

REGISTERED COMPANY NUMBER: 06975984 (England and Wales)
REGISTERED CHARITY NUMBER: 1158683

**REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

FOR

**FULL FACT
(A COMPANY LIMITED BY GUARANTEE)**



FULL FACT

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REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2021

Registered Company number

06975984 (England and Wales)

Registered Charity number

1158683

Registered office

17 Oval Way
London
SE11 5RR

Auditors

MHA MacIntyre Hudson
6th Floor, 2 London Wall Place
London
EC2Y 5AU

Bankers

Charities Aid Foundation
25 Kings Hill Avenue
Kent
ME19 4TA

Trustees

Mr M J Samuel (Chair)
Mr S J W Briscoe – resigned on 1 December 2021
Ms A Cook
Mr T Gordon
Mr J P Harding
Mr R Inglewood
Professor A Menon
Baroness J Royall
Lord J Sharkey
Ms S F Witherspoon – resigned on 1 December 2021

Chief Executive

Mr W Moy

Company Secretary

Ms C Ross

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the consolidated financial statements of the charity for the year ended 31 December 2021. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

Full Fact's charitable objectives, as registered with the Charity Commission, are as follows -

The advancement of public education in the fields of crime, health, immigration, economy, education, environment and social welfare, through education, research and training, to promote and advance public understanding and inform public debate in those fields and in particular by making available to the public, through a process of objective, impartial research and rigorous factual analysis, full, accurate and relevant information to assist such public understanding and to inform and improve the quality of public debate.

The promotion of citizenship and civic responsibility including by encouraging and facilitating informed participation and engagement by members of the public in their communities, promoting high standards of informed public debate and the provision of Public Interest Content by exclusively charitable means.

The advancement of health and in particular to minimise the damage to people's health caused by inaccurate or unreliable information.

"Public Interest Content" means news and other information, which is generated, checked, confirmed, corrected as necessary and disseminated to the public online or by other means according to high standards of ethical conduct and best practice in journalism and which provides one or more of the following benefits to the public:

- informs members of the public about matters of relevance to their role and responsibilities as citizens,
- enables members of local communities to become aware of and understand matters of common concern to them as members of their community and which promotes their involvement and cooperation in such matters and community cohesion accordingly,
- enables members of the public to participate in an informed manner in relevant democratic processes and, as a result, supports the legitimacy of the democratic process as a whole,
- benefits the public by promoting charitable educational outcomes, such as improving public understanding of health and medical matters or the conservation of the environment

Such purposes shall in all respects and at all times be construed and promoted:

(a) in an impartial, objective, balanced, and independent manner observing strict political neutrality and, to the extent that such principles may be applied to such purposes, consistent with the principles enunciated in the Code of Practice for Official Statistics;

(b) exclusively for the benefit of the public and in accordance with the law relating to charity in England and Wales.

Strategies and activities

In the short term, we fact check, which has three benefits: informing public debate by giving people reliable information to make up their own minds on issues in public debate; encouraging participants in public debate to provide full and accurate information; and building an evidence base about how specific unsubstantiated claims arise and are spread.

Then, when we see specific unsubstantiated claims we seek to get those claims corrected at source to reduce the level of repetition of the claim and any harm that results from it. Our work has led to corrections from a Prime Minister, national newspapers, and many others, improving the quality of public debate.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

In the medium term, we use the evidence from our fact checking to diagnose systemic problems and get systemic changes such as improvements to press complaints procedures. For example, we've worked with official statistics providers and charities to improve the way they present their information when it has been persistently misinterpreted.

In the long run, we believe it is important to advocate the value of high-quality, well-informed public debate and the roles we all have in maintaining that.

In recent years, false and distorted information online has become increasingly important to Full Fact's mission, and increasingly prominent in public and policy debate. Full Fact's response to that includes four areas of work: content, technology, research, and policy. This will continue to be an important concern for our work.

Full Fact has been a world leader in automated fact checking, which we believe has the potential to make fact checking dramatically more effective. We have tools already in use in our fact checking and are developing them with a view to making them globally useful.

Public benefit

The charity's activities are for the advancement of public education through education, research and training and this report details how it carries out impartial research and rigorous factual analysis, full, accurate and relevant information to assist such public understanding and to inform and improve the quality of public debate.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

STRATEGIC REPORT

Achievement and performance

The demand for Full Fact's work in 2021 was exceptional:

- More than 650 fact checks and articles published investigating claims about health, the economy, Brexit and more;
- 12 million people accessed fact checks on our website, and millions more saw them in the media and integrated in online platforms;
- over 2,000 questions about possible false claims, sent in by the public, were answered on our WhatsApp helpline;
- over 100 direct challenges to individuals and organisations about false and misleading claims they made;
- automated fact checking technology shared with non-profit fact checkers in six countries across Europe, Africa, and South America.
- 7,041 people have helped us review 263,660 claims since August 2021.

Fact checking the coronavirus pandemic

Even before we knew there was a promising Covid-19 vaccine, Full Fact saw calls for members of the public to refuse it based on unsubstantiated information. This became a major issue in 2021, with misinformation fuelling anti-vaccination protests outside UK schools, and false claims circulating privately on WhatsApp groups. Our fact checkers worked tirelessly to understand the emerging claims and set the record straight about the virus and vaccinations.

