



# Cambridge Money Advice Centre

Breaking the hold of debt

Annual Report and Financial Statements 2021



## Cambridge Money Advice Centre General Information 2021

**Trustees** Stephen Nation (Chair)

Roy Bradfield (Treasurer, until January 2022)

Alison Green (Treasurer, from December 2021)

Shevanti Roser

Adeline-Fleur Fleming (from December 2021)

Amelia Papworth (Fundraising)

Tom Stevenson (until October 2021)

**Centre Manager** Fiona Charge

**Charity number** 1107655

**FCA registration number** 709737

**Office** Cambridge Money Advice Centre

c/o Barnwell Baptist Church

Howard Road

Cambridge CB5 8QS

**Bankers** Co-operative Bank

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# Introduction & Chair of Trustees's Welcome

I am delighted to present our Annual Report and Financial Statements for the year ended 31 December 2021.

Looking back into 2021 we still had relatively few new people becoming clients. Part of this will be the impact of the crisis, with people not yet ready to seek help for their financial issues. With the pandemic continuing through 2021, many of our existing clients were pushed further into difficulty and the real effects of the crisis are only just beginning. Against this backdrop, I am delighted at what we have achieved, wholeheartedly supporting clients, but also laying the foundations to address the influx of new clients we expect this year.

Our volunteer advisers rose to the challenge magnificently. Our team have worked hard this year and we are truly grateful to them for their time, expertise and dedication to helping those who require debt advice. We continue to look for advisers and will be advertising this year.

We are in an unusually strong position of being fully funded for 2022 (in my ten years involvement I can't remember when this was the case!). This is thanks to one of our trustees and the Centre Manager, who have diligently spent considerable time completing funding applications. We have also seen changes in our trustee board. After many years of loyal service our treasurer has stepped down and a trustee who had only recently joined the trustee board has also stepped down due to increasing work commitments. However, we are now welcoming two new trustees into the team, one who is taking on the mantle of treasurer and another who has expertise in law. The board is now made up of an enthusiastic and experienced team. We would like at least one more trustee and will be advertising this year.

2022 brings new challenges, new demands and an increase in people looking for debt advice. With client meetings by video call or phone, we have not been able to engage with people face-to-face; we look forward to meeting our clients in person as the Covid risk stabilises.

I am humbled at how our team of volunteer advisers and trustees have worked tirelessly under difficult circumstances. Thanks also go to our regular supporters and funders in recognising the work we do and the increased need, which is reflected in our present financial position.

Stephen Nation, Chair of Trustees

January 2022

A stack of coins is placed on a calculator keypad. In the background, there is a date sheet with dates like 1.09.30, 11.12.31, 012.03.31, 2012.06.30, and 2012. The coins are stacked on the '1' key of the calculator.

## CMAC's Mission and Purpose

The Cambridge Money Advice Centre is a small charity supporting Cambridge residents struggling with problem debt to find long-term financial stability. We offer free, non-judgmental expert advice on all debt-related aspects of personal finance, as stated in point 3 of our Constitution, delivered by our team of expert volunteer advisers. Crucially, we work with our clients for as long as they need to reach stability with the right solution for them.

We welcome any client from the Cambridge area dealing with problem debt, regardless of background, ethnicity, religion, sexuality, age, or other factors. Our advisers are all highly trained volunteers, who continue with learning and training throughout their time with CMAC.

Our clients often face complex social and/or family issues which we will always handle sensitively, working with other support services as needed. Our approach is entirely client-centred and responsive to the client's needs. Often our clients turn to us in desperation, for example when eviction threatens, and without any real hope for a way out. A pair of advisers will work with someone for as long as they need to help them feel hope, see a path forwards, and achieve financial stability and capability.

We adhere to the Charity Commission's guidance on public benefit when reviewing our objectives and planning future activities.

