

Fair Money Advice

Financial Statements

for the year ended 31 March 2020

Charity Registration Number

1138351

Company Number

07205478



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Reference and administrative information Year ended 31 March 2020

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 Ms Jennifer Page (appointed 3 February 2020) Ms Shalini Rao (resigned 31 January 2020) Mr Erik Porter (Chair) Mr Faisel Rahman Ms Amanda Scott (appointed 3 February 2020) Ms Alexandra Stableforth (resigned 8 April 2019)
Secretary	Ms Muna Yassin
Senior Management Team	
Managing Director	Ms Muna Yassin
Services Manager	Ms Jahanara Khanom
Senior Adviser	Ms Shajida Ali
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 2020

The Board of Trustees presents its directors' report and audited financial statements for the year ended 31 March 2020.

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.

In previous years, Fair Money Advice's Financial Statements have made reference to being presented by the Management Committee of the Charity rather than the Board of Trustees. Following a review of the Charity's Memorandum of Association, the report included in the Financial Statements for the Financial Year Ending March 31, 2020 has been presented on behalf of the Board of Trustees and signed off by a representative of the Board of Trustees.

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 considers 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. To achieve these objectives, we used the following strategies:

Report of the Board of Trustees Year to 31 March 2020

The focus of our activities (continued)

- delivered quality assured specialist debt advice services to clients face to face, using other channels as appropriate;
- delivered impactful preventative services by embedding them in our advice service;
- identified and disseminated key financial messages and consumer campaigns;
- continued to work in partnership with key organisations and partners to effectively reach those most in need of our services; and
- expanded our advisory services to the London Borough of Lambeth

How our activities deliver public benefit

Fair Money Advice (FMA) clients continue to face persistent economic challenges that contribute to chronic financial difficulties and instability. A continued rise in living costs – particularly for those in the private rented sector – continues to be a significant burden for low-income households. Moreover, the continued uncertainty created around immigration rules and no access to public funds continues to exacerbate financial anxieties amongst the communities that FMA serves. As a result, FMA has seen a rise in clients facing income instability and uncertainty around their, and their families', immigration status. In addition, our 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 consumer debts for FMA clients; bucking a downward trend over the last two years which is a worrying trend for the year ahead.

Personal debt in the UK stood at £1.680 billion at the end of January 2020, up by £48.7 million from £1.631 billion in January 2019. This increase is mirrored amongst the clients FMA has helped during the year ended 31 March 2020 in which FMA helped 1,650 clients in managing their debt problems (2019 – 1,381) and handled over £6.9 million of debt on their behalf (2019 - £5.2 million), an increase of £1.7 million. This represents an average debt of £4,190 per client – a sizable increase of £845 per client from the average of £3,345 (2019). This increase reflects the uptick in FMA clients presenting with more consumer credit debt. It also reflects the changing nature of debt advice clients; this year FMA has seen an increase in clients who are younger that have insecure income and housing needs. We also continue to take referrals from partner agencies that don't have the in-house expertise to deal with a client group that is at the edge of destitution and food and fuel poverty, which is trapped in or feeling the consequences of using consumer credit to pay for essential bills and needs.

Demand for our services continues to outstrip the capacity we have and our debt advice services are 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.

Report of the Board of Trustees Year to 31 March 2020

How our activities deliver public benefit (continued)

We continue to work with partner organisations to ensure that clients out of FMA's scope are able to access services from other local agencies or self-help routes. To help clients reduce anxiety we provide immediate responses to all enquiries; with an initial telephone assessment to help reduce the disappointment of clients attending the office unnecessarily. This year we were able to conduct the majority of assessments by phone prior to clients attending a session.

