

Charity Registration No. 1111436

Company Registration No. 5123444 (England and Wales)

**COMMUNITY MONEY ADVICE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2021**

# COMMUNITY MONEY ADVICE LIMITED

## CONTENTS

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	Page
Trustees report	1 - 5
Statement of trustees responsibilities	6
Independent auditor's report	7 - 8
Statement of financial activities	9
Balance sheet	10
Statement of cash flows	11
Notes to the financial statements	12 - 21

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# COMMUNITY MONEY ADVICE LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Directors and Trustees</b>	H R Keates T D Jackson S E Vinson J S Mander
<b>Charity number</b>	1111436
<b>Company number</b>	5123444
<b>Principal address</b>	18 Wyle Cop Shrewsbury Shropshire SY1 1XB
<b>Registered office</b>	The Barnabas Centre Longden Coleham Shrewsbury Shropshire SY3 7DN
<b>Auditors</b>	James Holyoak & Parker Limited 1 Knights Court Archers Way Battlefield Enterprise Park Shrewsbury SY1 3GA

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# COMMUNITY MONEY ADVICE LIMITED

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MAY 2021

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The trustees presents its report and financial statements for the year ended 31 May 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the company's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

### **Objectives and activities**

The main objects of the charity are to relieve poverty by providing advice and training to community groups and non-profit making organisations in order for them to assist persons who have been affected by debt.

The main activities of the charity are the development of church based social and community action especially in the field of debt and money advice to people in need. Also the establishment of completely free money advice centers in every community in the nation together with publication of education and training materials related to the above activities.

In planning the activities of the charitable company the directors have considered the Charity commission's guidance on public benefit.

The charity provides advice to persons in debt and also provides training to debt advisors. In addition, the charity advises Government, the national press and TV on personal indebtedness.

### **Achievements and performance**

CMA was established in 2002 and is now a sophisticated service provider to 153 debt advice centers across the UK, based in churches, community groups and county councils.

CMA provides centers with training, bespoke casework software, field management support, a freephone advice line, all policies and procedures required for Financial Conduct Authority authorisation and sector regulatory compliance, a website, web resources, annual conferences, and a commitment to on-going service development.

We summarise our overall aims in the statement, 'Freedom from Debt, hope for the future'.

In the year CMA center's helped 6,197 families manage over £54 million of debt. Of these 40% go into repayment plans and a further 40% have their debts cleared through an insolvency option. The center's also enabled clients gain over £180,000 of additional income, 75% were less stressed and more motivated.

Without question, Covid lockdown has been very challenging for all of us. At CMA we have had to adapt our own services and management activity, whilst helping our center's transition to being able to provide debt advice remotely. We also know that the economic impact of Covid will doubtless lead to an increased call for debt advice post-lockdown; which we need to be ready for.

Winning considerable grant funding in early 2020 has enabled us to develop our services and grow our staff team to help prepare for this expected growth in demand.

Over the last year, CMA has introduced a new debt advice model, CMA Connect via CMA Hub, created new training courses; seen numerous new churches and community groups set-up CMA services to be ready for the forthcoming demand; and more. All of this required us to put in place an enhanced management structure and take on new staff to support a rapidly expanding workload. Extensive internal consultation led to the establishment of a departmental structure consisting of: Operations; CMA Hub (central debt advice); Business Development; Training; Administration; IT; and Policy. Appointing new staff/roles across the period has seen the CMA team grow from 10 to 26 in just over a year. A strong structure and a strong team; we are confident and ready to help meet the money advice needs of more people across the UK than ever before.

# **COMMUNITY MONEY ADVICE LIMITED**

## **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MAY 2021**

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CMA Head Office has seen tremendous growth over the last 12 months, both in our Shrewsbury-based team and our work for the CMA network and staff. Central administration hours have doubled as Kate's hours increased and we welcomed Meg as Head Office Administration Assistant. HO facilities have grown to accommodate three members of staff, including new telephone and IT network and devices.