*"I would like to say that [CMAC's advisers] are the most amazing team. When I first came to them I was beyond stressed about financial issues and was going deeper into debt. From the first meeting they made me feel like I wasn't alone, they are very talented at making people feel like they can achieve finances. I have no doubt that without their help I would not be in my house with my children and I will forever be grateful to them, I think they are angels! Their caring nature and attention to detail are both amazing and delivered in a very patient way. They have been so influential to our stability of life and I would not hesitate to recommend them to anybody needing financial help. I don't have enough words to express my gratitude to CMAC."*



## Our activities and achievements in 2021

We began 2021 with 46 clients including one who was only seeking budgeting advice. We took on a further 13 clients during the year so helped 59 people struggling with problem debt in total. At the start of the year, our clients had £576k of active debts; at the end of 2021 our active clients had a total of £538k of debt. We were also contacted by 36 people, of whom 13 decided to work with us, to find a way out from £154k of debt.

Our clients come from a variety of backgrounds, some referred from another agency, such as the Citizens Advice Bureau or the probation service. We help clients of all ages, but a noticeable trend in 2021 has been an increase in the number of young people seeking help. The average age of our clients is now 49.

Debt can be a particularly pernicious problem as it affects not just the individual in debt, but their family members and dependents. Some of our clients are helped informally by relatives when that is possible, although others feel an overwhelming burden of shame and do not share their difficulties even with their loved ones. 22 of our clients (37%) had child dependents in 2021, a total of 43 children, while 13 of our clients had a partner.

Debt is also a trap which can lead to serious consequences such as imprisonment or homelessness. At CMAC we are proud to be able to help our clients before awful events are reached and assist them in getting their life back on track.

## Outcomes

With a Debt Relief Order a client's debts are held in moratorium for a year before being written off, so we report both the start and the end of this period. Therefore, in 2021:

- 4 of our clients completed their moratorium year, wiping £60,018 of debt
- 10 of our clients entered a DRO (a record number for CMAC), so £148,672 will be written off next year.
- 19 of our clients are in a payment plan with their creditors with our continuing support, giving our clients stability and reducing stress
- 3 clients are now self-managing their debts
- 3 clients had a debt situation which was resolved in other ways

There is no typical time which a client stays with us. For some, it will take years to establish the extent of the debts, build budgeting confidence, and bed in financial stability. Other clients will work with us for six months to a year. We are delighted to have finished working with 13 clients 2021, all of whom can look forward to a brighter future free from the burden of debt.

*"Without exception, I have found all of CMAC's advisors to be warm, friendly and consistently supportive. There is never the slightest sense of being judged or looked down on, so that what once seemed an insurmountable problem has become manageable and painless. I cannot praise these people too highly."*

## Funding

We are extremely grateful to the foundations, companies, individuals and funds who have supported CMAC financially in 2021. Due to the Covid-19 pandemic and anticipated increased demand for our services, we had a strong fundraising push to ensure our financial wellbeing and to meet need. We would like to record particular thanks to the Foyle Foundation, Cambridge City Council, Cambridgeshire Community Foundation and Microsoft, and the Leys School for their invaluable support. Thanks to CMAC's volunteer-based model, all funding has a disproportionately positive impact helping those who need it most.

We would also like to record our thanks to all the individual donors and churches who have supported CMAC's work for years and continue to do so. Without this loyal support, which provides an essential foundation for our activity, we would not be able to carry out our important work.

Details of grants received and donations can be read in the Accounts below.



## Our volunteer team

We are fortunate at CMAC to have a team of seven volunteer advisers, two of whom are completing training, and two trustee advisers. Two of our long-term advisers stepped down in 2021. All our advisers take part in three stages of professional training, attending specific training courses as well as acting as 'second adviser' to a qualified colleague to gain experience of client meetings. In addition, all advisers are given the opportunity for ongoing training, in complementary skills such as active listening or information sessions, for example about loan sharking.

We also have a volunteer who kindly gives their time to oversee CMAC's social media.

CMAC depends upon the generosity of our volunteers in giving their time and wisdom, and we are very grateful.

## Our staff

The Cambridge Money Advice Centre depends on our excellent Centre Manager, Fiona Charge, who handles all our administration with expertise and endless good cheer.

