

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 2017

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Full Fact

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Full Fact

Reference and Administrative Details

Chairman	Hon. Michael Samuel
Trustees	Lord David Lipsey Simon Briscoe Lord Richard Inglewood Baroness Julia Neuberger Professor Jean Seaton Lord John Sharkey Sharon Witherspoon
Secretary	Will Moy
Senior Management Team	Will Moy, Director
Principal Office	2 Carlton Gardens St James's London SW1Y 5AA
Registered Office	2 Carlton Gardens St James's London SW1Y 5AA The charity is incorporated in England.
Company Registration Number	6975984
Charity Registration Number	1158683
Bankers	Charities Aid Foundation 25 Kings Hill Avenue Kent ME19 4TA
Auditor	MHS MacIntyre Hudson Auditors New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ

Full Fact

Trustees Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 December 2017.

Structure, governance and management

Nature of governing document

Full Fact is charitable (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 owns a trading company, Full Fact Services Ltd. The Directors of the company are appointed by the trustees. This company is dormant and has therefore not been included within these financial statements.

Full Fact is registered at 2 Carlton Gardens, London SW1Y 5AA.

Recruitment and appointment of trustees

The trustees listed in this report have been trustees for all of 2017.

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 (Lord Lipsey (Chair), Simon Briscoe, Hon. Michael Samuel, and Sharon Witherspoon) meeting three times a year as well. The Board reviews its own performance annually and consider training needs as part of this.

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

Full Fact

Trustees Report

Charity Governance Code

The Board conducted a detailed review of Full Fact's governance in the light of the recent Charity Governance Code published 2017. We found that Full Fact's governance was fundamentally sound and largely already met 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 for example 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 deal 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 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.

Annual salaries of members of staff paid more than £60,000 –

Will Moy Director £60,000 (£50,000 in 2016)

The Trustees consider that the Board of Trustees and the Director (Will Moy) comprise the Key Management Personnel of the charity.

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

Trustees Report

Fundraising disclosures

Full Fact does not employ outside fundraisers or employ the kinds of fundraising tactics that have given rise to recent 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.

We have no recorded fundraising complaints in the year.

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 fundraise from trusts and foundations, companies, and other funders. All of our funders giving more than £5,000 are listed on our website.

Our view is that “unreasonable intrusion”, “unreasonable persistence”, or “undue pressure” are easily avoided by not engaging in such behaviour. Full Fact’s fundraising does not operate in such a way that we need to take special steps to avoid this kind of behaviour.

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

In the short term, we factcheck, 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 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.

In the medium term, we use the evidence from our factchecking 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.

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2017

In 2017 the unexpected snap general election disrupted our plans. We put together an extremely successful election campaign with no notice. The achievements are set out below.

On top of the daily process of providing full, accurate and relevant information on matters of public debate, we undertook a number of projects informed by the evidence from our experience factchecking that were aimed at improving the quality of information in public debate and the effectiveness of our work.

We launched a project called Need to Know with the people who fund and produce public information in the UK to make a plan for identifying filling the gaps in data and analysis that inhibit informed public debate. Our partners were the Economic and Social Research Council, the UK's largest organisation for funding research on economic and social issues; the UK Statistics Authority is the regulator which safeguards and promotes official statistics that serve the public good; and the House of Commons Library provides impartial, publicly available research and briefings for MPs. We ran a very effective day with over 100 experts identifying gaps but unfortunately the election came at that point. We are now considering how best to take this work forward.

We helped the BBC review its internal guidance on reporting statistics. The revised guidelines have been distributed to all BBC journalists.

We sat on the panel reviewing the Code of Practice for Official Statistics. The revised Code has now been published.

Full Fact pointed out to the Cabinet Secretary the unintended effect of the guidelines on public bodies publishing information during election period (the 'purdah guidelines') in inhibiting the availability and presentation of high-quality information about important issues at a crucial time for the public. The guidelines are now being revised and we are monitoring this.

Google launched a new feature that integrates our factchecks into Google search results.

We secured funding to establish a full automated factchecking team, building on the prototypes already developed and used in our work.

We were able to establish a dedicated research function, run our first major audience survey, and begin project with the Neuropolitics Research Lab Edinburgh University to understand how audiences perceive and experience factual information and how to present our work most effectively.

