

## **Fair Money Advice**

### **Financial Statements**

for the year ended 31 March 2022

Charity Registration Number

1138351

Company Number

07205478

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## Reference and administrative information Year ended 31 March 2022

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

## **Report of the Board of Trustees Year to 31 March 2022**

The Board of Trustees presents its directors report and audited financial statements for the year ended 31 March 2022.

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 2022

### **The focus of our activities (continued)**

- delivered quality assured specialist debt advice services to clients face to face and remotely, using video calls, telephone calls and other channels as appropriate;
- delivered impactful preventative services by embedding them in our advice service and delivering training and guidance sessions for groups and individuals;
- identified and disseminated key financial messages and consumer campaigns, specifically to address energy efficiency and fuel poverty prevention schemes and participated in ground-breaking research with Fair4AllFinance, NatWest and Stepchange to examine financial inequalities faced by our Black and Minority Ethnic Communities in financial services;
- expanded our service provision to include financial assistance payments through an innovative partnership with Turn2US and nine other Charity partners through their Covid Response Grant Scheme;
- continued to expand existing strategic partnerships with British Gas Energy Trust (BGET), Hackney Council, Debt Free London; and developed new partnerships with Hackney Food Bank/Trussell Trust, London Mayor's Office, and Guy's & St Thomas Charity;
- expanded our reach across London for a pan-London service that effectively reaches those most in need of our services.

### **How our activities deliver public benefit**

Emerging from the immediate health crisis of the pandemic, 2021-22 has been an extremely challenging year for the communities we serve. Many of our existing clients – already facing financial uncertainty and over indebtedness because of two years of reduced employment opportunities and restrictions on their daily lives, have now been burdened with the added pressure of rapidly rising costs for essential goods and services. Inflation is expected to hit double digits later this year and a significant number of our clients face destitution at levels that are unprecedented. Our team have issued more food bank vouchers to clients in 2021/22 than they did over the previous three-year period. We've seen a 350% rise in enquires for fuel support in the last year and we expect this to continue as the energy crisis worsens. In short, client needs have become much more complex and time sensitive – with immediate risks of food insecurity and food poverty specifically being very challenging to respond to swiftly and appropriately. A significant number of clients had needs for immediate financial assistance and we were pleased that Covid response funding from - and partnership with - Turn2US enabled us to secure and award £95,000 of charitable grants to clients facing acute hardship. In addition, 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 and to respond effectively to the challenges being faced by our clients.

The long-term economic outlook for our communities looks particularly difficult over the next few years – particularly with the cost-of-living crisis continuing to unfold and the removal of

## Report of the Board of Trustees Year to 31 March 2022

financial assistance packages that were available during the crisis. Clients dependent on Universal Credit are particularly at risk as the removal of the additional £20 per week support available throughout the pandemic has impacted their ability to meet basic needs most drastically. We are working with our partners and stakeholders to design user-led solutions to minimise the long-term consequences, whilst also developing and expanding the support available for clients experiencing acute financial difficulties.

FMA clients continue to struggle to meet their essential expenditure commitments and priority debts remain the top 3 debts being presented by clients namely - council tax, rent and utilities. This year has also seen a significant rise in utility and energy debts, an indication of the coming storm surrounding the energy crisis as the price cap continues to be lifted: by October 2022 it's expected to rise by a further £830 to £2,800. We continue to see an increase in clients aged 18-24 (representing a 22% increase on the previous year) and have seen a marked increase in clients receiving Universal Credit – either fully or partially to subsidise their wages (52% increase this year). FMA has continued to expand the debt advice team and has strengthened the team with advisers who have backgrounds in legal services, wider advice services and housing. In addition, to further our strategic partnership aims, FMA has recently employed a part-time Partnerships Officer. This new role will help FMA manage and maintain its growing role as a partnership-led charity working collaboratively with key stakeholders across the VCSE, Local and Central Government, Social Housing and Creditor sectors.

Personal debt in the UK stood at £1767.1 billion at the end of January 2022, up by £62.2 billion from £1,704.8 billion in January 2021. Spanning this timeframe, FMA has helped 2,736 clients in managing their debt problems in the year ending 31 March 2022 (in 2021 the figure was 1,576). This is an increase of 42% and reflects the impact of increased capacity within the team and the levels of demand for debt advice. We have handled over £7.1 million of debt on behalf of our clients (2021 £7.9 million), a decrease of £800,000 despite a significant increase in the number of clients assisted this year. This starkly highlights the rise of priority debts (lower amounts, but more significant impact on people's living standards) and the continued reduction of higher value secondary debts such as credit cards and loans. It also emphasises FMA's role as a critical community-based charity that provides vital services to our most vulnerable communities. This year has seen an exponential rise in use of food banks and FMA has made over 700 referrals to foodbank providers over the course of the year. The average foodbank voucher/parcel is valued at £17.66, thus FMA has helped our clients obtain £12,362 of food over the last 12 months. In addition, through our innovative partnership with Turn2Us, we have been able to award £95,000 worth of charitable grants to 116 clients. The average grant awarded per client was £818.