## Our trustees

The Cambridge Money Advice Centre had a strong team of five trustees at the end of 2021. We were sad that Tom Stevenson had to retire as a trustee in autumn 2021, and that Roy Bradfield has left the team too (early 2022). We thank them both for their service. We have been delighted to welcome Alison Green as our new Treasurer at the end of 2021, with Adeline-Fleur Fleming also appointed as a trustee in December 2021.

Our trustees have responsibility for a number of administrative duties, as well as strategy, accountancy and fundraising. Two of our trustees, Stephen Nation and Shevanti Roser, are also trained advisers. Our trustees give their time voluntarily and none of the trustees receives any monetary benefit from CMAC.

## Governance and management

CMAC is a registered charity (number 1107655), and is governed by a declaration of trust dated 7 December 2004 as amended 19 October 2019. CMAC is overseen by a board of between four and six trustees, appointed by decision of the Centre Manager and current trustees after an open recruitment process. All trustees receive an induction to their role and CMAC's work, and give their time and efforts voluntarily, receiving no benefit from the charity. Our Centre Manager is responsible for the day-to-day running of CMAC, supported in particular by Stephen Nation and Shevanti Roser.

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## Our partnerships

We are pleased to be part of the Community Money Advice (CMA) network. Their support, particularly with governance and policy-making, is invaluable.

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## Our Covid-safe measures

In March 2020 we swiftly moved our face-to-face client meetings to Zoom in response to the lockdown, and our Centre Manager started working from home. We have continued this model in 2021, as it is the safest option for our staff, volunteers and clients. It also presents a number of advantages for clients who do not have to travel. We are particularly grateful to the Community Fund at The Leys School for providing computer equipment for home-working for our Centre Manager.

As we learn to live with endemic Covid, we will be adopting a 'blended' model of virtual or in-person meetings as best suits our individual clients. We are particularly conscious that we do not wish to exclude those who are not digitally literate.





## Trevor's\* story

Trevor lives in Cambridge in charitable assisted housing, with a room and access to a kitchen. He bravely called us in April 2021, having been working with a local charity assisting those on the margins of society. He had received a bailiff's letter, and knew he had substantial debts which threatened his stability, and were damaging his mental health.

Trevor rapidly mastered using Zoom, as he was also having counselling for his mental health issues. He sent us some pictures of his debt letters and we quickly realised he had a lot of parking fines and had frequently failed to pay various penalties related to parking and driving in London. As the relationship between him and the advisers developed he explained more about how these had occurred - it took a lot of courage for him to do that. Trevor was able to see that we were working slowly to achieve what seemed impossible: to be able to remove the debts which he had amassed. For each fine which could have been paid at, say, £35, it was now nearer £200 and rising.

The advisers built up a picture of Trevor's income and expenditure over several weeks, and uncovered 38 debts, amounting to over £15k. It quickly became clear that he would be unlikely to be able to make a significant impact on his debts for years to come with just £3 a month left over after paying for essentials.

Our team started working on a Debt Relief Order for Trevor. He was able to relax and trust that our team were taking care of the situation with the people he owed money to - it was possible to see him becoming more positive and hopeful with each meeting he had.

Trevor's DRO has now freed him from over £15k of debt. In under six months, his outlook on life has been transformed and he can look forwards to building a better future.

\*Trevor's name has been changed to maintain confidentiality.



## Our future plans

The safety of our clients, staff and volunteers is at the heart of our response to the Covid pandemic. Due to the ongoing uncertainty about returning to the office, particularly as our office space is small and many of our clients and volunteers are in an age group which makes them more vulnerable to Covid, we continued with virtual meetings throughout 2021. Moving into 2022, we would like to establish a 'blended' model. When it is safe to do so, we would like to re-start in-person client meetings, with all the benefits of building trust and a closer relationship that they bring. However, we plan to continue to offer Zoom meetings to clients who are more vulnerable to Covid, have difficulty travelling, or otherwise would benefit from a video call.

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The ongoing effects of the pandemic are now being compounded by a steep rise in living costs, a rise which will disproportionately hit the poorest in our society. As a result of this, and as people start to seek help for debt incurred through 2020 and 2021, we expect an increase in demand for our services. This may require expanding our adviser team, and we also intend to recruit one additional trustee, so we expect to be seeking more volunteer support in 2022.