The general election

Our team, backed by 1,920 donors, were busy and productive -

- Overall, we published 100 new factchecks and explainers in the 8 weeks after the snap election announcement, including factchecking viral stories like the NHS video, "Garden Tax", Naylor review, "Dementia Tax" and many online infographics.
- We factchecked the Conservative, Labour, Liberal Democrat, SNP, UKIP and Green manifesto launches-every party with more than 1% share of the vote in the previous election.
- We live factchecked seven different multi-party leader debates, including three with broadcaster partners ITV News, the BBC Victoria Derbyshire show, and BBC Wales.
- We made 18 factual videos which together racked up 2 million views.

Full Fact

Trustees Report

- We were in or on: ITV News, BBC Breakfast, BBC Radio 5 Live, Reuters TV, Sky News, BBC General News Service, the Telegraph, the i, Metro Online, the London Evening Standard, Press Association, Mail Online, the Guardian, the Times, Vice, Wired, the Bureau of Investigative Journalism, Mashable UK, Dazed, Yahoo News, BuzzFeed and many others.
- On Facebook 18.5 million people saw our factchecks, and 7.8 million people engaged with them
- On Twitter 9.8 million people saw our factchecks.
- We held two Facebook Live Q&A sessions with the country's leading experts to answer questions on Brexit, Immigration, Health and the Economy.
- With the international online misinformation experts First Draft, we brought verification and factchecking together in the same office for the first time to inform public debate online.
- We partnered with expert organisations including the Institute for Fiscal Studies, the Nuffield Trust, the National Foundation for Educational Research, and the Migration Observatory at Oxford University.
- We raised £100,263 from 1,920 supporters through our crowdfunding campaign backed by the Nuffield Foundation.
- We grew our team of 11 to 30 for the election, including hosting statisticians and specialist researchers as secondees who had deep subject knowledge in each area, something that requires an extremely strong core group of staff, and strong standards and processes.
- We built automated factchecking tools that were used live during the election.

Serving the public

All our work is available for free to the public on our website and other channels. We had over three million users on our website alone in 2017.

The benefit of factchecking

A good example which illustrates different aspects of our model is a series of factchecks on mental health. That arose from a television interview given by the Secretary of State for Health and subsequent exchange online between him and the Royle Family actor Ralf Little.

We published a series of factchecks that were widely read and shared. While many of our factchecks are done very quickly, due to the nature of this subject, including the limited sources available at that point and the fact that the topic crosses the responsibilities of different public bodies, it took weeks to be able to extract and fully understand the information needed to inform the debate. By then, in this case the heat of media interest had died down but we persisted with our work.

As well as helping to inform a large audience online, this work led to significant improvements in the quality of information on the important subject of mental health provision -

- After we contacted the UK Statistics Authority (UKSA) and the Chair of the House of Commons Health Select Committee, NHS England published missing data on overall health spend.
- After we followed up with Chair of the Health Committee on NHS England's response on mental health spending, NHS England corrected an inaccurate figure on their website and re-sent a corrected letter to the UKSA.
- After we contacted UKSA, Health Education England and NHS England published data on crisis care.
- After we contacted UKSA about mental health staffing numbers (following additional pressure from UKSA last year) NHS Digital published experimental analysis explaining mental health workforce data.
- NHS Digital asked us specifically for feedback and input on their experimental analysis.
- The UK Statistics Authority wrote a blog which credited Full Fact as helping secure better data in mental health.

Full Fact

Trustees Report

This example demonstrates the value of our approach, and how the impact of asking constructive questions is not always predictable. As an independent and impartial organisation we have no commitment other than to ensure the debate on mental health provision is as well informed as possible. In this case the results were far-reaching and it is to be hoped that this better information will contribute to better planning and provision in mental health and so to real improvements in the lives of mental health service users at least in some cases.

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.

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Full Fact

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Plans for future periods

Activities planned to achieve aims

In 2018, Full Fact will go through a period of growth, having been forced to operate beyond the sustainable limits of the team while responding to the series of elections and referendums in recent years. We are very grateful to the funders who have made this possible.

New staff in this growth period include an Editor, which has been a crucial vacancy, an Operations Manager, a Fundraising Manager, the entire automated factchecking team, replacing factcheckers who have left, and new posts in communications.