Like other debt advice services, demand for our services has continued to grow throughout the year and the expansion and training of our advice team at the end of 2020 and in January 2021 meant we were in a good place to meet this growing demand. However, as always, demand continues to outstrip capacity and we will be adding more capacity to the team in the coming year. We reconvened face to face advice services during the year and have developed a 'advice in community settings' strategy, placing our advisers in outreach locations that are accessible to our clients. Three Hackney Food Bank sites were the first locations to host our advisers this year and we have developed arrangements with Hackney

## Report of the Board of Trustees Year to 31 March 2022

Council, Enfield Town Schools Partnership, and others to provide more sessions across London in 2022/23.

Our debt advice services continue to be 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. Our pivot to remote services during the pandemic showed we were able to provide services to clients from across London and the South-East to access services seamlessly and we have maintained our pan-London provision throughout the year with support from our funders. 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 as client needs become ever more complex.

Our main charitable activities are detailed below.

### ***Counselling, advice and guidance services***

FMA remains to funded by the Money and Pensions Service as part of the Debt Free London programme and our partnership across London has increased capacity to respond to the needs of Londoners. Over 2,400 clients were supported through this service by FMA. In addition, FMA continued to be funded by Hackney Council for debt advisory services to residents, and this service supported 111 clients with complex casework support this year.

We continued our partnership with Money A+E funded by British Gas Energy Trust (BGET) to provide a debt and energy advice service 'Money in the Community'. This service spans Tower Hamlets, Hackney and Islington and has supported over 280 clients this year.

We were also delighted to launch a ground-breaking partnership with Hackney Food Bank/The Trussell Trust to deliver debt advice services to food bank service users. Each client receives tailored support to assist them in managing their debt, maximising their income and access to additional linked services such as housing or welfare benefit support. Our advisers have trained Food Bank volunteers to make targeted referrals, and we deliver weekly advice sessions at three of their foodbank sites across the borough. 62 clients have been supported through this service to date and FMA will explore ways in which it can expand its services to these client groups in the future. The objective of our partnership is to reduce client reliance on foodbanks and to tackle the root problems of their financial difficulty through structured advice and support.

Finally, this year, FMA was funded by the Greater London Authority (Mayor of London) to develop an innovative partnership to help build a robust economic recovery for Londoners. FMA is the lead agency of the partnership which comprises nine different partners. The service will provide debt and money advice services to Londoners in partnership with Money A+E and will target families through school and food provider settings. The delivery and impact of this service will be realised in 2022/23 as the first 5 months focused on development of partnership arrangements and service design.

## Report of the Board of Trustees Year to 31 March 2022

### ***Educational and capability services***

FMA has continued to focus on the immediate crisis and due to the demands placed on our advice teams we have continued to pause our group financial capability services this year. Our focus has been on increasing capacity by training frontline teams and volunteers as well as one-to-one coaching and embedding our 'skill-pill' approach within the advice process.

This year we have trained over 16 volunteers from Hackney Food Bank and delivered frontline training for advice partnership organisations our GLA funded project.

FMA has also been exploring digital tools that will enable FMA to deliver education and capability services that are relevant to our client in an ever-digital world to this end, FMA has been working with the development of an innovative project exploring Open Banking Tools that will support clients with long-term health condition. The partners working with FMA on this are Stockwell Community Partnership, Shelter and Comuzi, to be funded by Guys & St Thomas Charity.

Finally, in line with one of our strategic objectives, we continued to focus this year on widening and embedding our partnership work to strengthen the response to our communities and provide a voice for excluded communities. To further strengthen this objective, FMA created a part-time Partnerships Officer post and we successfully recruited for this role in March of this year. We expect this role holder to assist our management team in widening our strategic partnerships and increasing our business development activities.

This year our work with the London Child Poverty Alliance (LCPA) helped create a manifesto for the local elections in May. We ensured that candidates pledged to sign up to activities that helped reduce the cost-of-living crisis for families, increased free childcare places, and maintained local discretionary housing and council tax schemes.

We continue to work closely with key stakeholders, including local and central government departments to ensure structural inequalities that disproportionately impact our Black and Minority Ethnic Communities and exacerbates their financial exclusion are raised and tackled appropriately.