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As mentioned in the Chair's Welcome, we are in the fortunate position of being well funded as 2022 begins. We would like to capitalise on this firm foundation by instituting a more regular cycle of funding applications and bolstering our reserves. We are cautious about over-expansion and will remain focused on continuing to deliver our core service of debt advice. However, we are exploring other avenues by which we might support the Cambridge community, particularly working with the churches who support us financially, for instance sign-posting budgeting resources at community drop-in mornings.

## Financial review

Total income for the year amounted to £26,472 (2020: £18,575) and total charitable expenditure was £15,253 (2020: £15,211). Our surplus for the year was £10,540 (2020: £3,364). Total funds at 31 December 2021 were £25,114 (2020: £14,574).

## Risk management and reserves policy

We have changed our reserves policy and now aim to hold sufficient reserves to cover six months' expected operating costs. We have made this change for two reasons. First, we work with many of our clients for an extended period and almost never less than six months. We would never want to be forced to abandon a client whilst supporting them. Secondly, we depend heavily on grant income which can be unpredictable both in amount and timing.

Although we do all we can to ensure a steady flow of grants and donations, this change in policy will help to reduced this risk. Six months' running costs currently equate to £8,761. The level of reserves at 31 December 2021 was £25,114 which exceeds this target.

The trustees have agreed that some of the additional reserves available will be used to fund a review of our IT systems and to replace outdated computer equipment. This will benefit the charity in the long term and prepare us for meeting an expected increase in demand. The trustees have designated £4,000 towards this project.

The Trustees' Report on pages 1-11 were approved by the Trustees on 23 April 2022 and were signed on their behalf by:

*Stephen Nation*

Stephen Nation  
Chair of Trustees

*Alison Green*

Alison Green  
Treasurer

# Financial statements

## CAMBRIDGE MONEY ADVICE CENTRE RECEIPTS AND PAYMENTS ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021		Total	2020
		Unrestricted funds	Restricted funds		Total
		£	£	£	£
<b>Receipts</b>					
Grants		5,000	9,679	<b>14,679</b>	8,983
Gifts from churches		3,806	-	<b>3,806</b>	2,305
Gifts from businesses		1,750	-	<b>1,750</b>	-
Gifts from individuals		2,585	-	<b>2,585</b>	2,557
Localgiving, Amazon Smile, easyfundraising & PayPal giving		2,712	-	<b>2,712</b>	4,316
Gift aid reclaimed		489	-	<b>489</b>	400
Interest		1	-	<b>1</b>	14
Other income		-	450	<b>450</b>	-
<b>Total receipts</b>		<b>16,343</b>	<b>10,129</b>	<b>26,472</b>	<b>18,575</b>
<b>Payments</b>					
Staff costs		4,080	7,473	<b>11,553</b>	10,983
Rent	2	62	125	<b>187</b>	1,000
Insurance		280	420	<b>700</b>	699
Subscriptions		978	107	<b>1,085</b>	960
Telephone & internet		276	388	<b>664</b>	777
Training		-	339	<b>339</b>	516
Office costs		-	148	<b>148</b>	68
Reference books		-	-	-	109
Bank charges		-	-	-	3
Insolvency Service costs		-	450	<b>450</b>	-
Cost of fundraising		96	-	<b>96</b>	96
Other costs		31	-	<b>31</b>	-
<b>Subtotal</b>		<b>5,803</b>	<b>9,450</b>	<b>15,253</b>	<b>15,211</b>
<b>Asset &amp; investment purchases</b>					
Office equipment		-	679	<b>679</b>	-
<b>Total Payments</b>		<b>5,803</b>	<b>10,129</b>	<b>15,932</b>	<b>15,211</b>
Net receipts / (payments)		10,540	-	<b>10,540</b>	3,364
Transfers between funds		-	-	-	-
Cash funds last year		14,574	-	<b>14,574</b>	11,210
<b>Cash funds this year end</b>	3	<b>25,114</b>	-	<b>25,114</b>	<b>14,574</b>