When that team is in place the trustees will lead the development of Full Fact's future strategy.

The editorial team will continue to be responsible for providing full, accurate and relevant information to assist such public understanding and to inform and improve the quality of public debate.

The communications team will continue to be responsible for maximising the public benefit of that work.

Our two new teams are tasked with making our work more effective –

The Automated Factchecking team is developing tools that can help scale, target, and evaluate our factchecking work. In particular, Live supports real time factchecking of television and live events and Trends will help us understand the epidemiology of misinformation, and provide the foundation for future efforts to evaluate the impact of our interventions on its spread.

The Research Manager will make our work more effective by distilling available research on what works to inform public debate into operationally useful information that can be put into practice in our day to day work; and by doing or procuring further research where it can be beneficial.

The Operations and Fundraising function will provide a more stable and sustainable infrastructure for these teams to work with.

We are conscious of the ever-increasing importance of online information and misinformation and we are developing our editorial, comms, research and policy work accordingly.

Financial review

Full Fact's income for 2017 was £1,079,021 versus last year's income of £557,697. The main reason for the increase in income is due to our success in attracting support for our world-leading work on automated factchecking.

The charity spent in 2017 £752,019 versus last year's spending of £488,622.

It had a surplus of £327,002 in 2017 versus a surplus last year of £69,075.

The snap general election had a significant impact on the work of the charity, bringing a period of very intense activity, exceptional demand, and financial uncertainty. We are very grateful to the 1,920 donors to our crowdfunder who helped to ensure that the financial impact was manageable, raising £100,263 including £40,000 of backing from the Nuffield Foundation.

Full Fact

Trustees Report

Policy on reserves

It is the charity's policy to maintain unrestricted reserves equal to 3 months running costs. In 2017, that value is £188,006. Unrestricted reserves totalled £330,514 which is equivalent to just over 5 months running costs. This is a significant improvement on 2016's total of 2 months equivalent. Our budget for 2018 will reduce the reserves towards target levels.

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.

Financial instruments

Principle Risks and Uncertainties

The major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems or procedures have been established to manage those risks. A working risk register is maintained, which the Board reviews at least annually.

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.

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Trustees Report

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.

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.

Full Fact

Trustees Report

Statement of Responsibilities

The trustees (who are also the directors of Full Fact for the purposes of company law) are responsible for preparing 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.

Disclosure of information to auditor

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

Reappointment of auditor

Disclosure of information to auditor

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

Reappointment of auditor

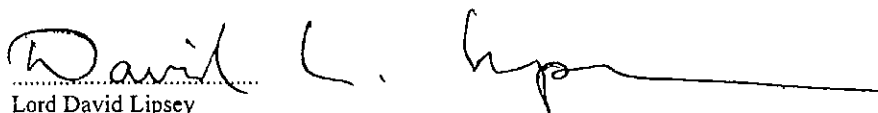
In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of MHA MacIntyre Hudson as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

Full Fact
Trustees Report

The annual report was approved by the trustees of the charity on 13 September 2018 and signed on its behalf by:



.....
Hon. Michael Samuel
Chairman



.....
Lord David Lipsey
Trustee

Full Fact

Statement of Trustees' Responsibilities

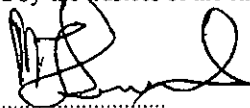
The trustees (who are also the directors of Full Fact for the purposes of company law) are responsible for preparing the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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 13 September 2018 and signed on its behalf by:



Hon. Michael Samuel
Chairman



Lord David Lipsey
Trustee

Full Fact

Independent Auditor's Report to the Members of Full Fact

Opinion

We have audited the financial statements of Full Fact (the 'charitable company') for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet and the 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 charitable company's affairs as at 31 December 2017, 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

Full Fact

Independent Auditor's Report to the Members of Full Fact

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other 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 strategic report and the directors report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors report have 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors report.

