

Charity Registration No. 1111436
Scottish Charity No. SC040728
Company Registration No. 5123444 (England and Wales)

COMMUNITY MONEY ADVICE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

COMMUNITY MONEY ADVICE LIMITED

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COMMUNITY MONEY ADVICE LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Directors and Trustees	H R Keates T D Jackson S E Vinson J S Mander Ms A Padfield J E Wanless (Appointed 26 May 2023)
Secretary	S E Vinson
Charity number	1111436
Company number	5123444
Principal address	18 Wyle Cop Shrewsbury Shropshire SY1 1XB
Registered office	The Barnabas Centre Longden Coleham Shrewsbury Shropshire SY3 7DN
Auditors	James Holyoak & Parker Limited 1 Knights Court Archers Way Battlefield Enterprise Park Shrewsbury SY1 3GA

COMMUNITY MONEY ADVICE LIMITED

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 MAY 2023

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

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 are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MAY 2023

The trustees present their annual report and financial statements for the year ended 31 May 2023.

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 centres 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.

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

Achievements and performance

There have been significant developments within the debt advice sector during the last 12 months. The FCA's Consumer Duty standards came into force on 31st July 2023, implementing higher expectations of protection for customers across all FCA regulated financial products and services. As debt advice providers, who exist to serve clients' interests, our centres have always sought to provide excellent services to clients. Nonetheless the Consumer Duty had substantial implications on policies and procedures, ongoing assessment, monitoring and reporting, and communication to all centres' staff to ensure understanding and compliant practice. This has necessarily created additional work during a period of already high demand.

CMA celebrated our 25th anniversary in 2022, from one centre in West Sussex we have grown to a network of 187 centres around the UK, with one of our most recent affiliates being our first centre in Northern Ireland. Centres are run by churches and faith groups, community groups and in partnership with other charities such as foodbanks and the Salvation Army. The driving force behind CMA's centres has always been to help people trapped by debt to find freedom through three key elements: regulated debt advice, money management skills and ongoing face to face support for as long as it is required – a unique offering amongst debt advice providers in the UK.

CMA Snapshot

190 centres = 130 DAC + 21 Satellites + 39 Connect

15 of these (10 Connect, 5 DAC) are preparing to open.

Over 1,000 staff working in local centres, the majority of which are volunteers.

CMA has 10,603 active cases, of which 5,782 are full debt advice cases.

These active cases represent £63,130,690 of debt managed, an average debt of £10,918 per client.

CMA advisers have helped to secure £33,247.64 total extra income for these clients.

COMMUNITY MONEY ADVICE LIMITED

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MAY 2023

Training

During the 2022-3 financial year, hundreds of new advisers and money mentors completed training with us.

Training Course	No. Trainees 2022-23
CMA Level 3 Award (MaPS accredited)	
Part 1 Generalist Debt Advice Training	273
Part 2 Generalist Debt Advice Training	253
Part 3 Generalist Debt Advice Training	137
CMA Level 4 Award (MaPS accredited)	
Part 4 Casework/Specialist Training	98
Part 5 Casework/Specialist Training	75
Part 6 Casework/Specialist Training	86

62 Money Mentors completed CMA's bespoke training, learning budgeting support, collecting and collating clients' financial information and making referrals to CMA's Hub for regulated debt advice.

109 people undertook budget coaching training and are now equipped to support individuals and families to budget and live within their means.

In Scotland, where training is delivered solely through MATRICS learn, a centre manager with oversight of 2 CMA centres has recently gained approved Money Adviser status. Several other advisers are currently undertaking the Money Adviser training.

Catalyst

Significant investment has been made this year to rebuild our flagship debt-management software to deal with the requirements of Consumer Duty, and to introduce a significant number of enhancements requested by centres around the UK. This will be showcased at the October 2023 and rolled out to centres from 2024.

Head office

To mitigate against the restrictions of being a de-centralised networked team, we secured use office space in the heart of Shrewsbury to enable up to 4 staff to work from. This is particularly essential for holding stocks of literature and providing a physical location for a core team to work together.

