

*The*  
**MONEY**  
*Charity*

**Annual Report 2016**

**[themoneycharity.org.uk](http://themoneycharity.org.uk)**

Charity Number: 1106941  
Company number: 05244075

# The Money Charity Annual Report

For the year ended 31 December 2016

Company number: 05244075

Charity Number: 1106941

The Money Charity

Report and financial statements

For the year ended 31 December 2016

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# The Money Charity Annual Report

For the year ended 31 December 2016

## Reference and administrative information

**Company number:** 05244075

**Charity number:** 1106941

**Registered office and operational address:** 15 Prescott Place, London, SW4 6BS

**Country of registration:** England & Wales

**Country of incorporation:** United Kingdom

**Trustees:** Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

**C R Pond (Chair)**

**S P Allinson**

**S W Furse**

**M R Root**

**S W Smith**

**Company secretary:** P Anson (from 17/10/16)

**Key management personnel:** M Highman, Chief Executive (& Company Secretary until 17/10/16)

**Bankers:** The Co-operative Bank plc  
16 Saltergate  
Lincoln  
LN2 1DG

**Auditors:** Sayer Vincent LLP  
Chartered Accountants and Statutory Auditors  
Invicta House  
108-114 Golden Lane  
LONDON  
EC1Y 0TL

## Letter from the Chief Executive

### Welcome

Thank you for reading our 2016 annual report - the story of what we've achieved over the last twelve months. Because of the generous support we've got from many of you, it's been a year of activity and consolidation for The Money Charity.

The great milestone of the year came in November, in Neath Port Talbot College, South Wales. That was the day we reached our 150,000th student since we began to deliver financial education in schools and colleges six years ago. Over this long stretch of now more than 5,000 workshops, we've rehearsed our messages and carefully designed our materials to target young people with the training they need for a healthier relationship with money.



Sometimes when you go from classroom to classroom every day, it's hard to imagine the scale of impact you're having. But last year alone, we went into schools in Northern Ireland, Wales and England nearly a thousand times, working with 23,360 young people.

Because our work in schools is so important to what we do, 2016 was also a year where we resolved to play our part in re-igniting the national debate about how we can ensure financial education is delivered in schools. Back in 2014, financial education became part of the curriculum in English schools. Heralded as a large leap forward, political attention quickly moved away from the issue, and those of us working in the sector saw little change on the ground.

In Spring 2016, the All Party Parliamentary Group on Financial Education for Young People reported the continuing need for "strengthening school provision" - highlighting that much work was still to be done, and championing a redoubled effort. We gave our input to this report, but felt that the anecdotes we drew on needed to be more robustly evidenced. So over the summer we surveyed 126 teachers and interviewed six more.

In our report, which has been downloaded hundreds of times and was picked up by policymakers in Whitehall and Westminster, we found that while most schools deliver some finance education, teachers have little faith in its quality and are held back by insufficient time, negligible resources and school leaderships who do not view it as a high priority. Teachers we surveyed called for greater resources, and clearer leadership, and a mixed model of provision that includes direct delivery by experts from outside schools.

We were also very pleased to receive new funding to expand our adult team, bringing fresh energy to our workshops, finding dozens of new clients so that we can help adults across the UK to get to grips with their finances and build a happier, more secure future.

2016 was also a big year for the financial capability sector. Last year, it was announced that the Money Advice Service, which has been around since 2010, would close and be replaced by new money guidance bodies. The work that MAS does (and what it could do) is absolutely vital to the entire financial capability sector. With the levy from the financial services industry and mandate from government, there is huge potential to lead the sector and champion financial capability for all.

After seeing the Treasury's initial proposal to replace MAS with two bodies, one for money guidance and another for pensions, we were concerned that these would exacerbate, rather than address the current shortcomings. Splitting the guidance offering between pensions and the rest of people's financial lives was an artificial divide, and the structure that the money guidance body would have no brand and only deliver through others would have severely limited what it could do.

As one of the first and loudest groups calling for a single entity to replace MAS, the eventual decision to create a single body was a victory for us and our friends in the financial education sector. But above all it is a step forward for people whose debts, budgeting skills, savings, pensions and assets are all inseparable parts of complicated financial decision making, and who need a service they can rely on to guide them through all of this.