Our increased capacity has been essential for support of growth in CMA – particularly the launch of CMA Connect in July 2020 – and forming of the administrative procedures around Connect enquirers, affiliations, Catalyst setup and Hub Integration.

Our support of CMA center's continues, providing affiliation packs and membership renewals, centre contact updates for our website and expanding to include updates for MaPS' Debt Advice Locator Tool. Centre leaflet distribution now includes the new Breathing Space information, Connect and Debt Advice Centre Managers' Handbooks, Scottish Debt Options and Welsh language materials.

We have undertaken increased CMA finances work for ring-fenced funding, including the CMA Trust Fund, producing monthly accounts and payroll analysis for CMA centrally.

This year has also seen the first CMA national conference run on Zoom, where we coordinated the conference technical schedule plus set up for keynote speeches, worship time, seminars and discussion groups in what was a valuable time together as a network.

### **Operations**

In mid 2020, in response to the increasing number of centres across the network, CMA recruited two additional OSMs to the Operations Team. One of our new OSMs is now dedicated to supporting our Scottish centres, with the remaining six regionally based OSMs providing ongoing support to our centres across England & Wales. More recently, in mid 2021, CMA has recruited three new OSMs as existing OSMs have moved to take up new roles with CMA.

The Operations Team also includes our Specialist Support Manager (SSM) who provides additional support across the network via Adviceline, Catalyst support and DRO applications. A dedicated Operations Manager has also recently been appointed to co-ordinate the services of the Operations Team, providing a welcome increase in the support that we can now offer our centres.

Our centres will always be at the heart of everything that we do, and our Operations Team remains committed to ensuring that CMA continues to provide each of our centres with the best possible service at all times, based upon individual needs, whilst seeking always to improve and enhance what we do.

### **CMA Connect**

The Connect Project Pilot phase came to an end and CMA Connect was formally launched on 1st July 2020, a very different animal from that envisaged at the start of the project in late 2018. From befrienders helping clients access remote debt advice, Connect, morphed into Money Mentors working in partnership with CMA Hub debt advisers to provide the same level of support and advice offered by CMA FCA authorised centres.

During the Pilot phase it became clear that the procedures involved for both Money Mentor and debt adviser would need to be structured and documented, so the user manual – the CMA Connect Centre Handbook – was developed. Effective communication between the Money Mentor, who builds the relationship with the client, and the CMA Hub debt adviser is key to the client receiving the best advice in an effective and timely manner. Notes made during the Pilot on what a Money Mentor needed to do to achieve this were combined with other information on how to run a Connect centre effectively to produce the Handbook.

As Connect prepared to go live, the Money Mentor training and Connect-specific documentation such as the Client Guide and Debt Options leaflets were revised and reprinted.

# COMMUNITY MONEY ADVICE LIMITED

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MAY 2021

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*"Thank you so much for the fantastic email. You were really amazing, fantastic and wonderful the way you spoke to me, the way you took your time and carefully listened to me and helping me resolving these heavy issues I am facing. I am delighted to have spoken to you, a huge burden was lifted from my shoulder after speaking to you."*

Connect has now been live for just over a year. Our first new CMA Connect centre, C2C Social Action in Northampton who affiliated pre-launch to join Pilot center's Bishop's Stortford and Fareham, has now been joined by (at time of writing) fifteen more, eight of whom are open to clients, with a further five FCA authorised CMA centres registered to use CMA Hub services to alleviate over-demand. We welcomed our first Scottish CMA Connect centre, Hope Borders, in May 2021. Interest remains strong, with many potential affiliates at enquiry stage.

After a very positive year of growth for Connect, we are not resting on our laurels. With a year of client experience behind us it is time for some tweaks and revisions, and we are currently working on updated versions of both the CMA Connect Centre Handbook and the Money Mentor training, both to be published in due course.