Connect

In 2019 CMA expanded our work by creating Connect. Connect Centres assist clients with budgeting and provide face to face relationship and assistance; regulated debt advice is provided for clients by CMA's central Hub, utilising information carefully gathered and recorded by centre staff. Meaning that Connect Centres do not require FCA authorisation. There are now 37 Connect Centres, staffed by CMA-trained Money Mentors.

Financial review

The total income for the year was £719,470 (2022: £818,544) and total expenditure on charitable activities amounted to £828,442 (2022: £628,843). At the year end the charity had £412,309 (2022: £515,617) in unrestricted reserves and a -£1,117 (2022: £4,547) in restricted reserves.

Reserves policy

CMA maintains free cash reserves to cover whichever is the greater of 3 months' operating costs or making staff redundant.

COMMUNITY MONEY ADVICE LIMITED

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MAY 2023

Fundraising

A significant portion of CMA income is generated from trust fund applications and funds distributed from the Money & Pensions Service for our processing of Debt Relief Orders.

CMA Trustees are aware that these income streams are not reliable as the landscape of debt advice changes each year. As part of our financial diligence, we will be considering additional and alternative sources of income to ensure that CMA remains stable, independently of these main income providers.

We are grateful to all our partners who support us financially and to God for His faithful provision.

Our centres will always be at the heart of everything that we do, and CMA remains committed to ensuring we continue 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. This enables our centres to help thousands of families become debt free giving them real hope for the future.

Trust Fund

CMA operates a trust fund. This fund is split 50/50 between our support for CHAPS in Kenya, and grants to enable centres to help clients with the cost of Debt Relief Orders and Bankruptcy or for help for set up and training costs where a centre is unable to meet the full cost themselves.

Work has been started to streamline the application process and reduce the time it takes to respond fully to applications.

This year, trustees mandated that 10% of all incoming unrestricted donations to CMA will be designated to the trust fund.

Future developments

CMA has recently secured funding to further diversify our model and enable even more local groups to provide financial support to those who need it most.

Whilst most of our centres are in England and Wales, we recognise recent significant developments in Scotland and Northern Ireland.

Scotland

CMA Scotland has grown from 5 to 12 centres in 2 years, representing the fastest rate of growth within CMA's national network. Our Scottish centres also include the largest proportion of CMA centres run in partnership with the Salvation Army. Our work with the Salvation Army continues to be fruitful and 2 of Scotland's new centres come under this partnership.

Connect is the biggest driver of expansion in CMA's expansion in Scotland, due to Scottish law requiring that debt advice be given by approved money advisers (MA), trained through Scotland's 'MATRICS learn' platform. Once accredited, advisers' authorisation is attached to them – if a centre loses its adviser that centre can no longer provide advice. CMA's Hub is close to having its first approved MA, with plans for more Hub advisers to undertake MA training. This provides a sustainable way forward for Scottish Connect centres, and a foundation for further growth.

It has also been an intense time of preparation for Scottish Connect Centres themselves. Money Mentors from newly affiliated centres have been undertaking training. Existing centres have been bolstering capacity whilst working with primarily with clients who need budgeting support.

The demand for advice is rising: Scottish CMA centres have seen an 83% increase in new cases in 2023 compared to 2022. The average debt managed per client in 2023 has also risen significantly; clients are on average £30,380 deeper in debt than clients from the previous year. There are plans to grow CMA into further areas of Scotland, particularly the north and west.

Recognising these developments in Scotland, CMA will be doubling the OSM hours devoted to Scottish Centres from November 2023. This will provide excellent support for all Scottish centres and additional encouragement for the Connect centres that will be opening over the next few months.

COMMUNITY MONEY ADVICE LIMITED

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MAY 2023

Northern Ireland

In September 2023 CMA launched our first centre in Northern Ireland, Lisburn CMA Connect. Run by Lisburn City Community Trust the staff undertook in-person CMA Money Mentor training and are anticipating a significant volume of clients through their other projects – including Lisburn Foodbank and Social Supermarket. CMA is currently applying to be a Competent Authority for DROs in Northern Ireland, to facilitate the work of Lisburn's centre and open the way for other further centres to open in the region.

