

Company registration number: 6975984

Charity registration number: 1158683

Full Fact

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2016

Baxterworld Ltd
Reporting Accountants
24 Ben Madigan Heights
Newtownabbey
Co. Antrim
BT36 7PY

Full Fact

Contents

Reference and Administrative Details	1
Strategic Report	2
Trustees' Report	3 to 9
Statement of Trustees' Responsibilities	10
Independent Examiner's Report	11
Statement of Financial Activities	12 to 13
Balance Sheet	14
Notes to the Financial Statements	15 to 24

Full Fact

Reference and Administrative Details

Trustees	The Hon. Michael Samuel Lord David Lawrence Lipsey Mr Simon Briscoe Lord Richard Inglewood Baroness Julia Babette Neuberger Professor Jean Seaton Lord John Sharkey Sharon Witherspoon (appointed 13 January 2016)
Secretary	Mr Will Moy
Principal Office	2 Carlton Gardens St James's London SW1Y 5AA
Registered Office	2 Carlton Gardens St James's London SW1Y 5AA
Company Registration Number	The charity is incorporated in England. 6975984
Charity Registration Number	1158683
Bankers	Charities Aid Foundation 25 Kings Hill Avenue Kent ME19 4TA
Independent Examiner	Baxterworld Ltd Reporting Accountants 24 Ben Madigan Heights Newtownabbey Co. Antrim BT36 7PY

Full Fact

Strategic Report for the Year Ended 31 December 2016

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 December 2016, in compliance with s414C of the Companies Act 2006.

Financial review

Total Income for the period under review was £557,696. Revenue Expenditure was £488,621.

Overall reserves totalled £79,578 (2015 £10,503), all of which are unrestricted and available for general use at the balance sheet date.

Policy on reserves

It is the charity's policy to maintain unrestricted reserves equal to 3 months running costs. In 2016, that value is £122,155. Unrestricted reserves totalled £79,578 which is equivalent to 2 months running costs.

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 depend on individual donations and would like to thank the thousands of people who have supported our work.

Plans for future periods

Aims and key objectives for future periods

2016 was another year dominated by major political events. In 2017 our plan is to focus on a small group of priorities.

Content – Focus on covering a limited number of debates systematically.

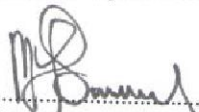
Comms – Build on our EU referendum progress and to reach ever wider audiences.

Impact – Use automated monitoring to correct repeated inaccurate claims systematically.

Prevention – Pursue the Need to Know project described above.

Organisation – Focus on fundraising to achieve a budget for growth.

The strategic report was approved by the trustees of the charity on 1 September 2017 and signed on its behalf by:


.....
The Hon. Michael Samuel
Trustee

Full Fact

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 December 2016.

Objectives and activities

Objects 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, using such expertise (legal or otherwise) and advice as the trustees shall consider appropriate, to promote and advance public understanding and inform public debate in those fields whether in the UK or abroad 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.

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

The advancement of public education through education in the fields of crime, health, immigration, economy, education, environment, and social welfare through education, research and training.

Full Fact

Trustees' Report

Objectives, strategies and activities

Content

Focus on covering a limited number of debates systematically.

Comms

Build on our EU referendum progress and to reach ever wider audiences.

Impact

Use automated monitoring to correct repeated inaccurate claims systematically

Prevention

Pursue the Need to Know project described above.

Organisation

Focus on fundraising to achieve a budget for growth.

Full Fact

Trustees' Report

2016 was dominated by the referendum on the UK's membership of the EU and reactions to it.

EU referendum:

As we said in last year's report: "Our biggest priority for 2016 is to provide the public with a baseline of impartial, accessible, and rigorous information on the EU. The EU referendum is a once in a generation choice that will affect Britain's relationship with the continent and place in the world far beyond 23 June. Full Fact does not believe that facts will decide the issue for most voters, but we do believe that all citizens have the right to the best possible information to make their decision. There is no other organisation in the UK that is providing this in a clear, engaging and accessible way for the public."

