

Fair Money Advice

Financial Statements

for the year ended 31 March 2021

Charity Registration Number
1138351

Company Number
07205478

Contents

Reports

Reference and administrative information	1
Report of the Board of Trustees	2
Independent auditor's report	11

Accounts

Statement of financial activities	15
Balance sheet	16
Principal accounting policies	18
Notes to the accounts	18

Reference and administrative information Year ended 31 March 2021

Charity name	Fair Money Advice (FMA)
Charity registration number	1138351
Company registration number	7205478
Registered office and operational addresses	18 Ashwin Street London E8 3DL
Management Committee	Ms Rachel Bentley (Acting Chair) Ms Jennifer Page Mr Faisel Rahman Ms Amanda Scott
Treasurer	Ms Amanda Scott
Secretary	Ms Muna Yassin
Senior Management Team	
Managing Director	Ms Muna Yassin
Services Manager	Ms Jahanara Khanom
Auditors	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Unity Trust Bank 9 Brindley Place Birmingham B1 2HB

Report of the Board of Trustees Year to 31 March 2021

The Board of Trustees presents its director's report and audited financial statements for the year ended 31 March 2021.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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.

Our aims and objectives

The Charity's objects (the "Objects") are specifically restricted to the following:

- the prevention and relief of poverty through the provision of impartial debt advice to members of the public in the UK;
- the advancement of the education of the public in the subject of debt and personal financial management through the provision of advice about self-help and the role of appropriate financial services in self-help; and
- the assistance and support of the development and use of financial products created to provide relief to those in need by reason of financial hardship, social exclusion and other disadvantages.

The aims of our Charity are to help prevent people from falling into unmanageable debt and helping to minimise the consequences of over indebtedness, once over indebted. Our aims continue to fully reflect the purposes which our Charity was set up to further.

Ensuring our work delivers our aims

Annually, we review our aims, objectives and activities. The purpose of the annual review is to evaluate the work we have carried out and the impact that this has had on the groups we set out to serve. This review also ensures that we continue to further our aims, objectives and activities in line with our stated purposes. We refer to the guidance contained in the Charity Commission's general guidance on public benefit when undertaking our annual review and planning our future activities. Specifically, the Board of Trustees consider how planned activities will contribute to the aims and objectives they have set.

The focus of our activities

In line with our charitable objectives, the focus of our work in the last 12 months has continued to be based on providing information, guidance and counselling to help prevent or minimise the consequences of over indebtedness. Due to the Covid-19 pandemic, we used the following strategies to achieve these objectives and to provide an appropriate response to the crisis:

Report of the Board of Trustees Year to 31 March 2021

The focus of our activities (continued)

- delivered quality assured specialist debt advice services to clients remotely, using video calls, telephone calls and other channels as appropriate;
- delivered impactful preventative services by embedding them in our advice service;
- identified and disseminated key financial messages and consumer campaigns, specifically the redress schemes and assistance available in response to Covid;
- expanded our partnership with key organisations and partners to effectively reach those most in need of our services to include British Gas Energy Trust (BGET) and London Community Rehabilitation Company;
- expanded our advisory services in the London Borough of Lambeth; and
- re-launched and expanded our income maximisation services in response to the Covid-19 crisis.

How our activities deliver public benefit

As a result of the Covid -19 pandemic, 2020 has been an unprecedented year of challenge and need for Fair Money Advice (FMA) clients. Our existing clients - already facing persistent economic challenges that create chronic financial difficulties and instability - were faced with the immediate challenge of income uncertainty, job insecurity and potential destitution due to the impact on their already stretched finances. Additionally, from the outset we were able to see that new client needs were more complex and time sensitive. A significant number of clients had income issues that needed to be addressed immediately, and thus support to make Universal Credit applications was a vital addition to the suite of services FMA usually provides. In normal circumstances we would refer these enquiries to welfare benefit organisations – but due to the severity of need, the limited availability; and difficulty in accessing those services - we were keen to avoid referring clients on. We were pleased that Covid response funding enabled us to refer clients out for non-financial needs only – such as housing, immigration or legal support. Moreover, through our existing and new partnerships we were able to issue food and fuel bank vouchers directly to clients as part of our emergency response to communities.