We have nothing to report in respect of the following matters in relation to which the Company's Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Full Fact

Independent Auditor's Report to the Members of Full Fact

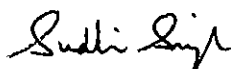
Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Sudhir Singh FCA, Senior Statutory Auditor
For and on behalf of MHA MacIntyre Hudson, Statutory Auditor
New Bridge Street House,
30-34 New Bridge Street
London, EC4V 6BJ

Date: 27 September 2018

Full Fact

Statement of Financial Activities for the Year Ended 31 December 2017 (Including Income and Expenditure Account)

	Note	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Income and Endowments from:					
Donations and legacies	3	501,560	83,500	585,060	298,583
Charitable activities	4	155,000	295,804	450,804	194,230
Other income		43,157	-	43,157	64,884
Total Income		<u>699,717</u>	<u>379,304</u>	<u>1,079,021</u>	<u>557,697</u>
Expenditure on:					
Charitable activities	5	<u>(393,424)</u>	<u>(358,595)</u>	<u>(752,019)</u>	<u>(488,622)</u>
Total Expenditure		<u>(393,424)</u>	<u>(358,595)</u>	<u>(752,019)</u>	<u>(488,622)</u>
Net income		<u>306,293</u>	<u>20,709</u>	<u>327,002</u>	<u>69,075</u>
Net movement in funds		306,293	20,709	327,002	69,075
Reconciliation of funds					
Total funds brought forward		<u>79,578</u>	<u>-</u>	<u>79,578</u>	<u>10,503</u>
Total funds carried forward	13	<u>385,871</u>	<u>20,709</u>	<u>406,580</u>	<u>79,578</u>
	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		<u>509,197</u>	<u>48,500</u>	<u>557,697</u>	
Expenditure on:					
Charitable activities	5	<u>(440,122)</u>	<u>(48,500)</u>	<u>(488,622)</u>	
Total Expenditure		<u>(440,122)</u>	<u>(48,500)</u>	<u>(488,622)</u>	
Net income		<u>69,075</u>	<u>-</u>	<u>69,075</u>	
Net movement in funds		69,075	-	69,075	
Reconciliation of funds					
Total funds brought forward		<u>10,503</u>	<u>-</u>	<u>10,503</u>	
Total funds carried forward	13	<u>79,578</u>	<u>-</u>	<u>79,578</u>	

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

Full Fact

**Statement of Financial Activities for the Year Ended 31 December 2017
(Including Income and Expenditure Account)**

The notes on pages ~~18-21~~²²⁻³² form part of these financial statements.

The statement of financial activities includes all gains and losses recognised during the year.

The funds breakdown for 2016 is shown in note 13.

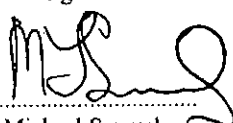
Full Fact

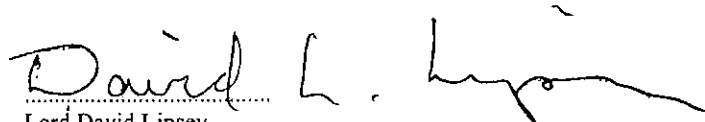
(Registration number: 6975984)
Balance Sheet as at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	9	23,658	-
Current assets			
Debtors	10	242,050	100,500
Cash at bank and in hand		<u>246,183</u>	<u>4,196</u>
		488,233	104,696
Creditors: Amounts falling due within one year	11	<u>(105,311)</u>	<u>(25,118)</u>
Net current assets		<u>382,922</u>	<u>79,578</u>
Net assets		<u>406,580</u>	<u>79,578</u>
Funds of the charity:			
Restricted funds		20,709	-
Unrestricted income funds			
Unrestricted funds		<u>385,871</u>	<u>79,578</u>
Total funds	13	<u>406,580</u>	<u>79,578</u>

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

The financial statements on pages 18 to 32 were approved by the trustees, and authorised for issue on 13 September 2018 and signed on their behalf by:


Hon. Michael Samuel
Chairman


Lord David Lipsey
Trustee

Full Fact

Statement of Cash Flows for the Year Ended 31 December 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash income		327,002	69,075
Adjustments to cash flows from non-cash items			
Depreciation		<u>11,450</u>	<u>-</u>
		338,452	69,075
Working capital adjustments			
Increase in debtors	10	(141,550)	(57,916)
Increase/(decrease) in creditors	11	15,401	(17,184)
Increase/(decrease) in deferred income		<u>64,792</u>	<u>(4,750)</u>
Net cash flows from operating activities		277,095	(10,775)
Cash flows from investing activities			
Purchase of tangible fixed assets	9	<u>(35,108)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		241,987	(10,775)
Cash and cash equivalents at 1 January		<u>4,196</u>	<u>14,971</u>
Cash and cash equivalents at 31 December		<u><u>246,183</u></u>	<u><u>4,196</u></u>

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

The notes on pages ~~18-27~~ form part of these financial statements.

