

Company registration number: 02457362

Charity registration number: 900311

talking money

advice, support & information

(A company limited by guarantee)

Annual Report and Financial Statements

For the Year Ended 31 March 2020

Contents

Reference and Administrative Details	2
Trustees' Report (including Directors' Report and Strategic Report)	3
Statement of Trustees' Responsibilities	10
Independent Auditors' Report to the Members of Talking Money	11
Statement of Financial Activities for the Year Ended 31 March 2020	14
Balance Sheet as at 31 March 2020	15
Statement of Cash Flows for the Year Ended 31 March 2020.....	16
Notes to the Financial Statements for the Year Ended 31 March 2020.....	17

Reference and Administrative Details

Trustees	Mr N Holliday – (Chair of Trustees) Mr R Ascroft Mr R Hicken Mr D Seabright (Resigned 25 February 2020) Mrs D Sturge Mr C Salandy Ms S Tranter (Appointed 20 May 2020) Mrs S Bowman (Appointed 15 July 2020, resigned 6 January 2021)
Chief Executive	Miss A Brown (on maternity leave)
Interim Chief Executive	Ms Kerry Bell
Partnerships Manager	Mrs Tamra Mannin
Principal Office / Registered Office	1 Hide Market West Street St Philips Bristol BS2 0BH website: www.talkingmoney.org.uk
Company Registration Number	02457362
Charity Registration Number	900311
Bankers	Royal Bank of Scotland 36 St Andrew Square Edinburgh EH2 2YB Charities Aid Foundation 25 Kings Hill Avenue Kings Hill, West Malling ME19 4JQ
Auditor	Milsted Langdon LLP Chartered Accountants and Statutory Auditors Freshford House, Redcliffe Way Bristol BS1 6NL

Trustees' Report (including Directors' Report and Strategic Report)

The Board of Trustees (who are also directors for the purpose of company law) are pleased to present their annual report and the audited financial statements of the charity for the year ended 31 March 2020.

The reference and administrative information set out on pages 2 forms part of this report.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards 102.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Talking Money is a charitable company limited by guarantee. It was called Bristol Debt Advice Centre until 1st March 2014 when the name was changed to Talking Money. The company was incorporated on 8 January 1990 (number 02457362) and registered as a charity in February 1990 (number 900311). The charitable company was established under a Memorandum of Association which established its objects and powers and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

The geographical area covered by the charity is England, although in practice most of the face-to-face work is delivered in Bristol and surrounding areas.

Trustees

The Trustees are responsible for strategy, policy and financial oversight of the company. Implementation of this is delegated to the Chief Executive. The Trustees consider themselves and members of the Leadership Team as the key management personnel of the charity, in charge of directing and controlling the charity. The running and operating of the charity on a day to day basis is delegated to the Chief Executive, who is supported by a Leadership Team.

All Trustees give up their time freely. Details of Trustees' expenses are disclosed in note 10 to the accounts.

Recruitment and Appointment of new Trustees

When considering the need for new Trustees, the existing Trustees take into account the numbers, skills and diversity of existing Trustees and they aim to fill existing gaps in the Board. New Trustees are sought in various ways: by advertising on appropriate websites, including the Talking Money website, or through contacts made while promoting the charity's services.

The aims, objectives and core values of Talking Money are explained to potential new Trustees by the Chair of Trustees and the Chief Executive, to ensure that individuals are aware of the responsibility their role will entail. The CV of a potential Trustee is circulated to current Board Members and, if approved in principle, the person is subsequently invited to attend a Board meeting as an observer. If he or she then wishes to proceed with their application, the existing Trustees consider this and approve by a Board resolution (or reject the application). A Trustee appointed by a resolution of the Trustees must retire at the next Annual General Meeting and is then eligible for re-appointment at the AGM if he or she is willing to continue to act as a Trustee.

Induction and training of new Trustees

On appointment, Trustees are invited to spend time at Talking Money, undertaking a tour of the office, meeting staff and volunteers, seeing current operational procedures in practice and having a chance to observe an advice session (with the client's permission). These activities provide new Trustees with a greater understanding of the charity's practical work.

In addition, new Trustees are fully briefed by the Chair of Trustees and Chief Executive with regards to:

- Their obligations as members of the Board of Trustees, including relevant publications from the Charity Commission;
- Relevant documentation regarding the legal framework of the charity, e.g. Articles of Association;
- Relevant financial information as set out in the most recent published annual accounts and the quarterly management accounts; and
- Strategic plans and objectives.

