed assets, £1,167,000 less the bank borrowings on the mortgage which financed the purchase of the freehold premises £324,000.
Property maintenance	Reserve to fund planned cyclical maintenance of the freehold property scheduled at intervals of more than one year.
Information and communications technology development	Reserve designated to fund the cost of the charity's planned development of improved information and communications hardware and software. This includes the continuing development of our electronic Content Management system, online publishing and database software.
Change programme fund	This is to cover the potential costs of changes resulting from the strategic review started in 2006/07 and continuing throughout 2008/09 and into 2009/10. These costs include consultancy fees, changes in staffing and compensation for changes in terms and conditions of employment.
Sabbatical leave fund	Reserve to finance contractual sabbatical entitlements of some staff with service in excess of 5 years. In the past this fund included an allowance for sickness and maternity leave cover, but it has now been decided to meet any such costs out of general funds.

**17. OPERATING LEASE COMMITMENTS**

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

	Property		Equipment	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Less than one year	-	-	-	-
One year	13	13	8	8
	<u>13</u>	<u>13</u>	<u>8</u>	<u>8</u>
	=====	=====	=====	=====

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

**18. TRANSACTIONS WITH RELATED PARTIES**

Child Poverty Action Group works with End Child Poverty, a registered charity with similar objects. The CEO and one trustee of Child Poverty Action Group are trustees of End Child Poverty. Details are provided in the Trustees' Annual Report.