FMA continues to deliver emergency face to face advice funded by the Money and Pensions Service as part of the Debt Free London programme; and we expanded services to Lambeth for the first time this year. FMA continues its partnership work with the Citizens Advice Bureau (CAB) and Age UK in Hackney and also entered into a new partnership with Shelter to provide advice sessions at its

London Hubs; and Peabody and Orbit Housing continue to be referral partners in Bexley to widen access to vulnerable residents to reach as many clients in its allocated boroughs under the contract. In addition, FMA has developed new partnerships in Lambeth with the Lambeth Portuguese Wellbeing Partnership and Stockwell Partnership

This year, FMA has continued to provide consultancy and subject matter expertise to the Fair Personal Loans team at Fair Finance. This is part of a JPMorgan Chase Foundation funded research and design project which explores the financial lives and motivations of low-income client groups.

Our main charitable activities are detailed below.

Counselling, advice and guidance services

FMA provides debt counselling services via face to face, telephone and web to residents of East and South East London. We continued to provide a 'drop-in' and outreach service for residents in Hackney, and Bexley, and this year, Lambeth - in our branches and outreach locations. Over 1550 clients used the service in the year and received help with budgeting, income maximisation and direct negotiation with their creditors. This service is funded by the Money and Pensions Service.

Our debt advice service funded by Hackney Council served 100 clients this year with a significant number of clients referred through our innovative partnership with the Council Tax team. Clients were referred to FMA where officers identified clients facing wider financial distress. FMA also received referrals from other Hackney funded voluntary agencies as part of a seamless 'one service' partnership.

Our focus this year has been to widen and embed our services to residents of Lambeth. We began advice delivery in the Fair Finance Brixton branch and at partner outreach locations.

Report of the Board of Trustees Year to 31 March 2020

How our activities deliver public benefit (continued)

We also developed referral agreements with Age UK Lambeth, The Grantham GP surgery and Springfield Medical Centre.

Another key focus for this year was to establish impactful partnerships with organisations that provide specialist support which FMA clients need swift access to when their circumstances require it. Housing support, in particular, is a service that FMA clients often find difficult to access and we are pleased to have agreed a new partnership with Shelter Housing. FMA provided advice sessions at Shelter's Hackney Hub and plans to expand services to other Hub locations in the next year. As part of this arrangement FMA clients have access to fast-tracked referrals for specialist housing advice and legal support.

Educational and capability services

Due to the increased debt needs of clients accessing FMA services, FMA pivoted the bulk of its education and capability services to embed them within the advice process.

Many FMA clients haven't had the bandwidth to engage with stand-alone education services and FMA has responded by provided bite-sized education and capability services using a 'skill pill' method. Advisers identify what knowledge gaps the client may have, and then provide guides and information as a client moves through the advice journey – ensuring any crisis needs have been met and supporting clients along the journey to increase their literacy based on their own circumstances.

Going forward, FMA will explore how to expand and scale this 'bite-size' capability service, as clients are increasingly time-poor and unable to attend 3 hour sessions. We've also found that linking the education to where clients are in their debt journey is more impactful with a deeper level of understanding displayed by clients assisted. This approach is also less resource intensive for FMA and can provide a cost-effective way to deliver educational services at scale. FMA will explore digital tools that will enable FMA to deliver education and capability services that are relevant to their client needs in bite-size ways.

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 provides FMA with £10,000 of pro-bono communications and PR support. FMA will be working with Teamspirit over the next year to amplify the work FMA does, and increase FMA's visibility with clients, stakeholders and the wider public. A key aim of this work is to also change the narrative around debt and start to remove stigma by encouraging people to talk about their experiences.

Finally, in line with one of its strategic objectives, FMA has increased its campaign and policy activities through its involvement with the London Child Poverty Alliance (LCPA). This year we have worked jointly on campaigns to increase the incomes of low-income families, introduce and expand free childcare places for under 2's and campaigned to reform Universal Credit sanctions and their use.

Report of the Board of Trustees Year to 31 March 2020

Financial review

FMA reported a surplus of £20k for the year ended 31 March 2020 (2019: surplus of £20k) and the Charity ended the year with unrestricted funds of £155k (2019: £135k). 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 £309k (2019: £267k) and included funding from Money and Pensions Service (previously Money Advice Service): £248k; Hackney Council: £29k; Generation Foundation: £28k; and JPMorgan Chase Foundation: £4k.