Structure, governance and management

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 trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

H R Keates
T D Jackson
S E Vinson
J S Mander
Ms A Padfield
J E Wanless

(Appointed 26 May 2023)

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.

Trustees have met with increased frequency this year, establishing a rhythm of 6 meetings per year, and intentionally shaping our agenda to cover all requirements of the Charity Commission over a 2-year cycle.

Remuneration

Annually, the Trustees review the salaries of the team and aim to agree an increase that keeps pace with the Consumer Price Index. During this last year, salary levels were reviewed after six months and an additional adjustment made.

The Chief Executive Officer advises the trustees on any internal regrading required as part of promotion or structural changes, as the occur.

This year, CMA appointed new roles to oversee Finance and HR functions within the organisation.

Risk management

This year, the trustees significantly upgraded our attention to the risks to which CMA is exposed, and prepared a risk register that is reviewed regularly. We are satisfied that systems are in place to mitigate exposure to the major risks.


COMMUNITY MONEY ADVICE LIMITED

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MAY 2023

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have 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 Board of Trustees.



H R Keates

Board of trustees

Dated: 8th Feb 24

COMMUNITY MONEY ADVICE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF COMMUNITY MONEY ADVICE LIMITED

Opinion

We have audited the financial statements of Community Money Advice Limited (the 'company') for the year ended 31 May 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2023 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 are 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.

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.

COMMUNITY MONEY ADVICE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF COMMUNITY MONEY ADVICE LIMITED

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, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The audit team obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS102 and the Companies Act 2006), the relevant tax compliance regulations, employment law, Health and Safety Regulations and the EU General Data Protection Regulation (GDPR).

We understood how the company is complying with these frameworks by making enquiries of management and those responsible for legal and compliance procedures.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with key management to understand where they considered there was a susceptibility to fraud. Based on our understanding, our procedures involved enquiries of management and those charged with governance, manual journal entry testing, cashbook reviews for large and unusual items and the challenge of significant accounting estimates used in preparing the financial statements.

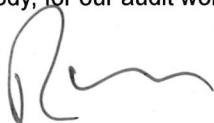
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

COMMUNITY MONEY ADVICE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF COMMUNITY MONEY ADVICE LIMITED

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

9 February 2024

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 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 2023

	Unrestricted funds	Designated funds	Restricted funds	Total	Unrestricted funds	Designated funds	Restricted funds	Total
	2023	2023	2023	2023	2022	2022	2022	2022
Income from:								
Donations	23,681	-	4,125	27,806	34,085	-	6,505	40,590
Charitable activities	599,755	31,378	59,569	690,702	661,013	44,325	72,602	777,940
Investments	962	-	-	962	14	-	-	14
Total income	624,398	31,378	63,694	719,470	695,112	44,325	79,107	818,544
Expenditure on:								
Charitable activities	737,628	21,456	69,358	828,442	501,281	5,006	122,556	628,843
Net (outgoing)/incoming resources before transfers	(113,230)	9,922	(5,664)	(108,972)	193,831	39,319	(43,449)	189,701

COMMUNITY MONEY ADVICE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MAY 2023

Net (outgoing)/incoming resources before transfers	(113,230)	9,922	(5,664)	(108,972)	193,831	39,319	(43,449)	189,701
Gross transfers between funds	(6,924)	-	6,924	-	11,060	-	(11,060)	-
Net (expenditure)/income for the year/ Net movement in funds	(120,154)	9,922	1,260	(108,972)	204,891	39,319	(54,509)	189,701
Fund balances at 1 June 2022	476,298	39,319	4,547	520,164	271,407	-	59,056	330,463
Fund balances at 31 May 2023	356,144	49,241	5,807	411,192	476,298	39,319	4,547	520,164

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

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 2023

		2023		2022
	Notes	£	£	£
Current assets				
Debtors	11	37,561		80,112
Cash at bank and in hand		401,640		495,875
		<u>439,201</u>		<u>575,987</u>
Creditors: amounts falling due within one year	12	<u>(28,009)</u>		<u>(55,823)</u>
Net current assets		<u>411,192</u>		<u>520,164</u>
Income funds				
Restricted funds	17		5,807	4,547
<u>Unrestricted funds</u>				
Designated funds	16	49,241		39,319
General unrestricted funds		<u>356,144</u>		<u>476,298</u>
		<u>405,385</u>		<u>515,617</u>
		<u>411,192</u>		<u>520,164</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 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

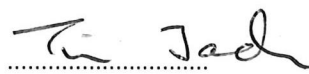
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 25/01/2024


H R Keates
Trustee


T D Jackson
Trustee

Company Registration No. 5123444

COMMUNITY MONEY ADVICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2023

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 have 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 or grantors 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.