### The Hub

#### In numbers...

- 52 Connect clients across 12 centres
- 11 new Connect clients in June '21
- Another 10 Connect centres open
- 314 referrals from a Housing Association since Jan 21, of which 276 have progressed to becoming clients
- Approx £65,000 in financial gains

*"I just want to say a big thank you Edna, you have been extremely helpful. I was stuck in a really bad position and in a really low place in my life and you came and helped me just at the right time I cannot be any more thankful for what you've done for me and the support you have given me and because of that I've had the best outcome. I was awarded £7500 from the housing discretionary payment and it's all because of you, thank you so much, we need more people like you, especially when we're at our lowest points."*

#### The Hub journey so far...

The Hub comprises three projects: a) the Connect project; b) delivering a contract for Pound Advice; c) delivering advice for clients accessing CMA via the Chatbot.

**Connect** The Connect journey has been a slow but solid one, enabling us to build strong foundations. Due to the pandemic the initial uptake was slower than anticipated and so we used much of 2020 to put processes in place. 2021 then saw a rapid increase of clients. We are still learning as we go as with every new centre, Money Mentor and client there are new things to navigate, but we are building a strong and efficient process whilst building relationships with the Money Mentors so that we can support them as they learn on the job.

**Pound Advice** This is a contract that we are a delivery partner for, working across London and beyond delivering debt advice for housing association tenants. It has been a new experience for all of the team with many clients being less engaged with dealing with non-priority debts. We have seen a lot of clients and with a small team this is a huge achievement along with great outcomes!

**Chatbot** A new project, in the final testing phases, to bring another dimension into CMA, enabling us to reach potential clients even where we don't currently have centres. We will initially run it as a pilot to determine demand and how to most effectively manage referrals coming in. Following the pilot we will look at how we can develop the chatbot to both benefit clients, our existing centres and target areas needing a CMA centre.

# COMMUNITY MONEY ADVICE LIMITED

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MAY 2021

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As you can see the Hub is very busy with lots of different things going on, with an ever growing and brilliant team! We anticipate further growth over the next few months and look forward to helping more clients get free of their debt and move forward with their lives.

### Network Development and Webinars

The objective is growing the number of CMA Debt Advice and CMA Connect Centres across the UK.

We commence by creating a database of churches, food banks and community groups across the UK (now standing at over 1000 contacts). This is used regularly to send invitations out for CMA webinars, which commenced in March and monthly thereafter, with plans to continue until the end of the year.

The webinars have so far seen 105 organisations attend.

As a result of these conversations, 16 people have volunteered to work in existing CMA Centres, 18 new centres have affiliated, 51 where the enquiry is still bubbling but not yet ready to work with us and 44 new enquiries that we are working with.

We are delighted with how this has developed so far and look forward to more centres affiliating to the CMA Family.

### Training

The last year has been like no other for many of us. CMA training has seen an exponential rise the demand for our training as people are available to train (due to lockdown and furlough) and debt centres knowing that now is the time to train people, ready for the tsunami of debt that will hit us late 2021.

CMA training has embraced the new landscape by launching and developing an amazing online training programme which has seen 1,468 people trained over 169 training days during this financial year. These figures are unprecedented in CMA history and although they will fall as life returns to some normality, it shows us that the demand for training is still ever present and will continue into the future.

Along with Debt Free London, we have developed a Level 4 Specialist debt advice training programme which is accredited by MaPS and we have started delivering to delegates. We continue to deliver successful Budget Coach training courses and Money Mentor training for CMA Connect centres.

This last year has also seen us able to increase the dedicated staffing hours given to CMA training from 16 to 48, which puts us in a great position to drive and develop the training programme into the future.

### Fundraising

It has been another busy year for applications submitted to Charitable Trusts and Foundations. 14 applications have been written and submitted with six being successful and between them raising over £190,000 for CMA. Some have been awarded for "core costs" which includes staff wages and other central expenditure, and some for specific projects such as the development of Catalyst and for the opening of new centres in Scotland. Two were to support CMA development and respond to the COVID-19 pandemic and two of the grants were spread over two years. We are really grateful to all our partners who support us financially and to God for His faithful provision.

### Financial review

The total income for the year was £719,847 (2020: £269,175) and total expenditure on charitable activities amounted to £439,526 (2020: £250,829).