Resources expended

The Charity's total expenditure increased by 17% to £289k (2019: £247k) in line with the increased level of revenue and charitable activity in relation to the organisation's main contract, Money and Pensions Service.

Investment policy

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

Financial risk

Around 80% of funding came from a single funder in the year ended 31 March 2020 (2019: 70%). This funder has confirmed the renewal of this income for 12 months giving good sighting of income. However, total loss or significant reduction of such funding is the biggest threat to FMA. The Charity is working 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. In the year, the Board of Trustees revised its Reserves policy to reflect its belief that it is appropriate for the Charity to hold reserves of between three and six months of forecast expenditure. Previously the policy had been to hold least six months of expected expenditure. The policy was updated to reflect the more stable income stream related to continuation of its existing contract with the main funder, with an option for an additional one year roll over, and to acknowledge that reserves are better managed within a range rather than as an absolute level. The Board of Trustees will 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 2020 were £155k (2019: £135k). This represented almost six months of forecast expenditure. The Board of Trustees is satisfied that the reserves held are sufficient and appropriate.

Report of the Board of Trustees Year to 31 March 2020

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 five 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 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 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.

Report of the Board of Trustees Year to 31 March 2020

Responsibilities of the Board of Trustees (continued)

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 Coronavirus pandemic has resulted in a high level of uncertainty and volatility in the global economy. This has resulted in a sharp contraction in the UK economy, creating economic vulnerability for many companies, organisations and individuals in the UK. The sudden impact upon the UK economy including redundancies, furlough schemes and a reduction in zero-hours contract work has created an urgent increase in the demand for FMA's services and expertise.

The Board of Trustees have considered 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 is stable with 80% of current funding coming from the government funding from the Money and Pensions Service. 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 M&PS that FMA is in a stable position and can be considered a going concern.

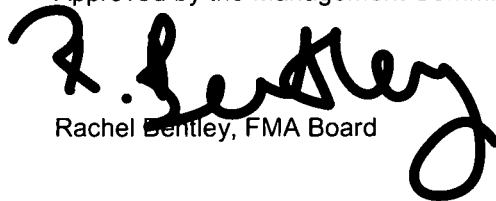
The Charity has adapted well, successfully employing contingency plans, and we consider that the Charity has sufficient cash resources to continue for the foreseeable future, despite the current crisis. In particular, the employees have adapted rapidly to providing services to clients remotely in order to protect their health.

FMA is dependent on EEFF for most of its operational functions including finance, HR and IT. The directors of EEFF believe the entity is in a good position to continue to serve its customers through the current economic crisis and continue to have a reasonable expectation that the entity has adequate resources to continue in operation for the next twelve months and that the going concern basis of accounting remains appropriate. However, the directors believe that the material uncertainty around COVID-19 and its impact represents a material uncertainty regarding EEFF's ability to continue as a going concern. The trustees of FMA believe that losing the provision of operational functions would be manageable in the short term and therefore EEFF's going concern assessment does not materially affect the going concern assessment of FMA. The dependency on another company to provide operational functions is however a risk that the trustees of FMA need to manage on an ongoing basis.

Report of the Board of Trustees Year to 31 March 2020

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 30 June 2020 and signed on its behalf by:



Rachel Bentley, FMA Board

Independent auditor's report Year to 31 March 2020

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 2020 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the notes to the financial statements. 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 2020 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report Year to 31 March 2020

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the 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 trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires 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 trustees' report and from the requirement to prepare a strategic report.

Independent auditor's report Year to 31 March 2020

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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the 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.

A further description of our responsibilities for the audit of the financial statements is located 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 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.



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

Date: 30 June 2020

Statement of financial activities Year to 31 March 2020

	Notes	Total funds 2020 £	Total funds 2019 £
Income from:	1		
Donations and legacies		28,100	29,250
Charitable activities			
. Grants		280,824	237,867
Total income		308,924	267,117
Expenditure on:			
Charitable activities	2	289,219	247,514
Total expenditure		289,219	247,514
Net income (expenditure) and net movement in funds		19,704	19,603
Total funds at 1 April 2019		135,310	115,707
Total funds at 31 March 2020	9	155,014	135,310

The notes on pages 13 to 19 form part of these accounts.