Related parties

None of the Trustees receive remuneration or other benefit from their work with the charity. In the current year other than reimbursed expenses disclosed in note 10 no other related party transactions took place with the Trustees.

Members of the Leadership Team are also related parties. Other than remuneration, no material transactions took place with the members of Leadership Team.

Details of sub-regional partnership arrangements are provided on page 5 of this report.

Pay Policy for senior staff

The pay of senior staff is reviewed annually by the Trustees. The review takes into account the appropriate position for the role on our pay scale (which is kept, where possible, in line with the National Joint Council for Local Government Services pay agreement), performance in the role and affordability (ie the financial position of the charity).

Investment Policy

The charity holds cash reserves in the short-term market rather than a longer-term strategy to meet any needs as they occur. Over the past year the charity has continued to take a prudent view in terms of the security of the charity's reserves rather than pursuing the highest return. The investment policy is being kept under review to take account of investment opportunities whilst still maintaining a low-risk strategy.

Risk Management

A detailed risk management strategy is in place which identifies all foreseeable risks, particularly the following major risks:

- Loss of income as a result of external factors, necessitating the closure of the charity. The strategy to mitigate this risk is to continually monitor the external funding environment, build partnerships, keep abreast of new funding opportunities and be able to respond quickly and proactively; and
- sudden loss of the property used by the company, e.g. through fire or flood. The strategy to mitigate

this risk is to have appropriate insurance in place, and to use secure web-based systems that can be accessed from alternative venues. A disaster recovery plan also forms part of the company's Risk Management Strategy.

The Trustees confirm that the major risks, to which the charity is exposed, as identified by them, have been reviewed in the period and systems have been established and maintained to manage those risks.

OBJECTIVES AND ACTIVITIES

Objectives and Activities

The Trustees confirm that they have complied with their duty under the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit when planning and reviewing the aims, objectives and activities of Talking Money. Talking Money is committed to enabling as many people as possible to access money advice and financial education.

The organisation's objectives and principal activities are:

- The relief of poverty and promotion of free advice and other services to persons who are in a condition of need, hardship or distress by reason of their social or economic circumstances;
- The advancement of education of the public in matters relating to:
 - Financial literacy
 - Debt awareness and prevention
 - Social welfare and advocacy

The external environment continues to have a very significant impact on the work of the company. With austerity continuing to affect our communities and networks, there was less money available from local authorities. We have had to compete even harder for funding whilst our client numbers continue to rise, a trend largely driven by the complexities of welfare reform, the prevalence of crippling zero-hour contracts, and the existence of an inadequate minimum wage.

The main objectives and activities for the year continued to focus on the provision of high-quality money advice services for the public benefit and, through this, to raise public awareness about debt and debt prevention.

Talking Money continued to act as the lead agency for Money Advice West, a sub-regional partnership of seven agencies funded exclusively by the national Money and Pensions Service (previously known as the Money Advice Service or 'MAS'). As part of the arrangements in place for the provision of this service, the trustees have taken due consideration of the charity's governing document and consider that acting as a project lead falls within this remit.

In addition to Talking Money, this partnership included the following agencies: Bristol Citizens Advice, GL Communities, North Bristol Advice Centre, North Somerset Citizens Advice, South Bristol Advice Service and St Pauls Advice Centre. We receive cash in bank remittance for this project into a separate bank account and distribute it to the other project partners.

The company also continued with effective delivery of a contract with South Gloucestershire Council through the South Glos Consortium, another partnership forum involving five local advice agencies and led by Citizens Advice South Gloucestershire.

Volunteers

The company has continued to benefit from the services of volunteers and at the end of 2019-20 there were six active volunteers supporting all teams on a regular basis, as well as the five Trustees, all of whom are volunteers. Two new Trustees have been appointed since 31 March 2020.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The main area of charitable work continued to be the provision of free and independent, high quality money advice services. The company provides face-to-face money advice by appointment and drop-in sessions at its offices and at outreach venues in Bristol, South Gloucestershire and the surrounding areas and it also offers advice by telephone and email. It also helps clients to apply for financial assistance from a range of charitable organisations and provides training and education services.

The company continued to deliver a range of money advice related awareness training and specialist supervision to other organisations' frontline staff (such as housing officers).

Our key objectives are supported through expenditure in delivering money advice, benefits advice, financial inclusion and education services. The company continues to meet its core objectives in these respects and this year provided advice, information and support to a number of people experiencing financial difficulties. With the effects of austerity and welfare reforms continuing to impact on households, during the year Talking Money received and responded to 2,883 (2019: 3,824) enquiries from members of the public, of which 1,344 (2019: 1,745) resulted in comprehensive advice and/or casework through our extended range of services. Other enquirers were given information and/or directed elsewhere to get advice and support.