FMA continues to be a member of the BAME VCSE taskforce convened by Clair Dove, VCSE Crown Representative at the Cabinet Office.

During the year, FMA was also able to contribute to critical research that sets out to improve understanding of the financial lives and needs of black, Asian and minority ethnic communities by capturing a diverse range of voices through qualitative research. The research was commissioned by Fair4All Finance in partnership with NatWest Bank and Stepchange.

### **Financial review**

FMA reported Net income of £48k for the year ended 31 March 2022 (2021: £50k) and the Charity ended the year with unrestricted funds of £253k (2021: £205k). Details of the Charity's reserves are given in the Reserves policy section below.



## **Report of the Board of Trustees Year to 31 March 2022**

### **Incoming resources**

The Charity's total income for the year was £518k (2021: £373k). In the year, the Charity continued to receive income from Money and Pensions Service (£309k), British Gas Energy fund (£119k), Hackney Council (£50k), LCRC (16k), Turn2Us (£15k), GLA (£7.5k), Advice UK (£1k) and Community Southwark (£0.5k).

### **Resources expended**

The Charity's total expenditure increased by 45% to £469k (2021: £323k) in line with an increased level of 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.

### **Financial risk**

A single funder provided 60% of income in the year ended 31 March 2022 (2021: 55%). 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 a risk to FMA. The Charity will continue to develop its fundraising capability and identify new streams of income. The Board of Trustees has considered the financial 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 2022 were £253k (2021: £205k). 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 ("FMA") 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. In 2021/22, various discussions

## Report of the Board of Trustees Year to 31 March 2022

took place between EEFF and FMA regarding the future relationship of the two organisations. It has been agreed that the two organisations will formally separate in 2022/23.

Fair Money Advice (FMA) was established to support Fair Finance in delivering its mission of improving customer financial well-being. As each of Fair Finance and FMA has continued to evolve successfully, their strategic paths have become increasingly divergent. During the year, following discussions between the boards of Fair Finance and FMA, it was agreed jointly that FMA would become a fully independent entity. This is considered in the best interests of both parties, allowing FMA to take full advantage of strategic and operational autonomy, while also enabling Fair Finance to concentrate its resources and focus on the successful delivery of its core mission including its growth plans. The process of separation of the two entities has commenced. In the coming year, FMA will be developing a new branding and corporate identity. Fair Finance and FMA remain fully aligned on the need to tackle financial exclusion and improve financial well-being and wish each other well in their continued efforts to create a fairer and more inclusive financial system in the UK.

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 as well as the Vice Chair of the Fair Finance Group who joined the board in March 2022. The Secretary, who is the Charity's Managing Director, also attends Board Meetings but has no voting rights. The board does not currently have a formal Chair but one of the trustees has taken on the role of the acting Chair. The board is seeking to recruit a permanent Chair in the next few months who will steer the future of the organisation following separation from EEFF.

Day to day responsibilities for the provision of FMA's services rest with the Managing Director, along with the Services Manager and 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. These employment relationships will transfer to FMA in 2022/23 following the separation of the two entities. In addition, FMA has been provided with a number of shared services (HR, Finance, payroll, IT support, technology systems) by EEFF. 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. Following agreement to separate from EEFF, FMA is seeking external suppliers who will provide these services going forward.

### 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).

## Report of the Board of Trustees Year to 31 March 2022

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.

### 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 24 June 2022 and signed on its behalf by:

Amanda Scott, FMA Board

## **Independent auditor's report Year to 31 March 2022**

### **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 2022 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 2022 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 2022**

### **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 Trustees' report, which is also the directors' report for the purposes of company for the financial year which the financial statements are prepared is consistent with financial statements; and
- the Trustees' report, which is also the directors' report for the purposes of company law, 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 Trustee's 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'

## **Independent auditor's report Year to 31 March 2022**

exemptions in preparing the Trustee's report and from the requirement to prepare a strategic report.

### **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 2022

- 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 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 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;
- 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 obtaining grant agreements between the Charity and its donors and investigated any material variances to expectations; and
- 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; and

## **Independent auditor's report Year to 31 March 2022**

- enquiring of management as to actual and potential litigation with claims.