In August, we launched a partnership with the charity 'Pregnant Then Screwed' to support pregnant women to make an informed choice about getting the Covid-19 vaccine. Changes to advice on vaccination in pregnancy, information vacuums and virulent misinformation about the safety of the vaccines made many women fearful and uncertain. As the vaccine rollout accelerated in the UK, uptake among this group remained low, posing risks to both mothers and babies.

Through 'Pregnant Then Screwed's' social media channels, and articles in national press, we invited women and their families to ask Full Fact questions about Covid-19 and pregnancy using our WhatsApp helpline. More than eight hundred people sent questions, images, and posts to our WhatsApp number. They included claims about the potential long-term effects of the vaccine on the baby, the chance of miscarriage, breastfeeding after being vaccinated and more. Full Fact will never tell anyone what choice to make about their health; our aim for this partnership was to help counteract the web of misinformation preventing women from making informed decisions.

We replied directly to helpline users in 24 hours. We also gathered the most common and urgent queries, produced fact checks and collaborated with Pregnant Then Screwed to share these in formats suited to their following of new and expectant mothers and their partners. We know from individual feedback that our provision of clear, accurate information was beneficial for many women. Partnering with a trusted organisation like Pregnant Then Screwed meant we could meaningfully reach this community with facts when they needed them most.

During the pandemic, Full Fact has seen multiple instances of an absence of good data leading to harmful misinformation.

On BBC Radio 4's Today programme in July, the former Supreme Court judge Lord Sumption claimed that Covid hadn't killed over 100,000 people, and that many reported figures were people who would have died within the year. We found that both claims were to be inaccurate: the numbers of deaths were much greater than he claimed, and it was wrong to say that these people would have died anyway. In response, we published a fact check and made a correction request the same day. We were pleased that the Today programme aired a correction to Lord Sumption's false claims the following morning.

In November, we published a feature explaining how a misleading technicality in data, published as part of the UK Health Security Agency's weekly Vaccine Surveillance Report, led to Brazil's president falsely claiming that people who are fully vaccinated 'are developing acquired immunodeficiency syndrome [(AIDS)] a lot faster than expected.' The confusing data spurred global misinformation, despite multiple calls from Full Fact, over several weeks, for the UKHSA to address it. Eventually, a series of changes were made to the presentation of the data, with notes and caveats added to show its limitations more clearly. We also asked the UKHSA to publish a statement addressing the issue, and to clarify the meaning of its data on social media, which it did. However, both Full Fact and the Office for Statistics Regulation believe there is more that should be done to prevent further harm. We will continue to make recommendations and publish investigations like this, reminding people that official statistics are one of the most important sources of information we have, and it is imperative they are done to a high standard.

The UK's Yellow Card scheme collects and monitors information on safety concerns involving medicines and medical devices, such as suspected side effects or "adverse incidents", to provide an early warning of any previously unknown risks. To do this, it relies on voluntary reporting from medics and members of the public. However, Full Fact repeatedly found that some people were presenting reports of suspected reactions to Covid-19 vaccines as official government statistics, which led to multiple misleading claims on social media, and in Parliament, about the vaccines not being safe.

We were able to share our evidence with the Medicines and Healthcare products Regulatory Agency (MHRA), which runs the Yellow Card scheme, and secure changes to the Yellow Card site to help prevent it being a serious vector of misinformation. Now, a warning is included more prominently in the MHRA's weekly analysis to remind people that reported side effects after a Covid-19 vaccine do not necessarily mean the vaccine caused that effect.

Policy and advocacy

The rise of internet companies has created a new power base shaping public debate, but the platforms lack appropriate democratic oversight. There remain opportunities and temptations for abusive and misleading political campaigning online, and the Covid-19 pandemic demonstrated how health misinformation and conspiracies can put individual lives at risk by spreading across internet platforms. With your help, Full Fact's Policy team has been working to ensure that the government's Online Safety Bill, which is expected before Parliament in March next year, adequately and proportionately tackles the spread of harmful, inaccurate information online, while protecting freedom of expression.

We shared our initial positions in written evidence to the Department for Digital, Culture, Media & Sport (DCMS) Sub-Committee on Online Harms and Disinformation; we were pleased to see this quoted in oral evidence in Parliament in September. This was in addition to our written submission to the Joint Committee, who are responsible for pre-legislative scrutiny of the Online Safety Bill. The Joint Committee very recently published its report on the draft Bill, which will influence what changes are made before the Bill is introduced in Parliament. We are encouraged to see some of our key points referenced in the report, and we will keep promoting our positions over the coming months, including in the Full Fact Report 2022.

One of the keys to fact checking bad information is easy access to high-quality data. We use the experiences of Full Fact and other fact checkers around the world to advocate for this. Fact checking has shown us how a lack of quality data can create a space for bad information to thrive. Data that is shared without proper context, that is out of date or that is not published in an accessible format can be unintentionally misinterpreted and appear in headlines; it can also be cherry-picked to serve a personal or political agenda. This makes it harder for all of us to hold public figures and organisations accountable for the statistics they share, an injustice we highlighted in national press earlier this year.

Research

We developed the latest version of the Framework for Information Incidents, to be published in early 2022. This shared model of applied research helps different organisations collaborate effectively when there is an information crisis. The Framework is intended to be used on a voluntary and open basis, supporting collaboration between counter-misinformation actors from the technology sector, government, civil society, official information provision, the media, and others.