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Full Fact

Notes to the Financial Statements for the Year Ended 31 December 2017

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.

Full Fact's charitable activities are focused on 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 public understanding and public debate through impartial factual analysis.

Full Fact's functional currency is pounds sterling.

Within the accounts there is a rounding up or down within £1.

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.

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 2017

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 accounting policy

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.

Gifts in kind

Gifts in kind have been received from the following sources and are included in the Donations income and the relevant expenditure accounted for:

Facebook £50,445
Twitter £6,000
Google £7,400
Social Research Association £175
Kings College London £2,000
Newspeak House £500

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

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.

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.

Full Fact

Notes to the Financial Statements for the Year Ended 31 December 2017

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 carried out at Headquarters. 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.

Taxation

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

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Asset class	Depreciation method and rate
Computer Equipment	33.33% Straight Line
Furniture and Office Equipment	20% Straight Line

Trade debtors

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

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.

Full Fact

Notes to the Financial Statements for the Year Ended 31 December 2017

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.

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.

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

Financial instruments

Classification

The Charity does not have a material holding in complex financial instruments. The Charity only holds basic Financial Instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 12. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Note 13. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

3 Income from donations and legacies

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	General £	£	£	£
Donations and legacies;				
Donations from Individuals and Institutions	501,560	83,500	585,060	298,583
	<u>501,560</u>	<u>83,500</u>	<u>585,060</u>	<u>298,583</u>

Full Fact

Notes to the Financial Statements for the Year Ended 31 December 2017

4 Income from charitable activities

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	General			
	£	£	£	£
Public Education	<u>155,000</u>	<u>295,804</u>	<u>450,804</u>	<u>194,230</u>

5 Expenditure on charitable activities

		Unrestricted funds	Restricted funds	Total 2017	Total 2016
		General			
	Note	£	£	£	£
Public Education		210,987	84,294	295,281	133,863
Staff costs		160,067	274,301	434,368	353,235
Allocated support costs	6	<u>22,370</u>	<u>-</u>	<u>22,370</u>	<u>1,524</u>
		<u>393,424</u>	<u>358,595</u>	<u>752,019</u>	<u>488,622</u>
			Grant funding of activity	Total 2017	Total 2016
			£	£	£
Public Education			<u>741,102</u>	<u>741,102</u>	<u>487,098</u>

£290,060 (2016 - £437,074) of the above expenditure was attributable to unrestricted funds and £440,122 (2016 - £48,500) to restricted funds.

Full Fact

Notes to the Financial Statements for the Year Ended 31 December 2017

6 Analysis of support costs

Support costs allocated to charitable activities

	Total 2017 £	Total 2016 £
Accountancy Fees	1,320	1,524
Auditors Fees	9,600	-
Depreciation	11,450	-
Total	<u>22,370</u>	<u>1,524</u>

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:

	2017 £	2016 (Restated) £
Staff costs during the year were:		
Wages and salaries	378,840	338,382
Social security costs	36,465	12,445
Pension costs	2,671	1,054
Other staff costs	<u>16,392</u>	<u>1,354</u>
	<u>434,368</u>	<u>353,235</u>

2016 figures have been restated to include the entire salary costs across the organisation whether in a support role or direct research activity. The value that the restated figure has increased by is £204,923 in total.

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:

	2017 No	2016 No
Charitable Activities	<u>11</u>	<u>11</u>

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

Full Fact

Notes to the Financial Statements for the Year Ended 31 December 2017

Remuneration policy for key personnel

The Trustees consider that the Board of Trustees and the Director (Will Moy) comprise the Key Management Personnel of the charity.

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. The financial performance and health of Full Fact remains the determining factor in any remuneration progression.

There are no additional benefits paid to staff.