Financial gains of £1,049,439 (2019: £1,352,224) were achieved for service users in the year from charitable grants, switching exercises, and increased take up of benefit entitlements. £782,752 (2019: £923,845) of reduced liabilities were also achieved for service users through reducing debt, debt written off and future liabilities reduced (recorded on cases closed during the period). The total amount of debt managed for service users in the year was £8,326,397 (2019: £8,348,454).

In early 19/20, we began to explore a systems thinking approach to running people-centred services. In September, we enlisted the help of a change coach/consultant Jen Parkin from Hidden Routes, who supported us to complete an in-depth analysis of client demand and of our effectiveness to meet it. We went on to begin experimental work driven by a non-traditional approach to advice giving.

Gifts in kind

For the year estimated gifts in kind of £6,000 were received by the organisation which consisted of marketing support, and 30th birthday celebration reception. These are reflected in the accounts.

FINANCIAL REVIEW

The Trustees report a deficit for the financial year of £103,950 (2019 – surplus £63,130). However, the Financial Reporting Standards for charities decrees that income from grants without specific performance requirements are treated as income when they are received and may appear in one year but the related expenditure in the next year, or the following several years. Without this adjustment, for 2019-20 the adjustment to funds would have solely been to recognise an unrestricted deficit of £65,434.

This financial result was achieved through:

- The generosity of new support such as that from the John James Trust (£23,000), Nisbet Trust (£15,000), Medlock Charitable Trust (£10,000), Van Neste (£10,000) and other organisations listed in Note 20. We are thankful for both new and continued support. New grants totalling £106,762 were achieved and recognised during the year, which is some achievement against the £120,000 fundraising target that was set for the year, in a competitive environment to obtain funding.
- Employing a fundraising manager with the objective of seeking new and broader funding sources to mitigate the risk of reliance on pre-existing core income streams.
- Strong financial management and control by the Chief Executive, supported by a highly capable Finance Officer.
- Cost savings through redundancies and other positions not being refilled following staff leaving the organisation.
- Sound financial procedures, including regular monitoring of key financial performance indicators: comparisons of actual and budgeted income and expenditure (and consequently surplus/deficit) both year to date and forecast to the end of the financial year, monthly actual and projected cash flow and funds available compared with those required by the reserves policy. The charity is exposed to liquidity risk, particularly in years when generating a deficit. Regular financial monitoring identifies any funding requirements well in advance and the charity works closely with its lenders to ensure that future requirements are met by available facilities. As a result a new loan facility was arranged in April 2020.

Fixed Assets

In the opinion of the Trustees, the building owned by Talking Money (1 Hide Market) may be worth between £450,000 - £500,000.

Reserves Policy

The purpose of the policy is to ensure sufficient funds in case of cessation of business. The Trustees keep the reserves policy under review (it was last revised and approved in April 2020). The current policy is that liquid reserves should be a minimum of an amount equal to the total accrued redundancy liability of the company (should all staff have to be made redundant) plus one year's property costs plus a contingency of 10%. This figure was £91,354 [2019: £151,370] at the year-end (which includes £76,549 for the redundancy liability). Total liquid reserves were £48,821 [2019: £133,534]. As this alone was in breach of the policy, the Trustees had put in place an overdraft facility. However, in April 2020 this was replaced by a loan from City Funds LP for £150,000 and on receiving the loan funding the outstanding amount on the RBS bank loan (£62,883) was repaid.

The total funds of the charity at 31 March 2020 were £336,876, of which £38,516 were restricted funds. At 31 March 2019 the total funds were £440,826, of which £77,032 were restricted funds. Further details can be found in notes 18 and 20. The reserves in excess of the minimum required by the Reserves Policy will be used for activities to promote the charitable objectives and to provide working capital for prudent financial management.

Principal Funding sources

The company's principal source of continuing funding is the debt advice funding from the Money and Pensions Service; however, there continues to be an active focus on the diversification of income sources.

The 'Money Advice West' debt advice project is delivered through seven different agencies with Talking Money acting as the controlling agency. However, funds are held in a separate bank account in the name of Talking Money MAS (MAW). The income attributable to Talking Money alone is shown in these accounts.

Investment performance

Interest rates remain low, yielding a return of £2,277.

