



Cambridge Money Advice Centre

Breaking the hold of debt

Annual Report and Financial Statements 2022



Cambridge Money Advice Centre General Information 2022

Trustees

Stephen Nation (Chair)

Alison Green (Treasurer)

Roy Bradfield (Treasurer, until January 2022)

Shevanti Roser

Adeline-Fleur Fleming

Amelia Papworth (Fundraising, until July 2022)

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

Once again, it's a privilege to be presenting a positive Annual Report and Financial Statements for the year ended 31 December 2022.

During 2022 we aimed to get back to the "normal" practice of meeting face-to-face with our clients. We are now able to offer clients a choice of either face-to-face or online meetings.

Our funding position vastly improved in 2022 due to the amazing work by our wonderful trustee, Millie, who sadly has moved on to the "other" place and our Centre Manager (Fiona). We are in a strong position of being fully funded for 2023. Through this positive funding position we were able to allocate funds to upgrade our IT system. This included hardware and software upgrades in as much that not only are we fully GDPR compliant but have the flexibility to work with clients in a number of ways, face-to-face, video conferencing and phone conferencing. The IT system also improves the efficiency of the advisers, who can access the system remotely sharing some of the administration workload with our Centre Manager, Fiona. We also took the opportunity to assess the office space and make it as Covid compliant as we could. The office set-up and the IT system are great improvements and with the co-operation of our clients (those who can use the technology and are comfortable with this approach), we truly can go paperless!

The numbers are steady but we anticipate an increase due to the economic circumstances we are in. With the present economic crisis, rising energy costs, increasing cost of living, many people are being pushed further into financial hardship and the effects of the crisis are beginning to surface. 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.

I am pleased to say that we have recruited four, excellent volunteer advisers who are wonderful additions to the existing, experienced advisers on the team. We are bracing ourselves for the potential tsunami of enquiries from people experiencing financial problems and I feel that we are in a good position to be able to support them. In 2022 our volunteer advisers worked tirelessly with their clients to understand the clients' situation and come up with the best financial solutions. We are truly grateful to them for their time, expertise and dedication in helping those who are in need of debt advice.

Our new board members, Alison and Adeline, who both joined at the end of 2021, have settled in well and their experience and contributions are invaluable. As previously mentioned, we have lost a trustee, Millie, who was our fundraising trustee, and we are now looking for a replacement. The board is made up of an enthusiastic and experienced team, but we still need trustees and are presently advertising.

I am grateful to our team of, centre manager, volunteer advisers and trustees who have worked tirelessly and graciously under difficult circumstances. Thank you!

A big thank you goes to our regular supporters and funders in recognising the work we do, without you we would struggle to offer this FREE service to those in need.

Thank you!

Stephen Nation, Chair of Trustees

January 2023



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.

"My advisers were patient and understanding without being patronising or judgemental. They quickly put me at ease and untangled my financial mess. I'm still using the service as things change and nothing is ever too much bother they ALWAYS do everything they can to support and advise the best they can.

I have gone from locking myself away with anxiety and depression to managing my debts and with additional help I've been supported in returning to work it's still a work in progress but it's all positive with just a few hiccups now and then.

THANK YOU SO VERY MUCH."