In this iteration, we introduced a five-step process for using the Framework, as well as template spreadsheets to aid collaboration among or between teams, to make it simple to identify and respond to information crises proportionately and effectively. We also clarified and developed the severity indicators, introduced flexible aims corresponding to challenges that users might experience during an information incident, and created an enriched set of recommended responses that users can choose from or adapt, which are linked to relevant actors and appropriate for both long and short-term periods.

Automated fact checking

False claims can evolve and spread quickly, even after we've found them to be wrong. To improve our efforts to counter false claims, we called on supporters to help train our AI-driven tool that spots when a claim we have fact checked appears again elsewhere, even if the wording is not exactly the same. It is heartening that, at the time of writing, 7,041 users have helped us review 263,660 claims since August. They have played a huge role in developing technology to catch potentially hundreds of thousands of false statements in politics, media and online. We will continue to involve the public in monitoring, as well as in other aspects of our work, offering more people the chance to act to improve public debate.

What's next

Some of the most powerful people in the world are building their success on bad information, from top politicians to the owners of internet platforms that billions of people use. It's tough to tackle for several reasons. Bad information is often easier, quicker, and more satisfying than getting your facts right. Sharing bad information is often rewarded, by clicks or by votes. Well-funded campaigns and firms deliberately spread bad information. Then there's the scale of the problem, which we're all part of sometimes. Finally, we suffer from low expectations: most people want better, but we don't expect better from people in positions of power.

None of the obvious solutions is enough. We can't eliminate bad information, it's part of a free society. We all know that simply providing good information does not in itself drive out bad information. Education helps but cannot solve the problem and educating everybody is impossible.

In the next twelve months alone, we will launch a more permanent Full Fact health function to diagnose the causes of bad health information; we will prepare our automated fact checking tools to be shared with many more organisations in 2023 and 2024, to tackle bad information on a global scale; and our planning for the next UK general election will take shape, ensuring we are equipped to counter the harm caused by false claims and misleading tactics during the campaign.

Crucial to Full Fact's progress in 2022 are the thousands of people we aim to involve in our work. Together we will expose dangerous claims and practises through fact checking. We will follow up on our call to the Committee on Standards in Public Life for an inquiry specifically into the issue of honesty; our objective is for 20,000 people to join Full Fact in demanding higher standards of accuracy and honesty in public debate. Finally, we will acknowledge when public figures and organisations live up to the standards, we all deserve.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

FINANCIAL REVIEW

Financial position

The consolidated income for 2021 was £2,449,633 versus income of £2,316,015 in 2020. Spending in 2021 to £2,409,919 from £2,034,929 in 2020. This meant there was a surplus of £39,714 in 2021 versus a surplus of £281,086 in 2020.

Full Fact Services Ltd's income for 2021 was £382,008 versus income of £432,558 in 2020. Donations were paid to the Charity during the year of £296,046 and after the salary recharges of £197,154, this meant there was a deficit of £174,274 in 2021 versus a surplus of £296,046 in 2020.

Reserves Policy

It is the charity's policy to aim to maintain unrestricted reserves of between a minimum of 3 months (£558,000) and up to 6 months (£1,116,000) of running costs. In 2021, the total unrestricted reserves were £1,266,919 (2020: £1,218,922) which is equivalent to just under 7 months running costs, therefore, we are not aiming to increase these reserves in 2022.

Principal funding sources

Our aim in fundraising is to secure our independence and our ability to achieve our charitable objectives. We actively seek and receive a diverse range of funding and are transparent about all our sources of income. In particular, we would like to thank the thousands of people who have supported our work.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. The Charity is continuously monitoring its expected income levels, operational targets are set in order to ensure the charity secures sufficient funding to fulfil its on-going obligations. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Principal risks and uncertainties

The charity's activities expose it primarily to the financial risks of lack of funding. The charity is mindful of maintaining current funding sources.

The charity produces accurate and timely management information which provides an accurate historic record of financial performance but also contains budgets and forecasts to enable us to monitor short and long term cashflow projections, which enables us to manage the risk profile.

Full Fact has an extensive range of protections for our standards and reputation based on our operating guidelines, conflicts of interest policy, and our feedback process. They are regularly reviewed and updated.

Financial and risk management objectives and policies

Cash flow risk

The charity's activities expose it primarily to the financial risks of lack of funding. The charity is mindful of maintaining current funding sources.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

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The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

How Full Fact works

Full Fact fights bad information. We're independent fact checkers and campaigners who find, expose and counter the harm it does.

We don't treat bad information as one big insoluble problem. Fact checking specific claims every day shows it for what it really is: many different problems, many of which we can solve or improve. There are pinch points in the flow of information, moments when changing a few people's minds, an algorithm, or a system can help better information serve millions. Fact checking helps us find them.

Full Fact fights the causes and consequences of bad information in four ways:

1. Fact Checking

to inform our audiences and maintain scrutiny of people in power.

We reached 21 million users on our website in 2021, and millions more see out fact checks via Google, Facebook and YouTube.

2. Corrections & interventions

to stop the spread of specific false claims and hold people to account.

We've achieved corrections from Prime Ministers and many other figures from all political sides.

3. Systems change

to help make bad information rare and less harmful.

Our work led to corrections columns in several newspapers and stopped Ministers selectively leaking official statistics.