FUTURE DEVELOPMENTS

The charity plans to continue the activities outlined above in the forthcoming years, subject to satisfactory funding arrangements. We continue to seek ways of improving what we do and how we do it, including understanding better what is going on for our local community, so we can be most helpful to the people we are here to serve.

Our two core areas of advice provision, debt and benefits advice, continue to form the basis of our service. The primary way we help people remains 1-1 sessions with people who have contacted us directly through our reception or phone line. We also continue to run a number of smaller projects targeted at particular groups of people: for example, one of our money advisers works exclusively with a group of local children's centres providing information and advice to families in need and also enabling staff at the centres to be better equipped to identify and help their visitors with financial problems.

This year, using a systems thinking approach, we are redesigning the way in which our core service runs in order to improve client experience. Better understanding the client's end to end experience has allowed us to see where we can potentially improve it; one of the core changes is likely to be better integrating our two core advice areas (debt and benefits), so clients get access to all of the knowledge needed to resolve their problems quickly and holistically.

The impact of Covid-19 on our communities is bringing about unprecedented changes to people's lives, livelihoods and income levels. The fallout from this pandemic and the associated government measures will be felt by citizens and communities for years to come. We expect demand for our kind of services to rise exponentially as the wave of measures put in place by central government, local government and creditors that have been helping to protect many people from financial hardship begin to end.

A number of additional funding streams have been made available following the pandemic to support charities to continue their vital work. We have been able to access some of those funds already.

BUDGET 2020/21

Following a large deficit in 2019/2020, due mainly to the increasingly competitive and complex fundraising environment, the Board of Trustees agreed a budget for 2020/21 on 18th March 2020 including a significantly reduced fundraising target of £40,215. A number of cost savings were agreed, including a reduction of staffing at management level, in order to bring the fundraising target to an achievable level. Our fundraising manager continues to work closely with the leadership team to raise funds both through trusts and foundations and through community fundraising and individual donations.

Disclosure of information to auditor

Each Trustee has taken steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The Trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the Trustees of the charity on 20 January 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'N. A. Holliday'.

Mr N Holliday
Chair of Trustees

Statement of Trustees' Responsibilities

The Trustees (who are also the directors of Talking Money for the purposes of company law) are responsible for preparing the Trustee's report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and 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 inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approved by the Trustees of the charity on 20 January 2021 and signed on its behalf by:



Mr N Holliday
Chair of Trustees

Independent Auditors' Report to the Members of Talking Money

Opinion

We have audited the financial statements of Talking Money (the 'charity') for the year ended 31 March 2020, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP – FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 results 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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, 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.

Opinion on other matter 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 Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

We have nothing to report in respect of the following matters where 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 10), 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.

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 charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Milsted Langdon LLP

Mr D S Jacobs FCA (Senior Statutory Auditor)
For and on behalf of Milsted Langdon LLP, Statutory Auditor
Freshford House
Redcliffe Way
Bristol, BS1 6NL

Date: 21 January 2021

Statement of Financial Activities for the Year Ended 31 March 2020

(Including income and expenditure account and statement of total recognised gains and losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Income and Endowments from:					
Donations and legacies	3	4,422	-	4,422	3,814
Charitable activities	4	999	631,331	632,330	742,824
Other charitable activities		31,142	-	31,142	2,444
Investment income	5	2,277	-	2,277	565
Other income	6	12,660	-	12,660	1,078
Total income		51,500	631,331	682,831	750,725
Expenditure on:					
Charitable activities		(155,450)	(631,331)	(786,781)	(687,595)
Total expenditure		(155,450)	(631,331)	(786,781)	(687,595)
Net income/(expenditure)		(103,950)	-	(103,950)	63,130
Transfers between funds		38,516	(38,516)	-	-
Net movement in funds		(65,434)	(38,516)	(103,950)	63,130
Reconciliation of funds					
Total funds brought forward		363,794	77,032	440,826	377,696
Total funds carried forward	19	298,360	38,516	336,876	440,826

There were no other gains or losses other than those stated above.

All the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for the above two periods is shown in note 20.

The notes on pages 17 to 30 form part of these financial statements.