The long term economic impact of the crisis – particularly for those in the private rented sector and from BAME and Diverse Ethnic Communities (DEC) – continues to unfold with rent arrears, evictions and potential homelessness particularly acute for our clients in London. With the pause on evictions and other redress schemes due to end in September 2021, we are working with our partners and stakeholders on early intervention solutions to minimise the long-term consequences. FMA clients continue to struggle to meet their essential expenditure commitments with a sustained rise in priority debts: - namely, council tax, rent and utilities. This year has also seen a rise in *Buy Now Pay Later* debts, which is an indication of the changing nature of credit and the use of digital means of payment. It is also a reflection of the change in our client profiles seen this year – a 67% increase in clients 18 - 24. Additionally,

Report of the Board of Trustees Year to 31 March 2021

we have seen a marked increase – 54% - in the number of clients who are aged 24-35, resulting in the average FMA client age down 48 to 40 this year. To meet the changes in client profiles and needs and the expected increase in demand for our services, FMA expanded the debt advice team in November 2020 with four new trainee advisers – our advisers have completed their initial training and have been mobilised as part of the response to the increased demand on services which began in January 2021 and continues to increase month on month. FMA has also worked with our partners to explore the opportunities technology and FinTech presents to our services and client engagement. Our work this year with Elifinty has been instrumental to FMA re-designing its services and its remote offering, but also to ensure they are future-fit and meet the changing expectations of clients.

Personal debt in the UK stood at £1,700 billion at the end of January 2021, up by £20.1 billion from £1,680 billion in January 2020. Spanning this timeframe, FMA has helped 1576 clients in managing their debt problems in the year ending 31 March 2021 (2020– 1,650). We have handled over £7.9 million of debt behalf of our clients (2020 £6.9 million), an increase of £1 million despite a slight reduction in the number of clients assisted this year (74). This reflects the complex and multi-faceted needs presented by clients during this crisis. This means an average debt of £5,012 per client – an increase of £822 per client from the average of £4,190 (2020). This continues the trend over the last two years where we have seen year on year increases in average personal debt. This unfortunately reverses the trends seen in the previous three years, where average debts were steadily falling as a result of smaller, and fewer, consumer debts. We also believe this uptick in personal debt will significantly increase over the next twelve to twenty-four months as clients from vulnerable communities continue to bear the brunt of the economic impact of the crisis. This year has also seen rent arrears overtake council tax debt as the most presented debt amongst clients. Rent arrears, preventing evictions and avoiding homelessness will be a big feature of the advice service demands in 2021/22 and our partnership with Shelter London will be vital to meet the complex needs of clients in private and insecure housing and No Recourse to Public Funds (NRPF).

Like other debt advice services, demand for our services dipped in the first two quarters of 2020 and both existing and new clients had immediate income needs. Demand shifted to providing guidance and signposting support to redress schemes, and access to Universal Credit, rather than immediate debt relief or enforcement action support. To address these needs, we quickly pivoted our services and expanded our income maximisation services – providing bespoke guidance and advice based on individual circumstances and need. Of the 1576 clients supported this year, 945 (60%) required income maximisation support. We also provided support to individuals who needed to access Universal Credit and were able to secure Covid Response Funding from Hackney Council and the London Community Foundation to provide this rapid response service effectively. 120 clients were supported through this service. Due to the uncertainty created by the pandemic and the confusion caused by the removal and reinstatement of financial support schemes (furlough) this service was at capacity until the beginning of January 2021.

Our debt advice services are normally prioritised for referrals from our partners; whilst others are based on need and an initial assessment on their ability to self-help or gain assistance from another agency. Due to the Covid crisis, we were able to secure agreements with our funders and partners – where services are restricted to a certain group or location - that all clients in need would be assisted through our services, regardless of their location or

Report of the Board of Trustees Year to 31 March 2021

circumstances. Our pivot to remote services enabled clients from across London and the South East to access services seamlessly. We continue to work with partner organisations to ensure that clients out of FMA's scope can access services from other local agencies or self-help routes. Moreover, to help clients with increased anxiety levels as a result of the crisis, we provided immediate responses to all enquiries with an initial telephone assessment to help reduce the mental strain and anxiousness of the pandemic. This year we were able to support all clients remotely and where there were clients with additional vulnerability needs, we worked closely with local Mutual Aid groups who were able to securely deliver financial assistance and emergency food packages.