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](http://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 members, 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 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 Charity and the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

Date: 24 June 2022



## Statement of financial activities Year to 31 March 2022

	Notes	Total funds 2022 £	Total funds 2021 £
<b>Income from:</b>	1		
Donations and legacies		193	200
Charitable activities			
. Grants		517,626	372,796
<b>Total income</b>		<b>517,819</b>	<b>372,996</b>
<b>Expenditure on:</b>			
Charitable activities	2	469,471	323,398
<b>Total expenditure</b>		<b>469,471</b>	<b>323,398</b>
<b>Net income (expenditure) and net movement in funds</b>		<b>48,348</b>	<b>49,598</b>
<b>Total funds at 1 April 2021</b>		<b>204,612</b>	<b>155,014</b>
<b>Total funds at 31 March 2022</b>	12	<b>252,960</b>	<b>204,612</b>

The notes on pages 13 to 23 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 2022

	Notes	2022 £	2022 £	2021 £	2021 £
<b>Tangible fixed assets</b>	8		847		-
<b>Current assets</b>					
Debtors	9	70,238		51,646	
Cash at bank and in hand	11	289,580		230,604	
		<b>359,818</b>		282,250	
<b>Creditors</b>					
Amounts falling due within one year	10	(107,705)		(77,638)	
<b>Total net assets</b>			<b>252,960</b>		204,612
<b>The funds of the charity:</b>					
Unrestricted funds					
. General funds	12		252,960		204,612
			<b>252,960</b>		204,612

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: 24 June 2022

Company No. 07205478

The notes on pages 13 to 23 form part of these accounts.

## Notes to the accounts Year to 31 March 2022

### 1. General information

The Charity is a company limited by guarantee and incorporated in the United Kingdom. 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 2022.

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 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

- Fixtures and fittings - 3 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

## **2.7 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.

## **Notes to the accounts Year to 31 March 2022**

### **2.8 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.

### **2.9 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 2022

### 3 Income

	Total 2022 £	Total 2021 £
<b>Donations and legacies</b>		
General donations	193	200
<b>Charitable activities</b>		
Grants receivable		
. Money and Pensions Service (Toynbee Hall)	308,792	205,560
. British Gas Energy Fund	118,864	60,251
. Hackney Council	49,827	51,200
. London Community Rehabilitation Company	15,774	33,333
. London Community Foundation	-	15,486
. Turn2Us	15,369	-
. Greater London Authority	7,500	-
. JPMorgan Chase Foundation	-	3,679
. We are Digital	-	3,488
. Advice UK	1,000	-
. Community Southwark	500	-
	<b>517,819</b>	<b>372,996</b>

### 4 Expenditure

	Programme delivery costs £	Support costs Other support costs £	Governance costs £	Total 2022 £	Total 2021 £
Staff costs	343,762	2,102		345,864	244,332
Rent, rates, maintenance and other property costs		21,026		21,026	16,868
General office expenses		93,287		93,287	63,944
Website and marketing		1,224		1,224	1,429
Legal and professional		2,670		2,670	725
Audit fees			5,400	5,400	(3,900)
2022 Total funds	343,762	120,309	5,400	469,471	323,398

## Notes to the accounts Year to 31 March 2022

### 5 Staff costs

	2022 £	2021 £
Gross wages	308,354	217,605
Employers NI (Social Security)	28,769	20,874
Employer's pension	6,639	4,795
	<b>343,762</b>	<b>243,274</b>

b) There were no employees during the current year whose emoluments amounted to over £60,000 (2021: none).

c) No emoluments or expenses were paid to the trustee directors during the year (2021: £nil).

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

	2022 No.	2021 No.
Service delivery	11	8

### 6 Governance costs

	2022 £	2021 £
Audit and accountancy fees	5,400	(3,900)

### 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 2022

### 8 Tangible fixed assets

	Fixtures and fittings £
<b>Cost</b>	
At 1 April 2021	-
Additions	1,130
At 31 March 2022	<b>1,130</b>
<b>Depreciation</b>	
At 1 April 2021	-
Charge for the year	283
At 31 March 2022	<b>283</b>
<b>Net book value</b>	
At 31 March 2022	<b>847</b>
At 31 March 2021	-

### 9 Debtors

	2022 £	2021 £
Trade debtors	<b>9,978</b>	5,556
Accrued income	<b>60,260</b>	46,091
	<b>70,238</b>	51,647

### 10 Creditors

	2022 £	2021 £
Loan with East End Fair Finance Limited	<b>30,784</b>	64,638
Deferred income	<b>76,921</b>	13,000
	<b>107,705</b>	77,638

### 11 Bank

	2022 £	2021 £
Cash at bank	<b>289,580</b>	230,604



**Notes to the accounts** Year to 31 March 2022

**12 Reserves**

	At 1 April 2021 £	Income £	Expenditure £	At 31 March 2022 £
<b>Unrestricted funds</b>				
General reserve	204,612	517,819	(469,471)	<b>252,960</b>