The referendum was announced on 18 February and ran until 23 June.

We published 185 factchecks and briefings and 25 videos. We had more people on our website than ever before, and that included the last general election.

We worked with a range of experts and we are grateful for the support we received from academics and lawyers when dealing with such complex topics. World class experts went to great pains to simplify important topics as far as they could be simplified. Our legal experts included professors from Cambridge, Durham, Oxford, Edinburgh, Queen Mary, Essex, and York universities. Also working with us were top QCs from Monckton Chambers, immigration experts from Oxford University's Migration Observatory, and health experts at the Nuffield Trust. We worked with the academic UK in a Changing Europe initiative to produce a series analysing the facts behind the claims. This covered topics including the UK's EU membership fee, immigration, economics costs and benefits, and borders.

Our work was taken up in the media, including appearances on Good Morning Britain, Victoria Derbyshire, the Today programme, a feature in the FT, and work with or appearances most of the national papers and quite a few local papers. We were glad to support the Big Issue for a feature they did. We factchecked all the major TV debates, three in partnership with ITV news. The public response was encouraging, for example: "Must say @FullFact are smashing it out of the park on the referendum claims - recommend consulting regularly when watching debates!" and "Whatever way you plan on voting, go into the polling station with the facts. Please. Check out @FullFact on the EU."

Our work was taken up by high profile individuals. We were delighted the day before the referendum when Andy Murray told the Daily Mail that he used Full Fact to find out 'what you need to know independently', J K Rowling tweeted about us earlier in the campaign, and Martin Lewis, the MoneySavingExpert, used our research and featured us in his blog on how to decide;

We also worked with partners ranging from 38 Degrees to the Federation of Small Businesses to Mumsnet and Bite the Ballot to reach the widest possible audiences.

We pioneered different ways of ensuring our research reaches the widest possible audience, including working with WikiMedia UK to host an edit-a-thon before the referendum to ensure that Wikipedia's most relevant pages were as accurate and useful as possible.

Full Fact

Trustees' Report

Post-referendum

Widespread and justified criticisms of factual claims made by each campaign, how they were generated, and how they were spread with little or inadequate or ineffective scrutiny, led to a major public debate under the catchy banner of 'post-truth' politics. These concerns were amplified and made part of a global debate by the experiences of the US presidential election, which included concerns about casual disinformation published for profit or political gain online and state-sponsored disinformation, as well as again the behaviour of the candidates and campaigns, gaining another catchy label of 'fake news'.

Full Fact

Trustees' Report

The scope of these debates ranged from ill-thought-through proposals to criminalise particular behaviours, to serious and credible concerns about the behaviour of leading figures in public life. Among other things, they showed that 'post-truth' and 'fake news' are not helpful labels. Both condense too many separate problems into a slogan, and those slogans can obscure real and solvable problems.

Amid the noise, there were opportunities to do what Full Fact does best: use the evidence gained from hundreds of factchecks to identify specific and proportionate changes that can help anchor public debate to reality.

Day by day Full Fact makes an essential contribution to the quality of free public debate. We provide reliable, testable, trustworthy information. We help people test others' information and publicly challenge it where necessary.

In the longer term, we take steps ourselves and with partner organisations to make it easier for people to find trustworthy information, and to help ensure that inaccurate and substantiated claims are challenged fairly and effectively.

One example was the BBC Trust's review of how the BBC reports statistics. Full Fact hosted visits from the independent review team and supplied evidence of the BBC's strengths and weaknesses in reporting on statistical claims. The Review quoted and endorsed a finding from Full Fact's earlier research on the reporting of poverty: "One of the most striking findings was that journalists did not appear to explicitly scrutinise or challenge claims made by politicians or by pressure groups - including on use of statistics."

This suggests a recommendation for the BBC to develop its role in supporting and encouraging BBC journalists to do this, thereby contributing to more accurate reporting and better understanding of poverty." We later helped the BBC with developing its new guidance on reporting statistics.