Our main charitable activities are detailed below.

Counselling, advice and guidance services

FMA continues to be funded by the Money and Pensions Service as part of the Debt Free London programme and our partnership has built the infrastructure and capacity needed to respond to the needs of Londoners, as they recover and rebuild from the pandemic. Over 1,300 clients were supported through this service. In addition, FMA continues to be funded by Hackney Council for debt advisory services to local residents, and this service supported 149 clients with complex casework support this year.

This year we also were funded by British Gas Energy Trust (BGET) to provide a debt and energy advice service as part of our 'Money in the Community' partnership with Money A+E. This service spans Tower Hamlets, Hackney and Islington and has supported over 200 clients to date.

We were also delighted to launch an innovative finance, benefit and debt advice service funded by London Community Rehabilitation Company for young adults supported by probation services. Each service user received a tailored support package produced by an FMA adviser to assist them in their journey to resettlement into the community. Our advisers also worked alongside each client's Offending Manager to help them maintain their progress, ensuring they have the aftercare support necessary to take control over their finances and continue their resettlement into the community. Over 70 clients were supported through this service and FMA will explore ways in which it can expand its services to these client groups in the future.

Report of the Board of Trustees Year to 31 March 2021

Educational and capability services

Due to the increased immediacy of client need and the social distancing measures in effect due to the pandemic, we took a decision to focus our services and resources on the emergency response needs of communities – thus suspending our group financial capability services and focusing instead on one-to-one coaching and embedding our ‘skill-pill’ approach within the advice process.

Understandably, many FMA clients have not had the bandwidth to engage with standalone education services. As such, our education and capability services have focused on producing timely and easy to follow updates on the support available and changes that affect our clients and their families.

FMA has also been exploring digital tools that will enable FMA to deliver education and capability services that are relevant to our client needs in bite-size ways. To this end, FMA has been working with FinTech partners such as Elifinty to explore a potential partnership.

FMA continued to develop its strategic brand and positioning. This year FMA was the winner of The Finance Lab’s / Teamspirit ‘For the Better Award’. This award provided FMA with £10,000 of pro-bono communications and PR support. FMA worked with Teamspirit over the past year to amplify our work, and increase FMA’s visibility with clients, stakeholders and the wider public. A key aim of this work has also been to change the narrative around debt and start to remove stigma by encouraging people to talk about their experiences.

Finally, in line with one of our strategic objectives, a particular focus this year has been to widen and embed our partnership work to strengthen the response to our communities and provide a voice for excluded communities. Our work with the London Child Poverty Alliance (LCPA) has included campaigns to maintain the rent eviction pause and to maintain the £20 Universal Credit uplift.

We have also worked closely with a number of stakeholders, including local and central government departments to ensure the impact of Covid-19 on BAME/DEC and financially excluded communities is minimised and responses are relevant and culturally appropriate.

Report of the Board of Trustees Year to 31 March 2021

FMA is a member of the Department for Digital, Media, Culture and Sport (DCMS) BAME Stakeholder Group convened by Baroness Diana Baran, the Minister for Civil Society and is also a member of the BAME VCSE taskforce convened by Clair Dove, VCSE Crown Representative at the Cabinet Office.

In March 2021, our Managing Director was appointed to the VCSE Crown Representative Advisory Panel, which brings together key stakeholders from the VCSE sector to facilitate discussions regarding the general state of the sector, and what government is working on regarding procurement, funding, and spending. The panel is chaired by Clair Dove, VCSE Crown Representative.

During the year, FMA was also able to contribute to the Money Advice and Pensions Service (MaPS) UK Strategy for Financial Wellbeing. Our Managing Director was a member of the Credit Counts: Affordable Credit Challenge Group. Challenge groups, brought together a cross-sector group of specialists to help set milestones for the ten-year journey towards better financial wellbeing. This work began at the onset of the Covid-19 crisis, and as well as addressing the key strategic financial priorities for the UK, the Challenge Groups also were tasked with the initial rapid-response to the crisis for the sector.

Financial review

FMA reported Net income of £50k for the year ended 31 March 2021 (2020: £20k) and the Charity ended the year with unrestricted funds of £205k (2020: £155k). Details of the Charity's reserves are given in the Reserves policy section below.