Balance Sheet as at 31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	303,227	306,449
Current assets:			
Debtors	12	78,618	111,852
Cash at bank and in hand		155,809	183,583
		234,427	295,435
Creditors: Amounts falling due within one year	13	(143,526)	(97,198)
Net current assets		90,901	198,237
Total assets less current liabilities		394,128	504,686
Creditors: Amounts falling due after more than one year	14	(57,252)	(63,860)
Net assets		336,876	440,826
Funds of the Charity:			
Restricted income funds	20	38,516	77,032
Unrestricted income funds	18	298,360	363,794
Total funds		336,876	440,826

The financial statements were approved by the Trustees and authorised for issue on 20 January 2021 and signed on their behalf by:



Mr Neil Holliday

Chair of Trustees

The notes on pages 17 to 30 form part of these financial statements.

Statement of Cash Flows for the Year Ended 31 March 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net income		(103,950)	63,130
Adjustments to cash flows from non-cash items:			
Depreciation	11	3,222	4,140
Investment Income	5	(2,277)	(565)
Interest paid		3,918	3,270
		<u>(99,087)</u>	<u>69,975</u>
Working capital adjustments			
Decrease/(increase) in debtors	12	33,234	(46,592)
(Decrease)/increase in creditors	13	46,328	(118,869)
		<u></u>	<u></u>
Net cash flows from operating activities		(19,525)	(95,486)
Cash flows from investing activities:			
Interest receivable and similar income	5	2,277	565
Net cash flows from investing activities:		<u>2,277</u>	<u>565</u>
Cash flows from financing activities			
Interest paid		(3,918)	(3,270)
Repayment of loans and borrowings	13	(6,608)	(6,969)
Net cash flows from investing activities		<u>(10,526)</u>	<u>(10,239)</u>
Net decrease in cash and cash equivalents		(27,774)	(105,160)
Cash and cash equivalents at 1 April		183,583	288,743
Cash and cash equivalents at 31 March		<u>155,809</u>	<u>183,583</u>

All the cash flows are derived from continuing operations during the above two periods.

The notes on pages 17 to 30 form part of these financial statements.

Notes to the Financial Statements for the Year Ended 31 March 2020

1 Charity status

The charity is a private charitable company limited by guarantee, incorporated in England and Wales, United Kingdom, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of the registered office is:

1 Hide Market
West Street
St Philips
Bristol
BS2 0BH

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Talking Money meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

In light of the rapid global spread of the Coronavirus "COVID-19" in early 2020, it was determined that this event had a significant impact on the Charity's operations. Thus, the trustees have reviewed and stress tested projections and budgets for twelve months since the date of signing. Following this review, the trustees consider there not to be a significant impact on the Charity's ability to continue as a going concern.

Given the uncertainty and continued development of COVID-19, there is doubt as to when the Charity will be able to fully return to normal trading conditions; however management have taken action in securing the working capital and cash reserves necessary to continue under the current conditions.

Using various measures, and government assistance employed after the reporting date, the Charity has been able to continue to operate and have had confirmation that its main source of funding is secured until March 2022.

The trustees will monitor performance closely to identify whether any further action becomes necessary to protect the business. Based on the above and information available to the trustees at the date of approval, the Charity continues to adopt the going concern basis in preparing these financial statements.

Income and endowments

All income is included in the statement of financial activities when the charity is entitled to the income, the receipt is probable and the amount can be measured with sufficient reliability.

Where income is received specifically for expenditure in a future accounting period, that amount is deferred.

Investment income is accounted for on an accrual basis.

Donations and legacies

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and can be measured reliably. General volunteer time is not recognised, unless it is significant to the charitable activity to which it relates.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings, they have been allocated on a basis consistent with the use of resources, with central staff costs allocated time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs. All resources expended are inclusive of irrecoverable VAT.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them, including governance related costs.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage. The apportionment of these support costs is detailed in note 7.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and Trustee's meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

All computer equipment and individual fixed assets costing £1,000 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Freehold land and buildings	Held at historical cost
Furniture and equipment	25% straight line

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid.

Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flow have been affected. The impairment loss is recognised in the Statement of Financial Activities.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade and other creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. These are normally recognised at their settlement amount after allowing for any trade discount due.

Financial liabilities are only derecognised when, and only when, the charity's obligations are discharged, cancelled or expire. Accordingly, where there is an unconditional right of settlement at least twelve months after the reporting date, liabilities are presented as non-current liabilities.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing. Interest expense is recognised based on the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the group.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Pensions and other post retirement obligations

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

The charity contributes towards a defined contribution scheme for certain employees and the costs charged in the financial statements represent the contributions payable by the charity during the year. The scheme assets are separately administered from the charity.

Redundancy and payment in lieu of notice

Redundancy pay is recognised immediately as an expense when the charity can demonstrate its commitment to terminate the employment of an employee or to provide termination benefits in accordance with contractual arrangements. Payments are calculated in accordance with statutory redundancy guidelines published by HM Government.