At the year end the charity had £271,407 (2020: £35,836) in unrestricted reserves and £59,056 (2020: £14,306) in restricted reserves.

CMA is currently dependent on revenue from centre affiliation, training revenue, individual donations and grants to sustain its activities

This means that if there were to be a gap in grant funding (source income) it is likely that CMA would have to reduce its activities and possibly release its staff.

# COMMUNITY MONEY ADVICE LIMITED

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

**FOR THE YEAR ENDED 31 MAY 2021**

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The trustees have assessed the major risks to which the company is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

### Governing Document

Community Money Advice Limited is a company limited by guarantee governed by its Memorandum and Articles of Association dated 4th May 2004 which have subsequently been amended. It is registered as a charity with the Charity Commission. Members of the charitable company guarantee to contribute amounts not exceeding £10 to the assets of the charitable company in the event of a winding up.

The members of the trustees, who are also the directors for the purpose of company law, and who served during the year were:

H R Keates

T D Jackson

S E Vinson

H R Wilson

(Resigned 16 October 2021)

J S Mander

G A McNab

(Resigned 1 January 2021)

A Biggs

(Resigned 23 June 2020)

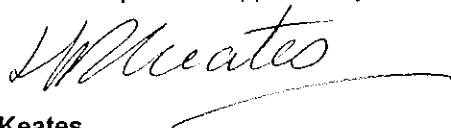
All trustees keep the composition of the board under review and will seek to appoint additional members with appropriate skills and expertise should the need arise. The trustee board aims to have a broad representation of trustees. The opportunity for new trustees is advertised across the CMA network together with the outline of the type of person required. Generally, trustees will have a knowledge of the sector, of a specific skill set that is needed to be a Christian. Interested parties are given details of the background of the charitable company in order to make them aware of current activities.

Once a year the Trustees review the salaries of the team and agree an increase that covers the annual inflation plus any regradings. If there are any role changes in the year the Chief Exec can agree those salary increases as they occur.

### Disclosure of information to auditor

Each of the members of the trustees has confirmed that there is no information of which he is aware which is relevant to the audit, but of which the auditor is unaware. He has further confirmed that he has taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees report was approved by the Trustees.



**H R Keates**

Board of trustees

Dated: 13 January 2022



# **COMMUNITY MONEY ADVICE LIMITED**

## **STATEMENT OF TRUSTEES RESPONSIBILITIES** ***FOR THE YEAR ENDED 31 MAY 2021***

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The trustees, who are also the directors of Community Money Advice Limited for the purpose of company law, is 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).

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

In preparing these financial statements, the trustees is 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 UK 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 company will continue in operation.

The trustees is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable it to ensure that the financial statements comply with the Companies Act 2006. It is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# COMMUNITY MONEY ADVICE LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF COMMUNITY MONEY ADVICE LIMITED

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#### Opinion

We have audited the financial statements of Community Money Advice Limited (the 'company') for the year ended 31 May 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 May 2021 and of its incoming resources and application of resources, 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.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

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

#### Other Information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# COMMUNITY MONEY ADVICE LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF COMMUNITY MONEY ADVICE LIMITED

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#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of trustees

As explained more fully in the statement of trustees responsibilities, the trustees, who are also the directors of the company for the purpose of company law, is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

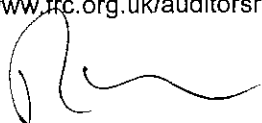
#### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



**Mr Robert Humphreys BEng FCA (Senior Statutory Auditor)**  
for and on behalf of James Holyoak & Parker Limited

18 January 2022

**Chartered Accountants**  
**Statutory Auditor**

1 Knights Court  
Archers Way  
Battlefield Enterprise Park  
Shrewsbury  
SY1 3GA

James Holyoak & Parker Limited is eligible for appointment as auditor of the company by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