Incoming resources

The Charity's total income for the year was £373k (2020: £309k). In the year, the Charity continued to receive income from Money and Pensions Service (£206k), Hackney Council (£51k) and JPM Chase Foundation (£4k) as well as receiving income from several new sources including British Gas Energy Trust (£60k), London Community Rehabilitation Company (£33k), London Community Foundation (£15k) and We Are Digital (£4k).

Resources expended

The Charity's total expenditure increased by 11% to £323k (2020: £289k) in line with an increased level charitable activity and an increase in staff to deliver the service.

Investment policy

The Board of Trustees consider the most appropriate investment policy is for surplus funds to be held on bank deposit.

Report of the Board of Trustees Year to 31 March 2021

Financial risk

A single funder provided 55% of income in the year ended 31 March 2021 (2020: 80%). This funder has confirmed the renewal of this income for 12 months, giving good sighting of income in the year ahead, and the Charity was able to increase the number of funders it worked with in the year. However, total loss or significant reduction of such funding on the biggest contract is the biggest threat to FMA. The Charity will continue to develop its fundraising capability and identify new streams of income.

FMA is dependent on East End Fair Finance Limited ('EEFF') for most of its operational functions including Finance, HR and IT. The trustees of FMA believe that losing the provision of operational functions would be manageable but have cost implications in the short term. The dependency on another company to provide operational functions is a risk that the trustees of FMA needs to manage on an ongoing basis.

The Board of Trustees has considered these risks in developing its reserves policy.

Reserves policy

The Charity holds reserves to enable it to continue activities and manage the negative impact on beneficiaries and staff should funding drop significantly. The Board of Trustees believe that it is appropriate for the charity to hold reserves of between three and six months of forecast expenditure.

The Board of Trustees review the reserve policy and the risks the Charity faces regularly, and at least annually. The Board of Trustees reviews the Charity's actual and forecast reserve level at least every quarter and where they differ from its policy, they agree what steps are needed to take to bring the amount of reserves it holds into line.

The Charity's unrestricted funds at 31 March 2021 were £205k (2020: £155k). This represented almost six months of forecast expenditure. The Board of Trustees is satisfied that the reserves held are sufficient and appropriate.

Organisational structure

Fair Money Advice is an independent charity associated with the social enterprise East End Fair Finance Limited ("EEFF"). It was established to help deliver the mission of the Group in relation to financial inclusion and financial wellbeing.

The Charity has a Board of Trustees who meet up to four times a year and are responsible for the strategic direction and policy of the Charity. At present the Board of Trustees has three independent members from a variety of professional backgrounds relevant to the work of the Charity including the CEO of the Fair Finance Group. The Chair of the Charity also attends

Report of the Board of Trustees Year to 31 March 2021

EEFF Board meetings. The Secretary, who is the Charity's Managing Director, also attends Board Meetings but has no voting rights. Selection of a permanent Chair is underway.

Day to day responsibilities for the provision of FMA services rest with the Managing Director, along with the Services Manager and Technical Supervisor. The Managing Director is responsible for ensuring that the Charity delivers the services specified and that key performance indicators are met. The Services Manager has responsibility for the day-to-day operational management of the services, individual supervision of the staff team and also ensuring that the team continue to develop their skills and working practices in line with best practice.

The staff of the Charity have employment contracts with EEFF and are seconded to FMA, as such remain accountable to Group policies where relevant. In addition, FMA benefits from a number of shared services (HR, Finance, payroll, IT support, technology systems, physical space, access to branches). These services are reviewed annually by the Board of Trustees in terms of costs to ensure best value for the Charity by the Board of Trustees.

Responsibilities of the Board of Trustees

The Board of Trustees of the Charity (who are also the Directors of Fair Money Advice for the purposes of company law) are responsible for preparing the Trustees; Annual 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 Directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Charity and of its income and expenditure for that period. In preparing these financial statements, the Board of 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 not appropriate to assume that the Charity will continue on that basis.