4. Advocating high standards

to help maintain high expectations of and from those in public life.

Full Fact has "made us all think a little bit harder." - Oliver Wright, The Times.

Plans for future periods

2022 will be another challenging year. The pandemic continues, there is speculation over whether a leadership contest will lead to an early General Election, the second reading of the Online Safety Bill will be debated in Parliament and the House of Commons Standards Committee will make recommendations on the MPs' Code of Conduct.

Underneath, even bigger changes are happening.

- The rise of the internet companies creates a new power base shaping public debate, which even they point out doesn't yet have appropriate democratic oversight.
- Failure to modernise standards in public life and election law has left opportunities and temptations for abusive and misleading campaigning and political communications.
- Online abuse in public debate is a serious deterrent to taking part for ordinary citizens and MPs.
- The fragmentation of the information environment means that traditional sources of authoritative information struggle to cut through and need more channels and more effort to reach the same audiences.

Our work to inform and improve public debate will be vital in the years and decades ahead.

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Full Fact is growing to meet the challenge. Full Fact goes into 2022 having had little let up since the European Parliamentary Elections in 2014. That period included three general elections, two referendums, Brexit, the pandemic, the recession, and the emergence of an active policy agenda around online misinformation. We've grown significantly in the past few years, including for example adding our Policy and Advocacy Team, our Fundraising Team, and our People Operations Manager in 2020. We have work to do to consolidate all this, to make the most of and to support the team, but we have the springboard to become an even more powerful force for change.

Focus

Public debate is a vast field. It is shaped by the existence and quality of official information, the production and communication of research, the media, political behaviour, the internet and those who shape it, public skills and attitudes, and much more.

Full Fact has chosen to focus in two areas at this point

1. Fact checking focused on politicians and journalists in positions of power and responsibility, with existing but inadequate accountability. We intervene using the accountability mechanisms that do exist to challenge and get corrections to individual false claims and we work to expose the gaps and failings of those accountability mechanisms.
2. The missing accountability mechanisms in online public debate. Fact checking online exposes the lack of accountability mechanisms, proportionate policies, effective enforcement, and democratic oversight. We help to build the case that we and others are making in our policy and campaigning work for voluntary, policy, and legislative action.

Full Fact's profile and voice is respected and can be influential. But to tackle the scale of challenges facing our democracy, our communities, and people's health, we need more. We are working both to strengthen our own voice and the range of voices standing up for accuracy in public life.

So our objectives and key results are driven by two key processes. First, fact checking leading to change, both at the level of individual claims, and at the level of accountability systems and legislation. That is what we can do with our team. Secondly, reaching more and more people and wider networks, and that leading to more people taking action, and greater, more effective, pressure for higher standards.

Fundraising

Full Fact's trustees and staff are grateful to the many individuals and the wide range of organisations who donate to make our work possible. Full Fact complies with the regulatory standards for fundraising. This report covers the requirements charities must follow as set out in the Charities Act 2016.

Our approach is that donors are a crucial part of the extended Full Fact team and deserve to be treated with respect. That applies to potential donors too. We solicit donations from the public on our website and other online channels and send updates to our donors that we aim to ensure are useful and relevant. We engage with some donors, particularly those giving large amounts, directly and personally. We also fund raise from trusts and foundations, companies, and other funders.

Every donor giving more than £5,000 a year is named on our website and we have turned down funding when necessary to maintain this level of transparency. Our donors understand that independence is essential to Full Fact's work and this governs our relationship with all our donors and potential donors.

Full Fact does not employ third party fundraisers or employ the kinds of fundraising tactics that have given rise to public concern. We are not bound by any voluntary scheme for regulating fundraising but we will keep this under review as our fundraising work develops.

Our website clearly explains how an individual can complain to Full Fact, about our fundraising or any other aspect of our work. We received no fundraising complaints in the 2021 financial year, having received three complaints in 2020. Our complaints process dictates that all complaints are recorded on our contact management system and responded to within ten working days.

FULL FACT

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Nature of governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Full Fact is a charitable company (no. 6975984) registered in England and Wales and limited by guarantee, incorporated on 29 July 2009 and registered as a charity (no. 1158683) on 17 September 2014. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. The company's members are its trustees. The guarantee of each Trustee is limited to £10.

Full Fact has a subsidiary company named Full Fact Services Ltd in which it owns 100% of the issued share capital. The Directors of the company are appointed by the trustees. This company has traded in 2020 and has been included within these financial statements.

Full Fact is registered at 17 Oval Way, London, SE11 5RR.

Recruitment and appointment of new trustees

New trustees are appointed by agreement of the existing trustees. Our policy is to advertise vacancies openly. New trustees are provided with an induction pack covering structure, strategy, finances, personnel, and procedures.

The Trustees of Full Fact include Conservative, Labour, Liberal Democrat, and independent members of the House of Lords, as well as figures from outside of politics. The Trustees represent a wide range of opinions, and individual trustees do not perform operational duties for the charity.

Organisational structure

The Trustees meet three times a year, with a supplementary Finance and General Purposes Committee, which consists of Sharon Witherspoon (Chair), Hon. Michael Samuel, Anna Cook and Tim Gordon, meeting three times a year as well. The Board reviews its own performance annually and considers training needs as part of this. Sharon Witherspoon retired from the board at the end of 2021 and has been replaced by Anna Cook as Chair of the Finance and General Purposes Committee.