# COMMUNITY MONEY ADVICE LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 MAY 2021**

		Unrestricted funds 2021	Restricted funds 2021	Total 2021	Unrestricted funds 2020 as restated	Restricted funds 2020 as restated	Total 2020 as restated
	Notes	£	£	£	£	£	£
<b><u>Income from:</u></b>							
Donations	3	85,379	16,664	102,043	56,866	9,344	66,210
Charitable activities	4	425,389	192,378	617,767	190,391	12,533	202,924
Investments	5	37	-	37	41	-	41
<b>Total income</b>		<b>510,805</b>	<b>209,042</b>	<b>719,847</b>	<b>247,298</b>	<b>21,877</b>	<b>269,175</b>
<b><u>Expenditure on:</u></b>							
Raising funds	6	1,188	-	1,188	2,823	-	2,823
Charitable activities	7	266,041	172,297	438,338	233,218	14,788	248,006
<b>Total resources expended</b>		<b>267,229</b>	<b>172,297</b>	<b>439,526</b>	<b>236,041</b>	<b>14,788</b>	<b>250,829</b>
<b>Net Incoming resources before transfers</b>		<b>243,576</b>	<b>36,745</b>	<b>280,321</b>	<b>11,257</b>	<b>7,089</b>	<b>18,346</b>
Gross transfers between funds		(8,005)	8,005	-	1,145	(1,145)	-
<b>Net income for the year/ Net movement in funds</b>		<b>235,571</b>	<b>44,750</b>	<b>280,321</b>	<b>12,402</b>	<b>5,944</b>	<b>18,346</b>
Fund balances at 1 June 2020		35,836	14,306	50,142	23,434	8,362	31,796
<b>Fund balances at 31 May 2021</b>		<b>271,407</b>	<b>59,056</b>	<b>330,463</b>	<b>35,836</b>	<b>14,306</b>	<b>50,142</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# COMMUNITY MONEY ADVICE LIMITED

## BALANCE SHEET

AS AT 31 MAY 2021

	Notes	2021 £	£	2020 as restated £	£
<b>Current assets</b>					
Debtors	12	60,068		10,843	
Cash at bank and in hand		336,246		118,053	
		<u>396,314</u>		<u>128,896</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(65,851)</u>		<u>(78,754)</u>	
Net current assets			330,463		50,142
<b>Income funds</b>					
Restricted funds	15		59,056		14,306
Unrestricted funds			271,407		35,836
			<u>330,463</u>		<u>50,142</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 May 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

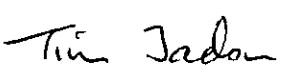
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 13 January 2022

  
H R Keates  
Trustee

  
T D Jackson  
Trustee

Company Registration No. 5123444

# COMMUNITY MONEY ADVICE LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2021

		2021		2020 as restated	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	18		218,156		82,061
<b>Investing activities</b>					
Investment income received		37		41	
<b>Net cash generated from investing activities</b>			37		41
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			218,193		82,102
Cash and cash equivalents at beginning of year			118,053		35,951
<b>Cash and cash equivalents at end of year</b>			336,246		118,053

# COMMUNITY MONEY ADVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MAY 2021**

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### **1 Accounting policies**

#### **Charity information**

Community Money Advice Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is The Barnabas Centre, Longden Coleham, Shrewsbury, Shropshire, SY3 7DN.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the company's Articles of Association and Memorandum, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the trustees has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### **1.4 Income**

Income is recognised when the company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Where entitlement is dependent on the fulfilment of one or more specified conditions, grants received by the charity are recognised and taken into revenue unless the conditions are within the charity's control and uncertainty exists as to whether the conditions will be fulfilled.

# COMMUNITY MONEY ADVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

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### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Expenses are included in the financial statements as they become receivable or due.

Expenses include VAT where applicable as the company cannot reclaim it.