Full Fact was asked to give evidence to the House of Commons Public Administration and Constitutional Affairs Committee on the subject of government accounts. The committee was concerned that accounts answers the public's questions and enables citizens to hold government to account for its spending. It cited a number of points from our evidence and made a number of consequent recommendations, including: "Select Committees should consider the suggestion made by the Director of Full Fact that they should have an annual hearing not simply on the Annual Report and Accounts, but on the information published by Government Departments (including Accounts) more generally."

Full Fact launched the Need to Know project with the UK Statistics Authority, the Economic and Social Research Council, and the House of Commons Library. This aimed to identify the big public choices of the coming years and produce an action plan in for ensuring we have the data we need, the analysis we need, and that they are effectively communicated to inform those decisions in the run up to a possible 2020 election.

Full Fact was the UK launch partner for Google's new integration of factchecks into search results. Google's launch blog featured examples of Full Fact's factchecks. The claims and excerpts from the conclusions are now been featured directly in Google search results.

Full Fact also expanded our range of media partnerships in 2016, including regular video factchecks with LBC, and a partnership with the Telegraph so that our regular factchecking of Prime Minister's Questions reaches a much wider audience.

All of these show that there are practical and proportionate ways to strengthen our democracy and inform free and robust public debate. We will continue to work to find opportunities to bring our work to wider audiences; challenge unsubstantiated claims more systematically; and encourage other relevant organisations to do more to contribute to well-informed and accurate public debate.

Full Fact

Trustees' Report

All articles are checked and reviewed by at least two researchers for balance and accuracy, including checking conclusions against their original sources. On publication, we link to all our sources so that readers can check our findings for themselves. We have a feedback process in place, including showing updates or corrections made to our articles explicitly and transparently.

Public benefit

The advancement of public education through education, research and training. To carry 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.

Going concern

Full Fact is a going concern.

Structure, governance and management

Nature of governing document

Full Fact is non-profit (no. 6975984) company 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 guarantee of each Trustee is limited to £10.

Full Fact is registered at 2 Carlton Gardens, London SW1Y 5AA. In 2016 the registered address was 9 Warwick Court London WC1R 5DJ.

Recruitment and appointment of trustees

The trustees listed in this report have been trustees for all of 2016.

New trustees are appointed by agreement of the existing trustees. Sharon Witherspoon MBE became a trustee on 13 January 2016. New trustees are provided with an induction pack.

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 have operational responsibility for the charity.

Organisational structure

The Trustees meet three times a year, with a supplementary Finance and General Purposes Committee (Lord Lipsey (Chair), Simon Briscoe, Hon. Michael Samuel, and Sharon Witherspoon) meeting three times a year as well.

The day-to-day running of Full Fact, including all editorial decisions, is the responsibility of the Director, Will Moy.

Full Fact

Trustees' Report

Financial instruments

Objectives and policies

The major risks to which the charity is exposed, as identified by trustees, have been reviewed, and systems and procedures have been established to manage those risks.

We are constantly mindful of the need to maintain balance and impartiality in everything we do. Strict safeguards remain in place, constructed based on our experience and examples from other respected organisations. We maintain neutrality in all our fields of work.

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.

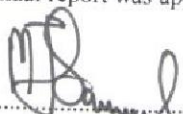
Credit risk

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. 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.

The annual report was approved by the trustees of the charity on 1 September 2017 and signed on its behalf by:



.....
The Hon. Michael Samuel
Trustee

Full Fact

Statement of Trustees' Responsibilities

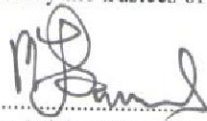
The trustees (who are also the directors of Full Fact for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law 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.

Approved by the trustees of the charity on 1 September 2017 and signed on its behalf by:



.....
The Hon. Michael Samuel
Trustee

Full Fact

Independent Examiner's Report to the trustees of Full Fact

I report on the accounts of the charity for the year ended 31 December 2016 which are set out on pages 12 to 24.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of CIMA.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

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

Independent examiner's statement


In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.