Operating leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight-line basis over the lease term.

3. Income from donations and legacies

	Total 2020 £	Total 2019 £
Donations from individuals and businesses	4,422	3,814

All income recognised within this classification is accounted for within unrestricted funds for both the current and prior financial year.

4. Income from charitable activities

	Unrestricted Funds		Total 2020 £	Total 2019 £
	General £	Restricted funds £		
Boost Finance	-	9,600	9,600	9,600
Bristol City Council	-	40,091	40,091	62,827
BCC Homelessness Trailblazer	-	4,445	4,445	17,778
Bristol Fuel Poverty Partnership	-	11,333	11,333	-
Bristol Wessex Water	-	29,060	29,060	38,000
British Gas Energy Trust	-	-	-	36,659
Caring in Bristol	-	2,000	2,000	-
Energy Best Deal	-	-	-	1,500
Financial capability	-	-	-	4,700
Gift Aid	999	-	999	75
Henry Smith Charity	-	43,500	43,500	42,900
Irwin Mitchell Referrals	-	150	150	-
Knightstone Housing Association	-	-	-	9,100
Money and Pensions Service	-	394,518	394,518	346,531
Quartet Community Foundation	-	5,191	5,191	-
Solon Housing Association	-	-	-	114,056
South Gloucestershire Council	-	29,098	29,098	29,098
Nisbet Trust	-	15,000	15,000	15,000
Medlock charitable Trust	-	10,000	10,000	10,000
Merchant Ventures	-	1,667	1,667	-
Needham Cooper Charitable Fund	-	-	-	5,000
Royal London	-	5,000	5,000	-
Second Step-Hope Project	-	11,478	11,478	-
Singer Trust	-	8,000	8,000	-
The Van Neste Foundation	-	11,000	11,000	-
Tidmarsh Fund	-	200	200	-
Total	999	631,331	632,330	742,824

In the comparative financial year, of total income of £742,824 recognised within this classification, £75 was in respect of unrestricted funds with the residual amount of £742,749 in respect of funds for restricted purposes.

5. Investment income

	Total 2020	Total 2019
	£	£
Interest receivable on bank deposits	2,277	565

All income recognised within this classification is accounted for within unrestricted funds for both the current and comparative financial year.

6. Other income

	Total 2020	Total 2019
	£	£
Other incoming resources	12,660	1,078

All income recognised within this classification is accounted for within unrestricted funds for both the current and comparative financial year.

7. Analysis of governance and support costs**Support costs**

	Total 2020	Total 2019
	£	£
Telephone and fax	6,492	5,028
Administration	114	26
Office expenses	24,890	23,921
	<u>31,495</u>	<u>28,975</u>

Governance costs

	Total 2020	Total 2019
	£	£
Auditor's remuneration		
Audit of the financial statements	5,000	4,250

8. Net income/(expenditure)

Net incoming resources for the year include:

	2020	2019
	£	£
Audit fees	5,000	4,250
Depreciation of fixed assets	3,322	4,140
Rentals payable under operating leases	4,114	3,726

9. Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year (2019 - £Nil).

No trustees incurred any expenses on behalf of or received benefits from the charity during the year (2019 - £Nil).

10. Staff costs

The aggregate payroll costs were as follows:

	2020	2019
	£	£
Staff costs during the year were:		
Wages and salaries	560,949	495,469
Social security costs	42,751	36,310
Pension costs	22,752	21,096
Other staff costs	20,083	13,808
	<u>646,535</u>	<u>566,683</u>

During the year, 1 members of staff (2019 – 4) was made redundant and a total of £6,825 (2019 - £8,246) was paid out as termination payments.

No amounts in either the current or comparative period represented ex-gratia payments.

The monthly average number of persons (including the leadership team) employed by the charity during the year expressed as full-time equivalents was as follows:

	2020	2019
	No.	No.
Average number of employees	<u>25</u>	<u>27</u>

No employee received emoluments of more than £60,000 during the year (2019 – none).