#### 1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.7 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### 1.8 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

#### 1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

### 2 Critical accounting estimates and judgements

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

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



# COMMUNITY MONEY ADVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

### 3 Donations

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	85,379	16,664	102,043	56,866	9,344	66,210

### 4 Charitable activities

	Grants £	Affiliates fees £	Conference & training £	Other income £	Total £	2020 £
Sales within charitable activities	192,378	145,106	122,696	157,587	617,767	202,924
Analysis by fund						
Unrestricted funds	-	145,106	122,696	157,587	425,389	
Restricted funds	192,378	-	-	-	192,378	
	192,378	145,106	122,696	157,587	617,767	
<b>For the year ended 31 May 2020</b>						
Unrestricted funds	-	131,774	42,799	15,818		190,391
Restricted funds	12,533	-	-	-		12,533
	12,533	131,774	42,799	15,818		202,924

### 5 Investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Interest receivable	37	41

# COMMUNITY MONEY ADVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

### 6 Raising funds

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
<u>Fundraising and publicity</u>		
Other fundraising costs	1,188	2,823
	<u>1,188</u>	<u>2,823</u>

### 7 Charitable activities

	Unrestricted £	Restricted £	Total £	2020 £
Staff costs	186,494	107,857	294,351	179,260
Training tutor fees	23,431	-	23,431	12,896
Advice UK	1,569	-	1,569	1,569
Conference costs	430	-	430	8,780
Staff training	-	-	-	975
Marketing and PR	550	-	550	394
Travel expenses	8,488	-	8,488	15,536
Hospitality	128	-	128	950
Postage, telephone and office costs	30,731	7,513	38,244	8,438
Insurance	257	-	257	720
Bank charges	138	-	138	140
IT costs including center manager	9,795	52,357	62,152	14,161
Project costs	-	-	-	2,255
Non-executive trustee expenses	-	-	-	372
Accountancy	30	-	30	1,560
Audit	4,000	-	4,000	-
Client support costs	-	4,570	4,570	-
	<u>266,041</u>	<u>172,297</u>	<u>438,338</u>	<u>248,006</u>
<b>For the year ended 31 May 2020</b>				
Unrestricted funds	233,218	-		233,218
Restricted funds	-	14,788		14,788
	<u>248,006</u>	<u>-</u>		<u>248,006</u>

# COMMUNITY MONEY ADVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

### 8 Auditors' remuneration

The analysis of auditor's remuneration is as follows:

	2021 £	2020 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	4,000	-

### 9 Trustees

Expenses were paid to three trustees in the prior year for travel £0 (2020: £2,118) and telephone and internet £0 (2020: £355)

### 10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Charitable Activities	9	8
Administration	1	1
Total	10	9

### Employment costs

	£	£
Wages and salaries	294,351	179,260

There were no employees whose annual remuneration was £60,000 or more.

### 11 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

# COMMUNITY MONEY ADVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

### 12 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	-	338
Prepayments and accrued income	60,068	10,505
	<u>60,068</u>	<u>10,843</u>

### 13 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Other taxation and social security		4,132	1,180
Deferred income	14	40,367	75,847
Accruals and deferred income		21,352	1,727
		<u>65,851</u>	<u>78,754</u>

### 14 Deferred income

	2021 £	2020 £
Arising from government grants	23,967	69,467
Other deferred income	16,400	6,380
	<u>40,367</u>	<u>75,847</u>

# COMMUNITY MONEY ADVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

### 15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				
	Balance at 1 June 2020	Incoming resources	Resources expended	Transfers	Balance at 31 May 2021
	£	£	£	£	£
Kenyan Poverty Relief Fund	255	-	-	(255)	-
CMA Relief Fund	9,086	7,408	(4,570)	-	11,924
Connect Development	-	171,450	(163,211)	8,260	16,499
Catalyst	4,000	8,350	(2,400)	-	9,950
Centre Fees	965	11,966	(1,871)	-	11,060
Scottish	-	9,868	(245)	-	9,623
	<u>14,306</u>	<u>209,042</u>	<u>(172,297)</u>	<u>8,005</u>	<u>59,056</u>

#### CMA Trust

To support centres and clients in financial difficulty.

#### Catalyst

Funds given to cover the changes following the launch of Catalyst and the changes to the standard reporting tool.