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

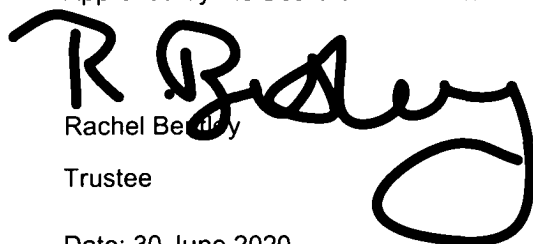
The Charity has no recognised gains and losses other than those shown above.

Balance sheet at 31 March 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Current assets					
Debtors	6	15,620		124,876	
Cash at bank and in hand	8	139,394		38,501	
		<u>155,014</u>		<u>163,377</u>	
Creditors					
Amounts falling due within one year	7	-		(28,067)	
Total net assets			<u>155,014</u>		<u>135,310</u>
The funds of the charity:					
Unrestricted funds					
. General funds	9		<u>155,014</u>		<u>135,310</u>
			<u>155,014</u>		<u>135,310</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:


Rachel Bentley
Trustee

Date: 30 June 2020

Company No. 07205478

The notes on pages 13 to 19 form part of these accounts.

Notes to the accounts Year to 31 March 2020

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 2020.

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 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

2.2 Assessment of going concern

The trustees have considered the impact of the current COVID-19 pandemic on the Charity's operations, with a particular focus on its effect on its customers, suppliers, funders and employees.

The trustees do not consider this to be cause for material uncertainty in respect of the Charity's ability to continue as a going concern. The Charity has adapted well, successfully employing contingency plans, and we consider that the Charity has sufficient cash resources to continue for the foreseeable future, despite the current crisis.

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 2020

3 Income

	Total 2020 £	Total 2019 £
Donations and legacies		
General donations	28,100	29,250
Charitable activities		
Grants receivable		
· Money and Pensions Service (Toynbee Hall)	248,306	186,722
· JPMorgan Chase Foundation	3,918	7,320
· East End Community Foundation	-	6,000
· Peabody Community Foundation	-	21,625
· Orbit	-	15,350
· Hackney Council	28,600	850
Total income	308,924	267,117

4 Expenditure

	Programme delivery costs £	Support costs		Total 2020 £	Total 2019 £
		Other support costs £	Governance costs £		
Staff costs	174,302	454		174,756	154,744
Subcontractors	-			-	3,982
Rent, rates, maintenance and other property costs		20,108		20,108	22,020
General office expenses		86,567		86,567	57,685
Website and marketing		1,646		1,646	3,000
Legal and professional		1,042		1,042	674
Audit fees			5,100	5,100	5,100
2019 Total funds	175,948	108,171	5,100	289,219	247,514

Notes to the accounts Year to 31 March 2020

5 Staff costs

	2020 £	2019 £
Gross wages	156,658	137,834
Employers NI (Social Security)	15,850	14,149
Employer's pension	1,893	2,761
	174,302	154,744

b) There were no employees during the current year whose emoluments amounted to over £60,000 (2019: none).

c) No emoluments or expenses were paid to the trustee directors during the year (2019: £nil).

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

	2020 No.	2019 No.
Service delivery	5	4

6 Governance costs

	2020 £	2019 £
Audit and accountancy fees	5,100	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 2020

8 Debtors

	2020 £	2019 £
Trade debtors	14,480	98,776
Accrued income	-	21,850
Rent deposit	-	4,250
Loan with East End Fair Finance Limited	1,140	-
	15,620	124,876

9 Creditors

	2020 £	2019 £
Loan with East End Fair Finance Limited	-	28,067

10 Bank

	2020 £	2019 £
Cash at bank	139,394	38,501

11 Reserves

	At 1 April 2019 £	Income £	Expenditure £	At 31 March 2020 £
Unrestricted funds				
General reserve	135,310	308,924	(289,219)	155,014