9 Tangible fixed assets

	Furniture and equipment £	Total £
Cost		
Additions	35,108	35,108
At 31 December 2017	35,108	35,108
Depreciation		
Charge for the year	11,450	11,450
At 31 December 2017	11,450	11,450
Net book value		
At 31 December 2017	23,658	23,658

10 Debtors

Full Fact

Notes to the Financial Statements for the Year Ended 31 December 2017

	2017 £	2016 £
Trade debtors	185,800	96,000
Accrued income	56,250	-
Other debtors	-	4,500
	<u>242,050</u>	<u>100,500</u>

11 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	21,606	4,528
Other taxation and social security	-	9,405
Other creditors	668	9,865
Accruals	18,245	1,320
Deferred income	64,792	-
	<u>105,311</u>	<u>25,118</u>

12 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 £2,671 (2016 - £1,054).

13 Funds

	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Balance at 31 December 2017 £
Unrestricted funds	<u>79,578</u>	<u>699,718</u>	<u>(393,425)</u>	<u>385,871</u>

Full Fact

Notes to the Financial Statements for the Year Ended 31 December 2017

	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Balance at 31 December 2017 £
Restricted funds				
Barrow Cadbury Full Fact Rebooted	-	1,000	(1,000)	-
Automated Fact Checking	-	47,244	(38,906)	8,338
DNI	-	84,544	(84,544)	-
University of Edinburgh	-	25,266	(12,895)	12,371
Nuffield Foundation General Election	-	40,000	(40,000)	-
Barrow Cadbury	-	45,000	(45,000)	-
Esmee Fairbairn Foundation	-	50,000	(50,000)	-
Legal Education Fund	-	37,500	(37,500)	-
Joseph Rowntree Charitable Trust	-	30,000	(30,000)	-
Nuffield Foundation Tools for Change	-	18,750	(18,750)	-
Total restricted funds	-	379,304	(358,595)	20,709
Total funds	79,578	1,079,022	(752,020)	406,580
	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 Full Fact Rebooted	-	9,500	(9,500)	-
Total funds	10,503	518,696	(449,621)	79,578

Full Fact

Notes to the Financial Statements for the Year Ended 31 December 2017

Barrow Cadbury Full Fact Rebooted - The aims of this project are to work with partners to rebut misleading claims quickly, effectively and at volume; increase the depth of Full Fact's work by reacting to new leads suggest by the network and identify and then plug our research team into expert research communities.

Automated Fact Checking - This project is to develop Full Fact's new automated factchecking system, which will enable us to work faster than ever before. Trends records every instance of a claim that we know is wrong, so that we can help stop it spreading. Live spots claims in TV subtitles that we've factchecked before and automatically pulls up our most recent articles in response. It also spots claims that haven't been factchecked before - but reliable data exists for - and creates factchecks on the spot using that data.

DNI - Google has established the Google Digital News Initiative Fund to support and promote innovation in the digital news sector. Third generation factchecking aims to help factchecking get to internet scale by developing and testing write-once reuse-anywhere formats for factchecking including automated factchecking, and new methods to help factcheckers 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 citizen' 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.

Barrow Cadbury - Core Funding Grant to enable Full Fact to develop its capacity, reach and services. Full Fact has identified five areas for action within in the next period: Content - focusing on a limited number of the most important public debates, impact - attempting not just to correct but to stop incorrect claims by employing new technology, communications - targeting particular audiences including Whitehall and political journalists with the aim of securing public recognition in order to build the brand, prevention - developing an action plan to identify and fill key gaps in provision, analysis and communication of data in time for the next General Election, Internal - fundraising, systems and internal capacity.

14 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	General £	£	£
Tangible fixed assets	23,658	-	23,658
Current assets	467,524	20,709	488,233
Current liabilities	(105,311)	-	(105,311)
Total net assets	<u>385,871</u>	<u>20,709</u>	<u>406,580</u>

Full Fact

Notes to the Financial Statements for the Year Ended 31 December 2017

15 Related Party Transactions

During the year the charity received £10,000 from the Peter Samuel Trust where Michael Samuel is a Trustee (£10,000 2016)

During the year the charity received £30,000 from the MJ Samuel Trust where Michael Samuel is a Trustee (£30,000 2016)

Full Fact Services Limited is a wholly owned subsidiary of Full Fact. This company remains dormant.

Operating Lease Commitment

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

At the reporting date the Charity had outstanding commitments for future minimum lease payments under a non-cancellable operating lease. (6 months of rent).

The operating lease represents a premises lease.