The Board of Trustees is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Board of Trustees is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Board of Trustees Year to 31 March 2021

Impact of COVID-19

The Board of Trustees continue to monitor the impact of the current Pandemic on the Charity's operations, with a particular focus on its effect on the Charity's clients, suppliers, funders and employees. The income stream of the Charity remains stable with 55% of current funding coming from the government funding from the Money and Pensions Service (MaPS). The Charity has also been able to engage new funders and secure new partnerships as result of its response to the crisis, and whilst the full impact of the COVID-19 situation cannot be accurately predicted, and it is not possible to assess all possible future implications for the organisation, the Board of Trustees believes that due to the renewal of funding for at least 12 months by MaPS, and the increase in new funding relationships, FMA is in a stable position and can be considered a going concern.

This report has been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the FRS 102 and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Management Committee on 22 June 2021 and signed on its behalf by:

Amanda Scott, FMA Board

Independent auditor's report Year to 31 March 2021

Independent auditor's report to the members of Fair Money Advice

Opinion

We have audited the financial statements of Fair Money Advice ('the Charity') for the year ended 31 March 2021 which comprise the Statement of financial activities, the balance sheet 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 Charity's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 related to events or condition that, individually or collectively, may cast significant doubt on the Charity'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.

Independent auditor's report Year to 31 March 2021

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 required us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Independent auditor's report Year to 31 March 2021

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with responsibilities, outline 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.

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations, including knowledge specific to auditing charitable companies;
- we made enquiries of management as to where they considered there was susceptibility to fraud, and their knowledge of actual, suspected and alleged fraud;

Independent auditor's report Year to 31 March 2021

- we identified the laws and regulations that could reasonably be expected to have a material effect on the financial statements of the Charity through discussions with trustees and other management at the planning stage, and from our knowledge and experience of charities;
- the audit team held a discussion to identify any particular areas that were considered to be susceptible to misstatement, including with respect to fraud and non-compliance with laws and regulations; we considered the impact of COVID-19 on the Charity and its internal controls;
- we focused our planned audit work on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity including the Charities Act 2011, Companies Act 2006 and employment legislation; and
- we considered the impact of Brexit on the Charity and the laws and regulations above.

We assessed the extent of compliance with the laws and regulations identified above through:

- making enquiries of management;
- inspecting legal expenditure and correspondence throughout the year for any potential litigation or claims; and
- considering the internal controls in place that are designed to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- determined the susceptibility of the Charity to management override of controls by checking the implementation of controls and enquiring of individuals involved in the financial reporting process, taking into account the impact of COVID-19 on controls during the year;
- reviewed journal entries throughout the year to identify unusual transactions ;
- performed analytical procedures to identify any large, unusual or unexpected transactions and investigated any large variances from the prior year;
- reviewed accounting estimates and evaluated where judgements or decisions made by management indicated bias on the part of the Charity's management;
- tested the completeness of revenue by grant agreements between the Charity and its donors and investigated any material variances to expectations; and

Independent auditor's report Year to 31 March 2021

- carried out substantive testing to check the occurrence and cut-off of expenditure.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the Charity's legal advisors.

There are inherent limitations in our audit procedures described above. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error as they may involve deliberate concealment or collusion. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

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

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's trustees 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 Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Chapman (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 22 June 2021

Statement of financial activities Year to 31 March 2021

	Notes	Total funds 2021 £	Total funds 2020 £
Income from:	1		
Donations and legacies		200	28,100
Charitable activities			
. Grants		372,796	280,824
Total income		372,996	308,924
Expenditure on:			
Charitable activities	2	323,398	289,219
Total expenditure		323,398	289,219
Net income (expenditure) and net movement in funds		49,598	19,704
Total funds at 1 April 2020		155,014	135,310
Total funds at 31 March 2021	9	204,612	155,014

The notes on pages 18 to 22 form part of these accounts.

All of the Charity's activities derived from continuing operations during the above financial periods.

The Charity has no recognised gains and losses other than those shown above.

Balance sheet at 31 March 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Current assets					
Debtors	6	51,646		15,620	
Cash at bank and in hand	8	230,604		139,394	
		<u>282,250</u>		<u>155,014</u>	
Creditors					
Amounts falling due within one year	7	(77,638)		-	
			<u>204,612</u>		<u>155,014</u>
Total net assets					
The funds of the charity:					
Unrestricted funds					
. General funds	9		<u>204,612</u>		<u>155,014</u>
			<u>204,612</u>		<u>155,014</u>

The accounts are prepared in accordance with the special provision of part 15 of Companies Act 2006 relating to small entities and with the provisions of FRS 102 section 1A – small entities.