Our activities and achievements in 2022

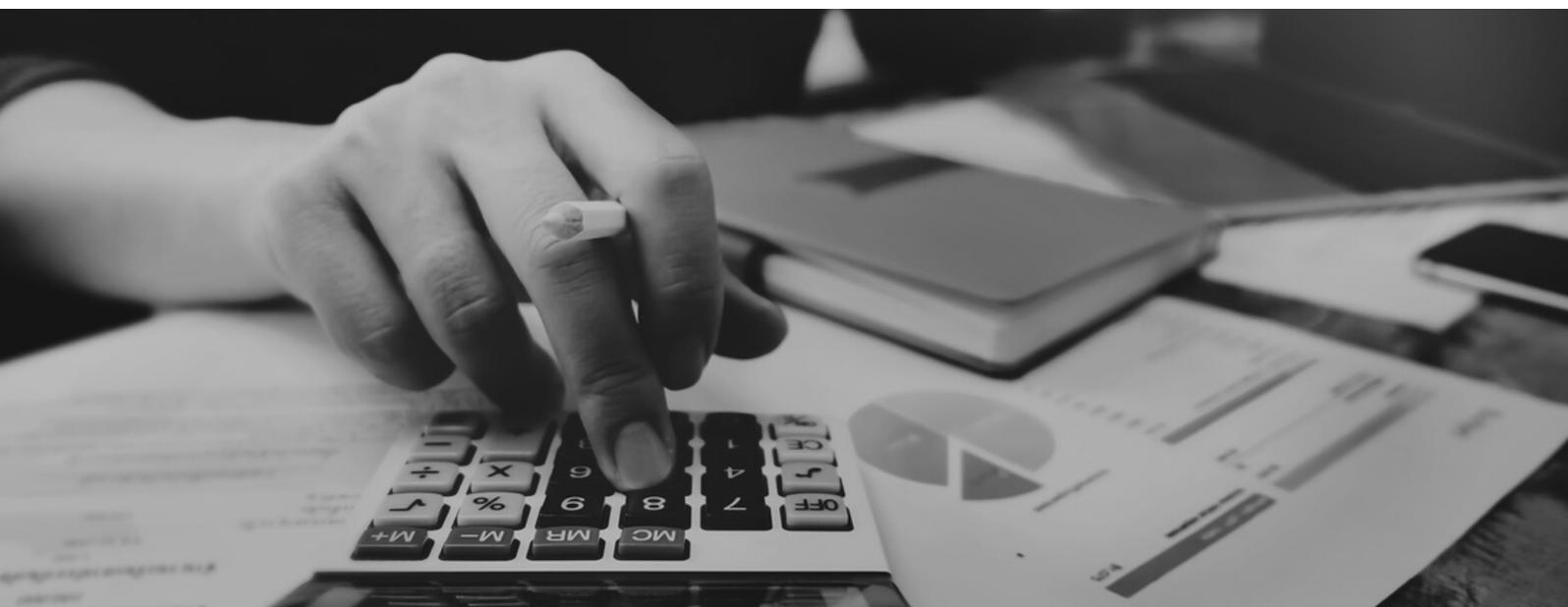
We began 2022 with 38 clients. We took on a further 15 clients during the year so helped 53 people struggling with problem debt in total. We had a number of success stories this year especially with long term clients so our active list in December 2022 is only 32 people. At the start of the year, our 38 clients had a total of £538k of active debts; at the end of 2022 our active clients had a total of £401k of debt, this means the average amount of debt is slightly less this year. At around £12,500 this is still more than 3 times the national average for unsecured debts reported by the Money Charity this year.

We were also contacted by 49 people via phone or email to make inquiries about their situation. Of these, around a third were outside of our scope and a further third went on to be clients. Often a few words of encouragement enable someone to take control of their situation so we consider this a valuable addition to our offering.

Our clients come from a variety of backgrounds, some referred from another agency, such as the P3 charity, Jimmy's homeless charity, Hope into Action or Mental Health support teams. We are also working more closely with the council teams this year.

Debt can be a particularly pernicious problem as it affects not just the individual in debt, but their family members and dependents and sometimes parents. 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. 20 of our clients (38%) had child dependents in 2022, a total of 36 children, while 7 of our clients had a partner living with them.

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

Of the clients seen in 2022:

- 10 completed their DRO moratorium year, wiping an astounding £159,705 of debt which they could not have paid in any other way*
- 3 entered a DRO, so £73,631 will be written off next year*
- 19 are in a payment plan with their creditors with our continuing support, giving our clients stability and reducing stress
- 2 clients were able to pay off their debts in full with our support
- 4 clients received either budgeting or advice and guidance about a specific issue
- 2 clients have had their debts placed on hold long term whilst issues are resolved
- 9 clients are still in the early stages of advice and decision making for the best solution

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 develop financial stability. Other clients will work with us for six months to a year.

Generally we close our clients once their situation is stable and they are able to manage for themselves. Sadly occasionally we recognise that a client is not able to fully engage with our process for many reasons. In these cases we do all we can and give as much support and direction as possible before we need to move on. We signpost them to other agencies and leave the door open for their return.

* 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.

Funding

We are extremely grateful to the foundations, companies, individuals and churches who have supported CMAC financially in 2022. We would like to record particular thanks to Cambridge City Council and Cambridgeshire Community Foundation and Arm Cambridge Community Fund who have again provided funding. We are also extremely pleased to have received grant funding over the next three years from the Frank Jackson Foundation which helps to provide some financial stability for the coming years. 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 eleven volunteer advisers, four of whom are completing training, and two of whom are also trustees. 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.

The volunteer who kindly gave their time to oversee CMAC's social media has sadly stepped down during the year so we are looking for a new volunteer to take over this work.