The day-to-day running of Full Fact, is the responsibility of the Chief Executive, Will Moy and the management team, which consists of COO Laura Dewis, Head of Communications Ross Haig, Head of Automated Fact Checking Andrew Dudfield, Head of Fundraising Louisa Johnson, Head of Policy & Advocacy Glen Tarman, and Editor Steve Nowotny.

Charity governance code

The Board conducted a detailed review of Full Fact's governance at the end of 2017, in the light of the recent Charity Governance Code published 2017. This was followed up with annual reviews. We found that Full Fact's governance continues to be fundamentally sound and largely already meets the recommendations of the Code. We are satisfied that Full Fact achieves the outcomes set out under the Code's seven principles.

We have reviewed each of the recommended practices and either taken steps to start to apply them, or chosen not to where the benefits were either not clear or not proportionate. Not all the specific recommendations applied or would have been proportionate for a charity like Full Fact which is relatively small, has no direct beneficiaries in the sense that a charity that principally provides services as opposed to information might, and does not engage directly with vulnerable people.

The board reviews its own performance as a routine part of its discussions and formally once a year. It regularly carries out an audit of skills, experience and diversity of background of its members to inform trustee recruitment and training.

Arrangements for setting key management personnel remuneration

There are many things that attract staff to Full Fact and motivate them above and beyond salaries. But we know pay is an important factor in recruiting and retaining staff. Full Fact seeks to get value for our donors' money by hiring and retaining the right people for their jobs on appropriate terms.

All salaries above £60,000 are approved by the Chair on behalf of the Board of Trustees. Individuals' pay and conditions reflect Full Fact's overall financial position, performance, benchmarking against comparable jobs elsewhere, their level of responsibility and progression over time within the organisation, and the need to ensure that pay is fair between staff.

In 2021, the Key Management Personnel classification was changed to include the management team as well as the CEO. The Key Management Personnel in 2021 were CEO, COO, Head of Automated Fact Checking, Head of Fundraising, Head of Communications, Head of Policy & Advocacy, Acting Editor, and Editor.

All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in notes to the accounts.

The charity's employees are all paid in accordance with Remuneration Policy. The annual remuneration of all staff is decided by the Director with the exception of when the Director proposes to pay a senior salary (defined as over £60,000). This is subject to approval by the Chair on behalf of the Board of Trustees. The same applies to individual pay rises of more than 10%.

An annual review of the existing pay scales is undertaken and a decision taken as to whether or not the charity implements an uplift. The Salary of the Director is determined by the Board of Trustees or through the Finance and General Purpose Committee in accordance with the remuneration policy set out above. The financial performance and health of Full Fact remains the determining factor in any remuneration progression.

FULL FACT

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

STATEMENT OF RESPONSIBILITIES

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with 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).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing those financial statements the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the applicable Charities SORP 2015 (FRS 102);
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and statements of recommended practice 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 charity will continue in operation.

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are 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.

Disclosure to auditors

In so far as the trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Reappointment of auditor

The re-appointment of MHA MacIntyre Hudson as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

Report of the trustees, approved by order of the board of trustees, as the company directors, on
~~29 June 2022~~..... and signed on the board's behalf by:



.....
A Cook - Trustee

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FULL FACT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Opinion

We have audited the financial statements of Full Fact (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated 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 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 group's and parent charitable company's affairs as at 31 December 2021, and of its incoming resources and application of resources, including 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 group and parent charitable company 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Trustees' assessment of the entity's ability to continue to adopt the going concern basis of accounting included critical reviews of budgets and forecasts provided.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FULL FACT
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 (incorporating the Directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report (incorporating the Directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' 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 Directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement included in the Trustees' Annual Report, the Trustees (who are also the Directors of the charitable company for the purposes of company law) 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 group's and parent charitable 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FULL FACT
FOR THE YEAR ENDED 31 DECEMBER 2021**


- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the design and implementation of control systems in place.
- Testing the operational effectiveness of the controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of this report

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Stuart McKay BSc FCA DChA (Senior Statutory Auditor)

For and behalf of

MHA MacIntyre Hudson

Statutory Auditor

London, United Kingdom

Date: 25 August 2022

FULL FACT

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

		Unrestricted fund	Restricted funds	31.12.21 Total funds	31.12.20 Total funds
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	1,683,255	220,501	1,903,756	1,878,753
Charitable activities	3	486,243	59,634	545,877	437,261
Investments	4	-	-	-	1
Total		2,169,498	280,135	2,449,633	2,316,015
EXPENDITURE ON					
Charitable activities	5	1,940,291	288,418	2,228,709	1,964,432
Raising Funds	6	181,210	-	181,210	70,497
Total		2,121,501	288,418	2,409,919	2,034,929
NET INCOME/(EXPENDITURE)		47,997	(8,283)	39,714	281,086
RECONCILIATION OF FUNDS					
Total funds brought forward		1,218,922	8,283	1,227,205	946,119
TOTAL FUNDS CARRIED FORWARD		<u>1,266,919</u>	<u>-</u>	<u>1,266,919</u>	<u>1,227,205</u>