**CAMBRIDGE MONEY ADVICE CENTRE**  
**STATEMENT OF ASSETS AND LIABILITIES AT 31 DECEMBER**

	Notes	2021		2020
		Unrestricted funds	Restricted funds	Total
		£	£	£
<b>Cash funds</b>				
Current account		21,076	-	21,076
Savings account		4,038	-	4,038
		<u>25,114</u>	<u>-</u>	<u>25,114</u>
				<u>14,574</u>

**Assets retained for the charity's own use**

- 3 desktop computers
- 1 laptop computer
- 1 printer
- 3 filing cabinets
- Various items of office furniture
- Various small items of office electrical equipment

The estimated value of these assets at 31 December 2021 is £1,500.

The financial statements on pages 12 to 15 were approved by the Trustees on 23 April 2022 and signed on their behalf by:

*Stephen Nation*

*Alison Green*

**Stephen Nation**

**Alison Green**

**Chair**

**Treasurer**

## NOTES TO THE ACCOUNTS

### 1. ACCOUNTING POLICIES

#### **Basis of accounting**

The Trustees have taken advantage of section 133 of the Charities Act 2011 and have prepared the accounts on a receipts and payments basis.

#### **Taxation**

As a registered charity, the charity is generally exempt from income tax and capital gains tax but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

#### **Fund accounting**

Funds held by the charity are either:

##### *Unrestricted funds*

These are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

##### *Restricted funds*

These are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

##### *Designated funds*

These are funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.

### 2. RENT

During the year, the charity paid rent of £750 but received a rent refund of £563 relating to reduced occupancy in 2020 due to the Covid-19 pandemic. The effect of this was to decrease the total rent to £187.

### 3. RESERVES

The following movements on reserves took place during the year:

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfer to/from general fund £	Balance at 31 December 2021 £
<i>Restricted Funds</i>					
Computer equipment	-	679	(679)	-	-
Debt relief orders	-	450	(450)	-	-
Cambridge City Council	-	5,000	(5,000)	-	-
Cambridgeshire Community Foundation	-	4,000	(4,000)	-	-
<i>Total Restricted Funds</i>	-	10,129	(10,129)	-	-
<i>Designated Funds</i>					
IT consultancy & computer equipment	-	-	-	4,000	4,000
<i>Total Designated Funds</i>	-	-	-	4,000	4,000
<i>General Funds</i>					
General fund	14,574	16,343	(5,803)	(4,000)	21,114
<b>Total</b>	<b>14,574</b>	<b>26,472</b>	<b>(15,932)</b>	-	<b>25,114</b>

All restricted grants were spent in full by the end of December 2021.

As set out in the reserves policy, the target level of reserves is £8,761 representing six months' expected operating costs.

The trustees have agreed that some of the additional reserves available will be used to fund a review of our IT systems and to replace outdated computer equipment. This will benefit the charity in the long term and prepare us for meeting an expected increase in demand. The trustees have designated £4,000 towards this project.

*"When you get into financial trouble, your confidence goes as well and you get into a trap of not trying... if there are people to take that edge, then you're not getting these angry demanding letters. It gives you the peace of mind to do what you have to do. You guys do an important job."*

## **REPORT OF THE INDEPENDENT EXAMINER**

### **To the Trustees of Cambridge Money Advice Centre**

I report on the accounts of Cambridge Money Advice Centre (registered charity number 1107655) for the year ended 31<sup>st</sup> December 2021 and set out on pages 12 to 15 of the Annual Report.

### **Respective responsibilities of Trustees and Examiner**

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed. It is my responsibility

- to examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145 (5)(b) of the Charities Act), and
- to state whether particular matters have come to my attention.

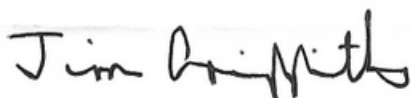
### **Basis of independent examiner's report**

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations, from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

### **Independent examiner's statement**

In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that, in any material respect, the requirements:
  - to keep accounting records in accordance with section 130 of the Charities Act; and
  - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



**Jim Griffiths**  
*1, Alfred Close*  
*Cambridge*  
*CB1 7BW*

**Date: 27<sup>th</sup> April 2022**