Approved by the Board of Directors:

Amanda Scott

Trustee

Date: 22 June 2021

Company No. 07205478

The notes on pages 18 to 22 form part of these accounts.

Notes to the accounts Year to 31 March 2021

1. General information

The Charity is a company limited by guarantee and incorporated in England and Wales. Its registered office is 18 Ashwin Street, London, E8 3DL.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

2. Accounting policies

2.1 Basis of preparation

These financial statements have been prepared for the year to 31 March 2021.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 2 October 2019,

The financial statements are presented in sterling and are rounded to the nearest pound.

2.2 Assessment of going concern

The Management Committee have assessed whether the use of the going concern basis is appropriate in preparing Fair Money Advice's (FMA) financial statements in respect to a period of one year from the date of approval of these accounts; and that have concluded that there are no material uncertainties that cast significant doubt about the ability of FMA to continue as a going concern have been identified.

2.3 Income recognition

Donations are recognised in the year they are received.

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.

Grants, where the entitlement is based upon performance conditions, are recognised as unrestricted income to the extent that the performance conditions have been met. Grant income received in advance of meeting performance conditions is deferred until conditions are met.

Consultancy income is recognised on an accruals basis.

2.4 Expenditure and its basis of allocation

All expenditure is dealt with on the accruals basis and includes value added tax where appropriate. Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services. It includes direct costs of activities and those costs of an indirect nature necessary to support those activities, allocated between expenditure categories on an appropriate basis as set out in note 2.

Governance costs are those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.

2.5 Fund accounting

Funds held by the Charity are either:

- ◆ Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Management Committee; or
- ◆ Restricted funds – these are funds which can only be used for specific purposes. Restricted funds provide reassurance to donors that their contributions will be used in a manner they have chosen.

2.6 Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

2.7 Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

2.8 Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the Charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Notes to the accounts Year to 31 March 2021

3 Income

	Total 2021 £	Total 2020 £
Donations and legacies		
General donations	200	28,100
Charitable activities		
Grants receivable		
. Money and Pensions Service (Toynbee Hall)	205,560	248,306
. British Gas Energy Fund	60,251	-
. Hackney Council	51,200	28,600
. London Community Rehabilitation Company	33,333	-
. London Community Foundation	15,486	
. JP Morgan Chase Foundation	3,679	3,918
. We Are Digital	3,488	-
Total income	372,996	308,924

4 Expenditure

	Programme delivery costs £	Support costs Other support costs £	Governance costs £	Total 2021 £	Total 2020 £
Staff costs	243,274	1,058		244,332	174,756
Rent, rates, maintenance and other property costs		16,868		16,868	20,108
General office expenses		63,944		63,944	86,567
Website and marketing		1,429		1,429	1,646
Legal and professional		725		725	1,042
Audit fees			(3,900)	(3,900)	5,100
2021 Total funds	243,274	84,024	(3,900)	323,398	289,219

Notes to the accounts Year to 31 March 2021

5 Staff costs

	2021 £	2020 £
Gross wages	217,605	156,658
Employers NI (Social Security)	20,874	15,850
Employer's pension	4,795	1,893
	243,274	174,302

b) There were no employees during the current year whose emoluments amounted to over £60,000 (2020: none).

c) No emoluments or expenses were paid to the trustee directors during the year (2020: £nil).

d) The average weekly number of employees employed by the company, during the year was:

	2021 No.	2020 No.
Service delivery	8	5

6 Governance costs

	2021 £	2020 £
Audit and accountancy fees	(3,900)	5,100

7 Taxation

The company is a registered charity and consequently no corporation tax has been provided for.

Notes to the accounts Year to 31 March 2021

8 Debtors

	2021 £	2020 £
Trade debtors	5,556	14,480
Accrued income	46,091	-
Loan with East End Fair Finance Limited	-	1,140
	51,647	15,620

9 Creditors

	2021 £	2020 £
Loan with East End Fair Finance Limited	64,638	-
Deferred income	13,000	-
	77,638	-

10 Bank

	2021 £	2020 £
Cash at bank	230,604	139,394

11 Reserves

	At 1 April 2020 £	Income £	Expenditure £	At 31 March 2021 £
Unrestricted funds				
General reserve	155,014	372,996	(323,398)	204,612