The notes form part of these financial statements


FULL FACT

**CONSOLIDATED BALANCE SHEET
31 DECEMBER 2021**

	Notes	31.12.21 Total funds £	31.12.20 Total funds £
FIXED ASSETS			
Tangible assets	11	12,055	421
CURRENT ASSETS			
Debtors	12	59,765	528,626
Cash at bank		<u>2,054,960</u>	<u>1,687,708</u>
		2,114,725	2,216,334
CREDITORS			
Amounts falling due within one year	13	(859,861)	(989,550)
NET CURRENT ASSETS		<u>1,254,864</u>	<u>1,226,784</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,266,919	1,227,205
NET ASSETS		<u>1,266,919</u>	<u>1,227,205</u>
FUNDS	14		
Unrestricted funds		1,266,919	1,218,922
Restricted funds		<u>-</u>	<u>8,283</u>
TOTAL FUNDS		<u>1,266,919</u>	<u>1,227,205</u>

The group's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees on 29.June.2022..... and were signed on its behalf by:



 A Cook - Trustee

FULL FACT

**CHARITY BALANCE SHEET
31 DECEMBER 2021**

	Notes	31.12.21 Total funds £	31.12.20 Total funds £
FIXED ASSETS			
Tangible assets	11	12,055	421
CURRENT ASSETS			
Debtors	12	364,261	537,939
Cash at bank		<u>1,444,636</u>	<u>1,246,179</u>
		1,808,897	1,784,118
CREDITORS			
Amounts falling due within one year	13	(864,226)	(989,550)
		<u>944,671</u>	<u>794,568</u>
NET CURRENT ASSETS			
		<u>956,726</u>	<u>794,989</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>956,726</u>	<u>794,989</u>
NET ASSETS			
		<u>956,726</u>	<u>794,989</u>
FUNDS			
	14		
Unrestricted funds		956,726	786,706
Restricted funds		<u>-</u>	<u>8,283</u>
TOTAL FUNDS			
		<u>956,726</u>	<u>794,989</u>

The group's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees on 29 June 2022 and were signed on its behalf by:

.....
A Cook - Trustee

FULL FACT**CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	31.12.21 £	31.12.20 £
Cash flows from operating activities			
Cash generated from operations	1	<u>379,852</u>	<u>454,590</u>
Net cash provided by operating activities		<u>379,852</u>	<u>454,590</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(12,600)	-
Interest received		<u>-</u>	<u>1</u>
Net cash provided by/(used in) investing activities		<u>(12,600)</u>	<u>1</u>
Change in cash and cash equivalents in the reporting period			
		367,252	454,591
Cash and cash equivalents at the beginning of the reporting period		<u>1,687,708</u>	<u>1,233,117</u>
Cash and cash equivalents at the end of the reporting period		<u><u>2,054,960</u></u>	<u><u>1,687,708</u></u>

The notes form part of these financial statements

FULL FACT**NOTES TO THE STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021****1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	31.12.21	31.12.20
	£	£
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	39,714	281,086
Adjustments for:		
Depreciation charges	967	10,138
Interest received	-	(1)
(Increase)/decrease in debtors	468,860	(409,069)
Increase/(decrease) in creditors	<u>(129,689)</u>	<u>572,436</u>
Net cash provided by operations	<u><u>379,852</u></u>	<u><u>454,590</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.21	Cash flow	At 31.12.21
	£	£	£
Net cash			
Cash at bank	<u>1,687,708</u>	<u>367,252</u>	<u>2,054,960</u>
Total	<u><u>1,687,708</u></u>	<u><u>367,252</u></u>	<u><u>2,054,960</u></u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Charity status

Full Fact is a charity incorporated as a company limited by guarantee in England and Wales. The registered office is 17 Oval Way, London, SE11 5RR.

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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), Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Group accounts

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Charity alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

Going concern

The Trustees have assessed the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern including the impact of Covid-19. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. The Trustees have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing these financial statements.

Income and endowments

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants

Grants receivable are recognised when the charity becomes unconditionally entitled to the grant.

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

1. ACCOUNTING POLICIES - continued

Other income

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the Charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources, with central staff costs allocated on the basis of 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.

Support costs

Support costs are those that assist the work of the Charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the Charity and include project management. Where support costs cannot be directly attributed to particular headings, they have been allocated to expenditure on raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Governance costs are those incurred in connection with the running of the Charity and compliance with constitutional and statutory requirements.

Fund-raising Costs

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Costs of Generating Funds now include staff costs which can be attributed to fundraising activities. This primarily includes the posts of the Fundraising manager and two Philanthropy Officers on a pro-rate basis.

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.

Pension contributions

The charity makes contributions to employee's defined contribution pension plans. The pension cost is charged to the Statement of Financial Activities in the year and represents contributions payable by the charity to the pension fund.

Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are initially recorded at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Assets costing more than £500 individually and £1,000 for grouped assets are capitalised.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual value over their useful lives on the following basis:

Fixtures and fittings - 20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to the income statement.

Financial Instruments

Basic financial assets

Basic financial assets, which includes debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less, if not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

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

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

1A. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Party's accounting policies.