During the year, remuneration to key management personnel amounted to £138,550 (2019 - £155,498). The Trustees considered that key management personnel comprised of:

- Anna Brown – Chief Executive Officer
- Tamra Mannin – Client Services Manager
- Kerry Bell – Support Services Manager
- Rhianne Hawkins – Client Operations Manager

The Trustees reviewed key positions within the charity during the year and now consider that key management personnel, together with updated roles, comprise of:

- Anna Brown – Chief Executive Officer
- Kerry Bell – Development Lead (currently Interim Chief Executive Officer)
- Tamra Mannin – Partnerships Manager

11. Tangible fixed assets

	Freehold land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 April 2019 and 31 March 2020	303,227	31,608	334,835
Depreciation			
At 1 April 2019	-	28,386	28,386
Charge for the year	-	3,222	3,222
At 31 March 2020	-	31,608	31,608
Net book value			
At 31 March 2020	303,227	-	303,227
At 31 March 2019	303,227	3,222	306,449

12. Debtors

	2020 £	2019 £
Trade debtors	28,661	5,447
Prepayments and accrued income	13,089	29,373
Other debtors	36,868	77,032
	<u>78,618</u>	<u>111,852</u>

13. Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans	6,657	6,657
Trade creditors	31,187	8,344
Other taxation and social security	10,986	11,395
Other creditors	42,309	55,802
Deferred income	52,387	15,000
	<u>143,526</u>	<u>97,198</u>
	2020	2019
	£	£
Deferred income at 1 April 2019	15,000	54,158
Resources deferred in the period	52,387	15,000
Amounts released from previous periods	(15,000)	(54,158)
Deferred income at 31 March 2020	<u>52,387</u>	<u>15,000</u>

Deferred income represents grants and payments for services in advance of performance criteria being met.

14. Creditors: amounts falling due after one year

	2020	2019
	£	£
Bank loan	57,252	63,860

The bank has the following charge over the company and security therefrom: - Fixed first legal charge over 1 Hide Market, West Street, Bristol, BS2 0BH.

15. Financial instruments**Categorisation of financial instruments**

	2020	2019
	£	£
Carrying amount of financial assets		
Debt instrument measured at amortised cost	221,338	266,062
Carrying amount of financial liabilities		
Liabilities measured at amortised cost	148,391	146,058

16. Pension obligations**Defined contribution pension scheme**

The employees of the charity belong to an independently administered defined contributory pension scheme.

There were no outstanding or prepaid contributions at the end of the financial year (2019 - £2,937 outstanding) in respect of the independently administered defined contributory scheme.

17. Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2020	2019
	£	£
Other		
Within one year	3,221	2,365
Between one and five years	5,871	1,227
	9,092	3,582

18. Funds

	Balance at 01 Apr 19 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 Mar 20 £
Unrestricted general funds	363,794	51,500	(155,450)	38,516	298,360
Restricted funds	77,032	631,331	(631,331)	(38,516)	38,516
Total funds	440,826	682,831	(786,781)	-	336,876

	Balance at 01 Apr 18 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 Mar 19 £
Unrestricted general funds	353,483	7,976	(21,878)	24,213	363,794
Restricted funds	24,213	742,749	(665,717)	(24,213)	77,032
Total funds	377,696	750,725	(687,595)	-	440,826

The transfer is income from Solon Housing Association under our current agreement that was being held until the year in which the activities took place. This money was accounted for as income in the first year and we've been drawing down on it over the 3 years.

19. Analysis of net assets between funds

	2019: Unrestricted general funds £	Restricted funds £	Total funds £
Tangible fixed assets	306,449	-	306,449
Current assets	168,866	126,569	295,435
Current liabilities	(47,661)	(49,537)	(97,198)
Long term liabilities	(63,860)	-	(63,860)
Total net assets	363,794	77,032	440,826

	2020: Unrestricted general funds £	Restricted funds £	Total funds £
Tangible fixed assets	303,227	-	303,227
Current assets	183,757	38,516	222,273
Current liabilities	(131,372)	-	(131,372)
Long term liabilities	(57,252)	-	(57,252)
Total net assets	298,360	38,516	336,876