Catherine McRory ACMA CGMA
Reporting Accountants
CIMA

24 Ben Madigan Heights
Newtownabbey
Co. Antrim
BT36 7PY

1 September 2017

Full Fact

Statement of Financial Activities for the Year Ended 31 December 2016 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2016 £
Income and Endowments from:				
Donations and legacies	3	250,083	48,500	298,583
Charitable activities	4	194,230	-	194,230
Other income		64,884	-	64,884
Total Income		509,197	48,500	557,697
Expenditure on:				
Charitable activities	6	(440,122)	(48,500)	(488,622)
Total Expenditure		(440,122)	(48,500)	(488,622)
Net income		69,075	-	69,075
Net movement in funds		69,075	-	69,075
Reconciliation of funds				
Total funds brought forward		10,503	-	10,503
Total funds carried forward	14	79,578	-	79,578
	Note	Unrestricted funds £	Restricted funds £	Total 2015 £
Income and Endowments from:				
Donations and legacies	3	276,078	250,819	526,897
Investment income	5	87	-	87
Other income		30,170	-	30,170
Total Income		306,335	250,819	557,154
Expenditure on:				
Raising funds		(1,743)	(1,652)	(3,395)
Charitable activities	6	(356,440)	(208,417)	(564,857)
Total Expenditure		(358,183)	(210,069)	(568,252)
Net (expenditure)/income		(51,848)	40,750	(11,098)
Transfers between funds		40,750	(40,750)	-
Net movement in funds		(11,098)	-	(11,098)
Reconciliation of funds				
Total funds brought forward		21,601	-	21,601
Total funds carried forward	14	10,503	-	10,503

Full Fact

**Statement of Financial Activities for the Year Ended 31 December 2016
(Including Income and Expenditure Account and Statement of Total Recognised Gains and
Losses)**


All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2015 is shown in note 14.

Full Fact

(Registration number: 6975984)
Balance Sheet as at 31 December 2016

	Note	2016 £	2015 £
Current assets			
Debtors			
Cash at bank and in hand	11	100,500	42,584
		<u>4,196</u>	<u>14,971</u>
		104,696	57,555
Creditors: Amounts falling due within one year	12	<u>(25,118)</u>	<u>(47,052)</u>
Net assets		<u>79,578</u>	<u>10,503</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>79,578</u>	<u>10,503</u>
Total funds	14	<u>79,578</u>	<u>10,503</u>

The financial statements on pages 12 to 24 were approved by the trustees, and authorised for issue on 1 September 2017 and signed on their behalf by:


.....
The Hon. Michael Samuel
Trustee

Full Fact

Notes to the Financial Statements for the Year Ended 31 December 2016

1 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £Nil towards the assets of the charity in the event of liquidation.

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

Full Fact 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

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Transition to FRS 102

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. No restatements are required as a result of the transition to FRS 102.

Income and endowments

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

Full Fact

Notes to the Financial Statements for the Year Ended 31 December 2016

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 receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Deferred income

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.

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 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.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

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.

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.

Governance costs

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

Full Fact

Notes to the Financial Statements for the Year Ended 31 December 2016

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.

Trade debtors

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

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

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 creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

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 on the basis of 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.

Full Fact

Notes to the Financial Statements for the Year Ended 31 December 2016

Fund structure

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

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 into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

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.

Full Fact

Notes to the Financial Statements for the Year Ended 31 December 2016

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Full Fact

Notes to the Financial Statements for the Year Ended 31 December 2016

Derivative financial instruments

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

3 Income from donations and legacies

	Unrestricted funds		
	General £	Total 2016 £	Total 2015 £
Donations and legacies;			
Donations from individuals	250,083	250,083	181,897
	<u>250,083</u>	<u>250,083</u>	<u>181,897</u>

4 Income from charitable activities

	Unrestricted funds	
	General £	Total 2016 £
Public Education	194,230	194,230
	<u>194,230</u>	<u>194,230</u>