No significant judgements, further to that surrounding going concern, have been made by management in preparing these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

2. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Donations from individuals and institutions	<u>1,683,255</u>	<u>220,501</u>	<u>1,903,756</u>	<u>1,878,753</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Public Education	<u>486,243</u>	<u>59,634</u>	<u>545,877</u>	<u>437,261</u>

4. INVESTMENT INCOME

	31.12.21 £	31.12.20 £
Deposit account interest	<u>-</u>	<u>1</u>

5. CHARITABLE ACTIVITIES COSTS

	Staff Costs £	Direct Costs £	Support Costs (see below) £	Total 2021 £
Public Education	<u>1,462,729</u>	<u>751,983</u>	<u>13,997</u>	<u>2,228,709</u>

	Staff Costs £	Direct Costs £	Support Costs (see below) £	Total 2020 £
Public Education	<u>1,461,400</u>	<u>491,165</u>	<u>11,867</u>	<u>1,964,432</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

5. CHARITABLE ACTIVITIES COSTS - continued

Support costs	31.12.21	31.12.20
	£	£
Audit fees	10,812	9,850
Legal and professional	2,993	-
Governance	192	2,017
	<u>13,997</u>	<u>11,867</u>

6. COSTS OF RAISING FUNDS

	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
Staff Costs	<u>181,210</u>	<u>-</u>	<u>181,210</u>	<u>70,497</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.21	31.12.20
	£	£
Depreciation - owned assets	966	10,138
Auditor's remuneration	<u>10,000</u>	<u>10,000</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

9. STAFF COSTS

	31.12.21	31.12.20
	£	£
Wages and salaries	1,385,862	1,308,222
Social security costs	149,291	143,823
Pensions costs	30,276	28,557
Other costs	78,510	51,295
	<u>1,643,939</u>	<u>1,531,897</u>

The average monthly number of employees during the year was as follows:

	31.12.21	31.12.20
Public Education	27	30
Generating Funds	4	2
	<u>31</u>	<u>32</u>

Highest Paid Employees

5 (2020: 4) employees received emoluments of more than £60,000 during the year of which is broken down as:

	31.12.21	31.12.20
£80,000 - £89,000	1	-
£70,000 - £79,000	-	1
£60,000 - £69,000	4	3

Key Management Personnel

The Key Management Personnel in 2021 were CEO, COO, Head of Automated Fact Checking, Head of Fundraising, Head of Communications, Head of Policy & Advocacy and Editor. The total amount of employee benefits (including employer's national insurance contributions) received by Key Management Personnel is £466,108 (2020: £406,137).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

10. COMPARATIVES FOR THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,860,110	18,643	1,878,753
Charitable activities	437,261	-	437,261
Investments	<u>1</u>	<u>-</u>	<u>1</u>
Total	2,297,372	18,643	2,316,015
EXPENDITURE ON			
Charitable activities	1,807,415	157,017	1,964,432
Raising Funds	<u>70,497</u>	<u>-</u>	<u>70,497</u>
Total	1,877,912	157,017	2,034,929
NET INCOME/(EXPENDITURE)	419,460	(138,374)	281,086
RECONCILIATION OF FUNDS			
Total funds brought forward	799,462	146,657	946,119
TOTAL FUNDS CARRIED FORWARD	<u>1,218,922</u>	<u>8,283</u>	<u>1,227,205</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

11. TANGIBLE FIXED ASSETS

All fixed assets belong to the charity.

	Fixtures and fittings £
COST	
At 1 January 2021	44,957
Additions	<u>12,600</u>
At 31 December 2021	<u>57,557</u>
DEPRECIATION	
At 1 January 2021	44,536
Charge for year	<u>966</u>
At 31 December 2021	<u>45,502</u>
NET BOOK VALUE	
At 31 December 2021	<u>12,055</u>
At 31 December 2020	<u>421</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21		31.12.20	
	£	£	£	£
	Group	Charity	Group	Charity
Trade debtors	55,992	235,267	306,097	195,865
Amounts owed by group undertakings	-	125,221	-	124,067
Other debtors	328	328	611	610
VAT	-	-	41,692	37,171
Accrued income	-	-	176,781	176,781
Prepayments	<u>3,445</u>	<u>3,445</u>	<u>3,445</u>	<u>3,445</u>
	<u>59,765</u>	<u>364,261</u>	<u>528,626</u>	<u>537,939</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21		31.12.20	
	£	£	£	£
	Group	Charity	Group	Charity
Trade creditors	135,845	135,821	99,465	99,465
Social security and other taxes	2,995	7,634	38,073	38,073
Other creditors	6,204	5,954	8,665	8,665
Deferred income	701,867	701,867	830,397	830,397
Accrued expenses	<u>12,950</u>	<u>12,950</u>	<u>12,950</u>	<u>12,950</u>
	<u>859,861</u>	<u>864,226</u>	<u>989,550</u>	<u>989,550</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Analysis of movement in deferred income	31.12.21	31.12.20
	£	£
Brought forward	830,397	298,112
Released in the year	(830,397)	(298,112)
Deferred in the year	701,867	830,397
	<u>701,867</u>	<u>830,397</u>

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £30,276 (2020 - £28,557).