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.

COMMUNITY MONEY ADVICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

1 Accounting policies

(Continued)

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

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

COMMUNITY MONEY ADVICE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2023

		2023	2022
	Notes	£	as restated £
Cash flows from operating activities			
Cash (absorbed by)/generated from operations	20	(95,197)	159,615
Investing activities			
Investment income received		962	14
Net cash generated from investing activities		962	14
Net cash used in financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		(94,235)	159,629
Cash and cash equivalents at beginning of year		495,875	336,246
Cash and cash equivalents at end of year		401,640	495,875

COMMUNITY MONEY ADVICE LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

3 Donations

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023 £	2023 £	2023 £	2022 £	2022 £	2022 £
Donations and gifts	23,681	4,125	27,806	34,085	6,505	40,590

4 Charitable activities

	Grants £	Affiliates fees £	Conference & training £	Other income £	Total £	2022 £
Sales within charitable activities	59,350	155,895	85,420	390,037	690,702	777,940
Analysis by fund						
Unrestricted funds	-	155,895	85,250	358,610	599,755	
Designated funds	-	-	-	31,378	31,378	
Restricted funds	59,350	-	170	49	59,569	
	59,350	155,895	85,420	390,037	690,702	
For the year ended 31 May 2022						
Unrestricted funds	60,000	181,226	74,010	345,777		661,013
Designated funds	-	-	-	44,325		44,325
Restricted funds	72,242	-	360	-		72,602
	132,242	181,226	74,370	390,102		777,940

5 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	962	14

COMMUNITY MONEY ADVICE LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

6 Charitable activities

	Unrestricted £	Designated £	Restricted £	Total £	2022 £
Staff costs	504,943	-	41,280	546,223	443,026
Contractors	13,240	-	137	13,377	22,965
Training tutor fees	17,067	-	-	17,067	7,499
Advice UK	1,680	-	-	1,680	1,600
Conference costs	27,688	-	605	28,293	6,079
Marketing and PR	700	-	-	700	799
Travel expenses	3,702	-	-	3,702	3,071
Hospitality	1,885	-	-	1,885	1,142
Postage, telephone and office costs	25,592	-	1,045	26,637	20,874
Insurance	1,041	-	-	1,041	1,166
Bank charges	1,234	-	-	1,234	929
IT costs including Catalyst	116,231	-	14,845	131,076	60,492
Non-executive trustee expenses	170	-	-	170	-
Audit	6,480	-	-	6,480	6,800
Client support costs	-	-	-	-	29,985
Charitable giving	15,975	21,456	11,446	48,877	22,416
	<u>737,628</u>	<u>21,456</u>	<u>69,358</u>	<u>828,442</u>	<u>628,843</u>

7 Trustees

No payments were made during the year or the prior year in respect of the reimbursement of trustee expenses.

8 Auditors' remuneration

The analysis of auditor's remuneration is as follows:

	2023 £	2022 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	6,480	4,000

9 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Charitable Activities	27	21
Administration	3	3
Total	<u>30</u>	<u>24</u>

COMMUNITY MONEY ADVICE LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

9	Employees		(Continued)
	Employment costs	2023 £	2022 £
	Wages and salaries	546,223	443,026

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

10 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.