#### Connect Development

Funds received to develop the Connect centres as an alternative basis of providing debt advice at a local level.

#### Centres Fees

Fundraising events to support centres unable to pay fees.

#### Scottish Funds

Provision of Scottish specific services.

### 16 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 May 2021 are represented by:						
Current assets/ (liabilities)	283,135	47,328	330,463	35,836	14,306	50,142
	<u>283,135</u>	<u>47,328</u>	<u>330,463</u>	<u>35,836</u>	<u>14,306</u>	<u>50,142</u>

# COMMUNITY MONEY ADVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

### 17 Related party transactions

#### Trustee Remuneration

During the year the charity paid remuneration and fees to one of the directors and key management personnel of the charity as follows:

	2021 £	2020 £
Heather Keats		
Salaries and wages	44,652	35,468
Social security	4,948	3,700
Employer's national insurance	1,340	1,064
	<u>50,940</u>	<u>40,232</u>

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Purchase of goods	
	2021 £	2020 £
The Fayre	12,327	405
	<u>12,327</u>	<u>405</u>

The Fayre is a joint partnership between H Keates and her partner T Keates.  
In the prior year, a further invoice for £1,400 was raised and paid to The Fayre.

The payments are in respect to advertising and graphic design, and are paid on a fair market value.

During the year one of the trustee's spouses was employed by the charity and received the following remuneration from the charitable company relating to their service of employment:

	2021 £	2020 £
Isla Biggs		
Salaries and wages	10,597	10,040
Social security	229	192
Employer's national insurance	318	301
	<u>11,144</u>	<u>10,533</u>

# COMMUNITY MONEY ADVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

18	Cash generated from operations	2021 £	2020 £
	Surplus for the year	280,321	18,346
	Adjustments for:		
	Investment income recognised in statement of financial activities	(37)	(41)
	Movements in working capital:		
	(Increase) in debtors	(49,225)	(10,303)
	Increase/(decrease) in creditors	22,577	(1,788)
	(Decrease)/increase in deferred income	(35,480)	75,847
	Cash generated from operations	218,156	82,061
19	Analysis of changes in net funds		
	The company had no debt during the year.		
20	Prior period adjustment		
	Changes to the balance sheet		
		At 31 May 2020	
		As previously reported	Adjustment
		£	£
	Current assets		
	Debtors due within one year	338	10,505
	Bank and cash	118,053	-
		118,391	10,505
	Creditors due within one year		
	Taxation	(1,180)	-
	Other creditors	(1,727)	-
	Deferred income	-	(75,847)
		2,907	75,847
	Net current assets	115,484	(65,342)
	Total assets less current liabilities	115,484	(65,342)
	Capital funds		
	Income funds		
	Restricted funds	83,773	(69,467)
	Unrestricted funds	31,711	4,125
	Total equity	115,484	(65,342)

# COMMUNITY MONEY ADVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

### 20 Prior period adjustment

(Continued)

	At 31 May 2020		
	As previously reported	Adjustment	As restated
	£	£	£
<b>Changes to the profit and loss account</b>			
<b>Income from:</b>			
Donations	15,684	-	15,684
Charitable activities	318,792	(65,342)	253,450
Investments	41	-	41
	<u>334,517</u>	<u>(65,342)</u>	<u>269,175</u>
<b>Expenditure on:</b>			
Raising funds	2,823	-	2,823
Charitable activities	248,006	-	248,006
	<u>(250,829)</u>	<u>-</u>	<u>(250,829)</u>
Income/expenditure for the year	<u>83,688</u>	<u>(65,342)</u>	<u>18,346</u>
Net movement in funds	<u>83,688</u>	<u>(65,342)</u>	<u>18,346</u>

The prior year adjustment has arisen due to a mis-statement in accrued and deferred income as at 31st May 2020. The net impact of the adjustment is to decrease the total incoming resources by £65,342, increase debtors by £10,505, and increase deferred income by £75,847. The net effect on reserves in the year is to decrease restricted reserves by £17,405, and decrease unrestricted reserves by £47,937.