20. Restricted Funds

	Balance at 01 Apr 19	Incoming resources	Resources expended	Transfers	Balance at 31 Mar 20
	£	£	£	£	£
Boost Finance	-	9,600	(9,600)	-	-
Bristol City Council	-	40,091	(40,091)	-	-
BCC Homelessness Trailblazer	-	4,445	(4,445)	-	-
Bristol Fuel Poverty Partnership	-	11,333	(11,333)	-	-
Bristol Wessex Water	-	29,060	(29,060)	-	-
British Gas Energy Trust	-	-	-	-	-
Caring In Bristol	-	2,000	(2,000)	-	-
Energy Best Deal	-	-	-	-	-
Financial capability	-	-	-	-	-
Gift Aid	-	-	-	-	-
Henry Smith Charity	-	43,500	(43,500)	-	-
Irwin Mitchell Referrals	-	150	(150)	-	-
Knightstone Housing Association	-	-	-	-	-
Money and Pensions Service	-	394,518	(394,518)	-	-
Quartet	-	5,191	(5,191)	-	-
Solon Housing Association	77,032	-	-	(38,516)	38,516
South Gloucestershire Council	-	29,098	(29,098)	-	-
Nisbet Trust	-	15,000	(15,000)	-	-
Medlock charitable Trust	-	10,000	(10,000)	-	-
Merchant Venturers	-	1,667	(1,667)	-	-
Needham Cooper Charitable Fund	-	-	-	-	-
Royal London	-	5,000	(5,000)	-	-
Second Step-Hope Project	-	11,478	(11,478)	-	-
Singer Trust	-	8,000	(8,000)	-	-
The Van Neste Foundation	-	11,000	(11,000)	-	-
Tidmarsh Fund	-	200	(200)	-	-
Total restricted funds	77,032	631,331	(631,331)	(38,516)	38,516

The specific purposes for which the funds are to be applied are as follows:

Boost Finance is a partnership project led by Barton Hill Settlement which provides a weekly drop in session for savings, self-employment, business development and money advice for residents of the Barton Hill estate. For part of the year, some funding was provided for BOOST by the Money and Pensions Service.

Bristol City Council funded a contribution to the core costs of delivering money advice services to the residents of Bristol. Bristol City Council also funded the Bristol Fuel Poverty Partnership [WHAM]. This is funding for three organisations [The Centre for Sustainable Energy (CSE), Talking Money and West of England Care & Repair] working in partnership to support residents who may be struggling with high fuel bills, cold, damp homes or money issues, or whose homes need improvements to make them warmer, healthier and cheaper to live in. Payment to Talking Money is via Centre for Sustainable Energy who are the lead partner. This partnership also received funding from the Warm Homes Fund in 2019-20, which was also paid to us via CSE.

Bristol City Council's Trailblazer project provided funding for part of the role of a Financial Inclusion Officer where the work carried out by them was centred specifically around preventing homelessness in Bristol. This was delivered through advice and casework where we made applications for unclaimed benefits or funds to make up shortfalls in rent pay off arrears and provide essential household goods to keep people in their homes.

Bristol Wessex Water funded the provision of money advice and applications for help for clients who have difficulty paying their water bills.

The Henry Smith Charity grant provided funding for Talking Money to help people with debt and benefit issues in Bristol.

The Money and Pensions Service (MaPS) funded partnership 'Money Advice West' of seven different agencies. Talking Money is the lead agency and receives both project management income and delivery income, together with a small amount of infrastructure funding. The income attributable to Talking Money is shown in these accounts.

Wessex Water Money Matters fund via Quartet Community Foundation paid for delivery of financial capability workshops to prisoners at HMP Leyhill.

Solon Housing Association provides funding for a 0.8 FTE Benefits Adviser to provide money and benefits advice to their tenants.

South Gloucestershire Council provides funding for debt and benefits advice for their residents, through the delivery of outreach sessions, drop in sessions and individual appointments - from October 2015 onwards this has been paid via South Gloucestershire Citizens Advice as lead agency of the South Gloucestershire Advice Services consortium.

Nisbet Trust awarded a grant to assist our many clients who face the real prospect of homelessness as a feature of financial hardship and/or crisis.

Medlock Charitable Trust contributed towards the cost of a money advice caseworker.

Needham Cooper Charitable Trust supported our work by allowing us to use their grant to continue a 'Client Fund' which advisers can use to draw funds for clients to access goods, services and emergency funds to progress and support our case work.

Van Neste awarded a grant to support the provision of specialist energy advice and support to clients alongside existing money and benefits advice.

One25 paid us to deliver a series of workshops to groups of their service users.

Singer awarded a grant to support our clients to prevent homelessness through the provision of money advice.

Merchant Venturers have provided funding to deliver money advice services.

Royal London Foundation gave funding towards core delivery of money advice services.

John James granted funding to help with core IT costs including an upgrade, IT support and Advice Pro licence costs.

HOPE project is part of Second Step Housing Association that works with men who are at risk of suicide and self-harm. They paid for a Money Advice Caseworker to be seconded on a 0.7 FTE position to provide debt and benefits advice to those being supported by the project.

Caring In Bristol are a homelessness charity based in Bristol and they gave us £2,000 for input on a homelessness prevention project in partnership with them and CHAS Housing Advice.