11 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Prepayments and accrued income	37,561	80,112

12 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Other taxation and social security		-	5,818
Deferred income	13	6,700	27,455
Accruals and deferred income		21,309	22,550
		28,009	55,823

13 Deferred income

	2023 £	2022 £
Arising from government grants	-	19,300
Other deferred income	6,700	8,155
	6,700	27,455

Deferred income is included in the financial statements as follows:

COMMUNITY MONEY ADVICE LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

13 Deferred income

(Continued)

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	6,700	27,455
Movements in the year:		
Deferred income at 1 June 2022	27,455	40,367
Released from previous periods	(20,755)	(12,912)
Deferred income at 31 May 2023	6,700	27,455

14 Endowment funds -

These are endowment funds which are material to the company's activities.

	At 1 June 2022 £	Incoming resources £	Resources expended £	At 31 May 2023 £
	39,319	31,378	(21,456)	49,241
Previous year:	At 1 June 2021 £	Incoming resources £	Resources expended £	At 31 May 2022 £
	-	44,325	(5,006)	39,319

15 Analysis of net assets between funds

	Unrestricted funds 2023 £	Endowment funds Designated 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 31 May 2023 are represented by:				
Current assets/(liabilities)	356,144	49,241	5,807	411,192
	356,144	49,241	5,807	411,192

COMMUNITY MONEY ADVICE LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

15 Analysis of net assets between funds

(Continued)

	Unrestricted funds	Endowment funds Designated	Restricted funds	Total
	2022 £	2022 £	2022 £	2022 £
Fund balances at 31 May 2022 are represented by:				
Current assets/(liabilities)	476,298	39,319	4,547	520,164
	<u>476,298</u>	<u>39,319</u>	<u>4,547</u>	<u>520,164</u>

16 Designated funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	Movement in funds			
	Balance at 1 June 2022 £	Incoming resources £	Resources expended £	Balance at 31 May 2023 £
Kenya	17,156	15,689	(16,000)	16,845
Trust Fund	22,163	15,689	(5,456)	32,396
	<u>39,319</u>	<u>31,378</u>	<u>(21,456)</u>	<u>49,241</u>

COMMUNITY MONEY ADVICE LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

17 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Movement in funds				
	Balance at 1 June 2022	Incoming resources	Resources expended	Transfers	Balance at 31 May 2023
	£	£	£	£	£
Catalyst	-	9,600	(9,600)	-	-
Trust Fund	7,723	3,274	(10,423)	-	574
Community Fund	(7,604)	48,250	(47,570)	6,924	-
Scotland	3,733	-	-	-	3,733
Acts 435	90	1,070	(1,160)	-	-
CMA 25th Anniversary	605	-	(605)	-	-
Training	-	1,500	-	-	1,500
	<u>4,547</u>	<u>63,694</u>	<u>(69,358)</u>	<u>6,924</u>	<u>5,807</u>

Trust Fund

To support centres and clients in financial difficulty.

Catalyst

Funds given to cover the changes and updates made to the Catalyst system.

Community Fund

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

Scottish Funds

Provision of Scottish specific services.

Acts 435

Funds received to directly meet clients needs

CMA 25th Anniversary

Funds to commemorate 25 years of CMA in the anniversary year conference.

Training

Funds received to support the rewrite of CMA's Level 3 training materials.

COMMUNITY MONEY ADVICE LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

18 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:

	2023 £	2022 £
Heather Keates		
Salaries and wages	49,685	46,290
Employers national insurance	5,816	5,171
Employers pension	1,477	1,389
	<u>56,978</u>	<u>52,850</u>

Transactions with related parties

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

Purchase of goods

	2023 £	2022 £
The Fayre	5,860	10,551
	<u>5,860</u>	<u>10,551</u>

The Fayre is a joint partnership between H Keates and her partner T Keates.

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

19 Analysis of changes in net funds

The company had no material debt during the year.

COMMUNITY MONEY ADVICE LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

20	Cash generated from operations	2023 £	2022 £
	(Deficit)/surplus for the year	(108,972)	189,701
	Adjustments for:		
	Investment income recognised in statement of financial activities	(962)	(14)
	Movements in working capital:		
	Decrease/(increase) in debtors	42,551	(20,044)
	(Decrease)/increase in creditors	(7,059)	2,884
	(Decrease) in deferred income	(20,755)	(12,912)
	Cash (absorbed by)/generated from operations	<u>(95,197)</u>	<u>159,615</u>