5 Investment income

	Total 2016 £	Total 2015 £
Other investment income	-	87
	<u>-</u>	<u>87</u>

Full Fact

Notes to the Financial Statements for the Year Ended 31 December 2016

6 Expenditure on charitable activities

	Note	Unrestricted funds	Restricted funds	Total 2016	Total 2015
		General £	£	£	£
Public Education		122,863	11,000	133,863	204,350
Staff costs		122,712	26,230	148,942	217,801
Allocated support costs		193,023	11,270	204,293	141,186
Governance costs		1,524	-	1,524	1,520
		<u>440,122</u>	<u>48,500</u>	<u>488,622</u>	<u>564,857</u>
		Grant funding of activity	Activity support costs	Total 2016	Total 2015
		£	£	£	£
Public Education		<u>282,805</u>	<u>204,293</u>	<u>487,098</u>	<u>563,337</u>

£437,074 (2015 - £354,920) of the above expenditure was attributable to unrestricted funds and £48,500 (2015 - £208,417) to restricted funds.

7 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.
No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

8 Staff costs

The aggregate payroll costs were as follows:

	2016 £	2015 £
Staff costs during the year were:		
Wages and salaries	134,677	188,649
Social security costs	12,445	15,424
Pension costs	466	-
Other staff costs	<u>1,354</u>	<u>13,728</u>
	<u>148,942</u>	<u>217,801</u>

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

Full Fact

Notes to the Financial Statements for the Year Ended 31 December 2016

	2016 No	2015 No
Charitable Activities	<u>11</u>	<u>12</u>

No employee received emoluments of more than £60,000 during the year.

9 Independent examiner's remuneration

	2016 £	2015 £
Examination of the financial statements	<u>1,524</u>	<u>1,520</u>
Independent Examiner's remuneration	<u>(1,524)</u>	<u>(1,520)</u>

10 Taxation

The charity is a registered charity and is therefore exempt from taxation.

11 Debtors

	2016 £	2015 £
Trade debtors	96,000	18,084
Accrued income	-	20,000
Other debtors	<u>4,500</u>	<u>4,500</u>
	<u>100,500</u>	<u>42,584</u>

12 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	4,528	34,229
Other taxation and social security	9,405	6,753
Other creditors	9,865	-
Accruals	1,320	1,320
Deferred income	<u>-</u>	<u>4,750</u>
	<u>25,118</u>	<u>47,052</u>

Full Fact

Notes to the Financial Statements for the Year Ended 31 December 2016

13 Pension and other schemes

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 £466 (2015 - £Nil).

14 Funds

	Balance at 1 January 2016 £	Incoming resources £	Resources expended £	Balance at 31 December 2016 £
Unrestricted funds				
<i>General</i>				
Unrestricted Income Fund	10,503	509,196	(440,121)	79,578
Restricted funds				
Barrow Cadbury EU Referendum	-	39,000	(39,000)	-
Barrow Cadbury Full Fact Rebooted	-	9,500	(9,500)	-
Total restricted funds	-	48,500	(48,500)	-
Total funds	10,503	557,696	(488,621)	79,578

	Balance at 1 January 2015 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2015 £
Unrestricted funds					
<i>General</i>					
Unrestricted Income Fund	21,601	306,335	(358,183)	40,750	10,503

15 Analysis of net assets between funds

Full Fact

Notes to the Financial Statements for the Year Ended 31 December 2016

	Unrestricted funds General £	Total funds £
Current assets	95,196	95,196
Current liabilities	(15,618)	(15,618)
Total net assets	<u>79,578</u>	<u>79,578</u>

16 Analysis of net funds

	At 1 January 2016 £	Cash flow £	At 31 December 2016 £
Cash at bank and in hand	14,971	(10,775)	4,196
Net debt	<u>14,971</u>	<u>(10,775)</u>	<u>4,196</u>

18 Related Party Transactions

During the year the charity received £10,000 from the Peter Samuel Trust where Michael Samuel is a Trustee (£10,000 2015)

During the year the charity received £30,000 from the MJ Samuel Trust where Michael Samuel is a Trustee (£30,000 2015)