14. MOVEMENT IN FUNDS

Group & Charity

	At 1.1.21	Net movement in funds	At 31.12.21
	£	£	£
Unrestricted funds			
General fund	1,218,922	47,997	1,266,919
Restricted funds			
IFCN YouTube grant	<u>8,283</u>	<u>(8,283)</u>	<u>-</u>
	<u>8,283</u>	<u>(8,283)</u>	<u>-</u>
TOTAL FUNDS	<u>1,227,205</u>	<u>39,714</u>	<u>1,266,919</u>

Comparatives for movement in funds

	At 1.1.20	Net movement in funds	At 31.12.20
	£	£	£
Unrestricted funds			
General fund	799,462	419,460	1,218,922
Restricted funds			
University of Edinburgh	7,500	(7,500)	-
Google DNI	51,145	(51,145)	-
Google AI (Tides)	74,666	(74,666)	-
Nuffield 2019 Elections	13,346	(13,346)	-
IFCN YouTube Grant	<u>-</u>	<u>8,283</u>	<u>8,283</u>
	<u>146,657</u>	<u>(138,374)</u>	<u>8,283</u>
TOTAL FUNDS	<u>946,119</u>	<u>281,086</u>	<u>1,227,205</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

14. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,169,498	(2,121,501)	47,997
Restricted funds			
Highway One Trust	10,000	(10,000)	-
Facebook Fellowship	59,634	(59,634)	-
Nuffield Foundation	100,000	(100,000)	-
IFCN YouTube	17,065	(25,348)	(8,283)
IFCN WhatsApp	53,737	(53,737)	-
IFCN NED	26,577	(26,577)	-
Google DNI	13,122	(13,122)	-
	<u>280,135</u>	<u>(288,418)</u>	<u>(8,283)</u>
TOTAL FUNDS	<u>2,449,633</u>	<u>(2,409,919)</u>	<u>39,714</u>

Comparative net movement in funds

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,297,372	(1,877,912)	419,460
Restricted funds			
University of Edinburgh	-	(7,500)	(7,500)
Google DNI	-	(51,145)	(51,145)
Google AI (Tides)	-	(74,666)	(74,666)
Nuffield 2019 Elections	-	(13,346)	(13,346)
IFCN YouTube grant	18,643	(10,360)	8,283
	<u>18,643</u>	<u>(157,017)</u>	<u>(138,374)</u>
TOTAL FUNDS	<u>2,316,015</u>	<u>(2,034,929)</u>	<u>281,086</u>

15. FUNDS

Google DNI - has established the Google Digital News Initiative Fund to support and promote innovation in the digital news sector. Third generation fact checking aims to help fact checking get to internet scale by developing and testing write-once reuse-anywhere formats for fact checking including automated fact checking, and new methods to help fact checkers monitor the balance of their output.

University of Edinburgh - Citizens' Expectations on Brexit Outcomes: 'Fact' Transmission and Persuasive Power in a Digital World. The aim of this collaborative project between the Neuropolitics Research Lab, University of Edinburgh and Full Fact is to offer new insights into how citizens Brexit-related expectations are shaped in an increasingly digital world. They will examine the characteristics that lead to Brexit-related messages being accepted as facts or viewed as misinformation and why they are picked up on and spread online.

Google AI/Tides - This funding is part of our award from the Google AI for Social Good Impact Challenge. In partnership with Africa Check, Chequeado and the Open Data Institute, we'll use artificial intelligence to dramatically improve and scale global fact checking efforts, working with international experts to define how artificial intelligence could transform this work, developing new tools and deploying and evaluating them.

Nuffield Foundation - The Nuffield Foundation is supporting our editorial team to fact check claims and seek corrections. The grant is also funding an annual report on the quality of information in the UK and what everyone - from government, tech companies, journalists and citizens - can do to help improve the honesty and accuracy of public debate.

IFCN YouTube Grant - The International Fact Checking Network's Fact Checking Development Fund, funded by YouTube via the Google Digital News Initiative, is supporting Full Fact to develop new formats for fact checks. We will work to develop and trial new creative formats with the aim to reach many more people with our fact checks. This will draw from and build on research into how best to engage audiences with good information, tackling the harm caused by misleading claims.

Highway One Trust – provide funding for our policy and advocacy work, which in the grant period focused on influencing online policy, including the regulation of internet companies, modernising election law and the progression and scrutiny of the Online Safety Bill. The grant contributed to the costs of our policy staff.

Facebook Fellowship - Facebook's Health Fellowship grant supported us to a Health Fellow (a trainee medical doctor) in our fact checking team for twelve months, to help reduce the harm that bad health information does in the UK. With the support of the wider fact checking team, the Health Fellow produced timely, evidenced fact checks on a variety of health-focused claims ranging from teenage depression rates to vaccine misinformation.

IFCN WhatsApp - The International Fact Checking Network's Vaccine Grant Program, funded by WhatsApp, supported our partnership with Pregnant then Screwed to fact check misinformation about the relationship between the Covid-19 vaccines and pregnancy and maternal health.

IFCN NED - As part of the International Fact Checking Network's Fact-Checkers Working Together Research Program, funded by the National Endowment for Democracy, we conducted research interviews with fact checkers around the world about their experiences and challenges, and presented recommendations for supporting fact checking around the world.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Total 2021	Unrestricted funds	Restricted funds	Total 2020
	£	£	£	£	£	£
Tangible fixed assets	12,055	-	12,055	421	-	421
Net current assets	1,254,864	-	1,254,864	1,218,501	8,283	1,226,784
	<u>1,266,919</u>	<u>-</u>	<u>1,266,919</u>	<u>1,218,922</u>	<u>8,283</u>	<u>1,227,205</u>

17. RELATED PARTY DISCLOSURES

There were no related party transactions during the year.

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