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 six trustees at the end of 2022. We were sad that Roy Bradfield stepped down in January 2022 and Millie Papworth, our fundraising trustee, left the team in July 2022. We thank them both for their service.

As mentioned in the Chair's report, we are looking to recruit up to two further trustees to strengthen our team.

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 partnerships

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

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.

Keeping everyone safe

The pandemic has made us all more cautious so here at CMAC we asked both our clients and team what works best for them and to talk about their concerns.

For those who wish to meet in person we request that they do not attend if they might be infectious, instead we will re-book. We continue to keep our distance, sanitize our hands and minimize our contact. 8 of our clients are now benefiting from being able to meet us face to face.

We have replaced our furniture to make it easier to clean and have screens and face coverings available if requested. As a small team we realised that if we can reduce infection we will be able to deliver our service effectively. If the last few years have taught us anything it is to be adaptable and flexible in the ways we work and we will continue to monitor the situation.

We continue to use Zoom for those clients who prefer it. It can be very helpful for those who find it difficult to attend the office or who are still cautious about being with other people. Our team trustee and adviser team meetings have continued to be via Zoom.





Mike's* story

Mike was referred to us in February 2022. His long term marriage had just unexpectedly ended and he had moved out leaving behind his precious children. Utterly broken by this he also had run up significant debts during the marriage to support his family which he could no longer manage. Mike had been doing excessive overtime to make ends meet and was spent. We could not mend the broken heart but we were able to stand with him and help him find some order in the chaos. Our two advisers met Mike via Zoom and began to gather information, he was clearly struggling and frequently broke down as he talked about all that was lost. The advisers gathered information about the debts and wrote to the creditors explaining Mike needed time to resolve them and asking that they stop contacting him directly but speak to us. Companies need to speak with people who are not meeting their payments but when someone is struggling the contact begins to feel like harassment as letters emails and phone calls start to become a daily occurrence.

Over a series of meetings our trained advisers carefully went through Mike's income and expenditure, checking he was able to meet his present needs and working out what money might be available to deal with the debts. A calculation based on available income was made and it would have taken Mike around 40 years to pay off the debt, so the advisers suggested a Debt Relief Order (DRO) which would wipe the slate clean for him within a year. CMAC spent time making sure Mike understood all the implications and then entered him into the DRO. It was possible to see the relief on his face. We remain in touch and have been encouraged to hear what a difference we have made to him.

This is what Mike wrote in our annual survey "The team have helped me survive a terrible period in my life, without their support I would not have been able to go on. Thanks with all my heart."



Our future plans

Looking at 2023 we are anticipating that requests for help will increase. The news is full of the cost of living crisis but we have found in the past that people tend to take over a year to come to us for help after a problem arises so the increase in need this year can only be expected to continue to grow.

We will be working hard with our four new advisers to grow their confidence and knowledge as they work with our more experienced advisers. As with any subject practical experience is the best way to embed the knowledge from training. Our model of two advisers working with each client is really beneficial in this training. We recognise the value of continuous training opportunities for all of our team. Our Centre Manager will be attending additional training in Debt Advice this year.

We will be continuing to review the ways in which we work to see if there are more effective ways to help our clients and provide more support if possible. Our clients are often living in very complex situations so our flexibility is key to their support but can also mean we are not able to utilise our volunteer time fully.

We will continue to make good use of Zoom both for our clients and ourselves. Our Centre Manager anticipates continuing to work from home for a portion of each week which has reduced the need for travel and thus also her environmental impact.

This year we will be looking to strengthen our trustee board. We need to recruit another trustee with skills in fundraising who can continue and build on the strong foundation which has been laid over the last few years. This person would be working on the creation of fundraising requests and the reporting at the end of a funding cycle. We are fortunate to receive funding from churches and individuals and we would like to be able to both encourage and grow this area too. We are also hoping to find a further trustee with a passion for helping people in debt. It would also be great to find someone who has the skills and interest in social media and website either as an additional volunteer or within the trustee team.

Financial review

Total income for the year amounted to £23,030 (2021: £26,472) and total charitable expenditure was £22,120 (2021: £15,932). Our surplus for the year was £910 (2021: £10,540). Total funds at 31 December 2022 were £26,024 (2021: £25,114).

Risk management and reserves policy

We aim to hold sufficient reserves to cover six months' expected operating costs. We believe this is necessary 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 policy helps to reduce this risk. Six months' running costs currently equate to £9,682. The level of unrestricted reserves at 31 December 2022 was £22,024 which exceeds this target.

The Trustees' Report on pages 1-11 was approved by the Trustees on 28 January 2023 and signed on their behalf by:

Stephen Nation

Stephen Nation

Chair of Trustees

AE Green

Alison Green

Treasurer

"I honestly don't believe the help I have received from Cambridge Money Advice Centre could have been bettered. Through some very dark days, its staff and volunteers have consistently provided me with excellent guidance, always delivered with kindness, good humour and humanity."

Cambridge Money Advice Centre

Receipts and payments accounts for the year ended 31 December 2022

	Notes	2022	2021	
	Unrestricted Funds	Restricted Funds	Total	
	£	£	£	
Receipts				
Grants	7,000	9,000	16,000	14,679
Gifts from churches	3,421	-	3,421	3,806
Gifts from businesses	385	-	385	1,750
Gifts from individuals	2,145	-	2,145	2,585
Localgiving, Amazon Smile, Easyfundraising & Paypal giving	708	-	708	2,712
Gift aid reclaimed	270	-	270	489
Interest	11	-	11	1
Other income	-	90	90	450
Total Receipts	13,940	9,090	23,030	26,472
Payments				
Staff costs	8,912	3,163	12,075	11,553
Rent	625	375	1,000	187
Insurance	303	463	766	700
Subscriptions	1,185	30	1,215	1,085
Telephone & internet	415	250	665	664
Software licences	152	72	224	-
Training	-	580	580	339
Travel	59	-	59	-
Publicity	89	27	116	-
Office costs	41	40	81	148
Insolvency Service costs	3	90	93	450
Cost of fundraising	96	-	96	96
Other costs	103	-	103	31
Subtotal	11,983	5,090	17,073	15,253
Asset & investment purchases				
Computer equipment	4,242	-	4,242	-
Office equipment	805	-	805	679
Total payments	17,030	5,090	22,120	15,932
Net receipts / (payments)	(3,090)	4,000	910	10,540
Transfers between funds	-	-	-	-
Cash funds last year	25,114	-	25,114	14,574
Cash funds this year end	22,024	4,000	26,024	25,114

Cambridge Money Advice Centre

Statement of assets and liabilities at 31 December 2022

	Notes	Unrestricted Funds	2022 Restricted Funds	Total	2021 Total
		£	£	£	£
Cash funds					
Current account		13,252	4,000	17,252	21,076
Savings account		8,772	-	8,772	4,038
Total		<u>22,024</u>	<u>4,000</u>	<u>26,024</u>	<u>25,114</u>

Assets retained for the charity's own use

3 laptop computers
1 printer & copier
3 filing cabinets
5 chairs & 1 large table
Desks
Protective perspex screens
Various items of small office electrical equipment

The estimated value of these assets at 31 December 2022 is £4,250.

The financial statements on pages 12 to 15 were approved by the Trustees on 28 January 2023 and signed on their behalf by:

Stephen Nation

Stephen Nation

Chair of Trustees

AE Green

Alison Green

Treasurer

Cambridge Money Advice Centre

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, Cambridge Money Advice Centre 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 are either:

Unrestricted funds

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

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.

Cambridge Money Advice Centre

Notes to the accounts

2. Reserves

The following movements on reserves took place during the year:

	Balance at 1 January 2022	Income	Expenditure	Transfer to/from general fund	Balance at 31 December 2022
	£	£	£	£	£
<i>Restricted Funds</i>					
Cambridge City Council	-	5,000	(5,000)	-	-
Cambridgeshire Community Foundation	-	4,000	-	-	4,000
Debt relief orders	-	90	(90)	-	-
Total Restricted Funds	-	9,090	(5,090)	-	4,000
<i>Designated Funds</i>					
IT consultancy & computer equipment	4,000	-	(4,242)	242	-
Total Designated Funds	4,000	-	(4,242)	242	-
<i>General Funds</i>					
General fund	21,114	13,940	(12,788)	(242)	22,024
Total	25,114	23,030	(22,120)	-	26,024

As set out in the reserves policy, the target level of reserves is £9,682 representing six months' expected operating costs.

The charity received a grant of £4,000 from Cambridgeshire Community Foundation to support the project from 1 January 2023 - 30 June 2023 which was received before the end of the year and therefore remains in restricted funds at 31 December 2022. All other restricted grants received were fully spent by 31 December 2022.

"I am severely affected by chronic illness and would like it noted that adaptations were offered that allowed me to take part in the process. This was greatly appreciated as I am very isolated from most types of support. The patience, understanding and kindness when I have failed has been invaluable. Thank you."

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 31st December 2022 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
CBI 7BW

Date: 13th April 2023