Our wider policy and influencing work also took strides forward in 2016, as we equalled our record number of government consultation responses, obtained coverage in the biggest and smallest news organisations and continued to produce original research on the issues that mean most to the people we serve.

We're still a small charity trying to punch above our weight. We hope that in this report you can see in each area of our work, we're doing just this. And we can only make such a difference with your help, so if you share our vision, don't hesitate to get in touch!



Michelle Highman  
Chief Executive

## Trustees' annual report

The trustees present their report and the audited financial statements for the year ended 31 December 2016.

Reference and administrative information set out on page 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

## Objectives and activities

### *Purposes and aims*

The Money Charity is the UK's financial capability charity. Our vision is for everyone to be on top of their money as a part of everyday life. So, we empower people across the UK to build the skills, knowledge, attitudes and behaviours to make the most of their money throughout their lives.



We believe that being on top of your money means you are more in control of your life, your finances and your debts, reducing stress and hardship. And that being on top of your money increases your wellbeing, helps you achieve your goals and live a happier more positive life as a result.

Our charitable objectives were updated in 2012 to better reflect our focus. They are:

- The relief and prevention of financial hardship in particular by the provision of money management advice and information.
- The advancement of the education of the public in money management.

We do this by:

- developing and delivering products and services which provide education, information and advice on money matters, in an appropriate way for young people and adults;
- working with all parts of the financial services industry to improve practice and outcomes for their consumers; and
- influencing and informing policymakers, the media, the industry and public attitudes to support our vision, purpose and delivery.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.



The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

## **Achievements and performance**

The charity's main activities and who it tries to help are described below. All its charitable activities focus on financial capability and good money management and are undertaken to further The Money Charity's charitable purposes for the public benefit.

### ***Young People***

Our young people work continues to be one of the most important and successful parts of The Money Charity's work. What we do for young people falls into two distinct areas of activity: Workshops in schools and colleges and our Student Moneymanual.

When you slog out to schools from Belfast to Kent and give workshops to rooms of 20-30 at a time, it's not always easy to look up and see the big difference you're making. But through this every-day hard work, we reached a huge 23,360 young school and college students in 2016!

2016 was the second year we sold our Student Money Manual to schools and universities - a model we adopted in 2015 and we distributed over 31,000 of our 2015-16 edition.



## Money Workshops

In 2016 we delivered 1,003 hours of workshops to 23,360 students across England, Wales and Northern Ireland.

We only get such high demand for our workshops because we keep them up to date and respond to the needs of teachers and young people. Building on work we did in 2015 to expand our offer and return to the same groups of students to embed learning, 2016 saw the

development of new teaching materials that we can leave behind in schools we visit. Taken together, these changes mean that our workshops are not simply one-off events, they are the beginning of a more comprehensive financial education.

And we did not just enrich our offer. In 2016 we won funding from the Money Advice Service “What Works Fund” - that will allow us to grow our work and give even more young people the skills they need to navigate those rocky years after leaving home. We estimate that this funding will allow us to deliver around 500 hours of workshops to around 9,000 students.

It is not only that the WWF funding will allow us to expand what we do that’s so exciting. As our research into financial education last year showed, robust evidence that it works would be one of the main things teachers and schools would need to push it up the agenda.

Having external speakers in the classroom shows the pupils the importance of the topic, livens up lessons, brings in current and up-to-date experts.

**K.Marshall, Teacher, Carrickfergus Grammar School**

I learnt that the more I save, the less I have to struggle. Saving money can be beneficial even in small amounts.

**Year 10 student, Coombe Girls School**

“Overall, both the KS3/4 Money Workshop & Post 16 Money Workshops appear to engage, increase both knowledge and skill level, and improve learners confidence around money. This success results in a resounding recommendation by those attending.”

**Sterling Research**

Our What Works Fund project will involve carrying out a randomised controlled trial of our Money Workshops in schools for Key Stage 4 and Post 16 students (14-19 year olds). This will provide us with robust evidence on the impact of our workshops,

as well as useful insight into what aspects of the process of running our workshops are scalable.

So this chance for organisations like ours to prove the impact we’re having can ensure that financial education actually happens in schools and this vital life skill is taken more seriously in the classroom.

## Student Moneymanual



The Student Moneymanual is our essential guide to making your finances work at university. As our original research has found, finances are tight at uni, and without the skills and knowledge you need, it's hard to make the most of what should be some of the best years of your life.

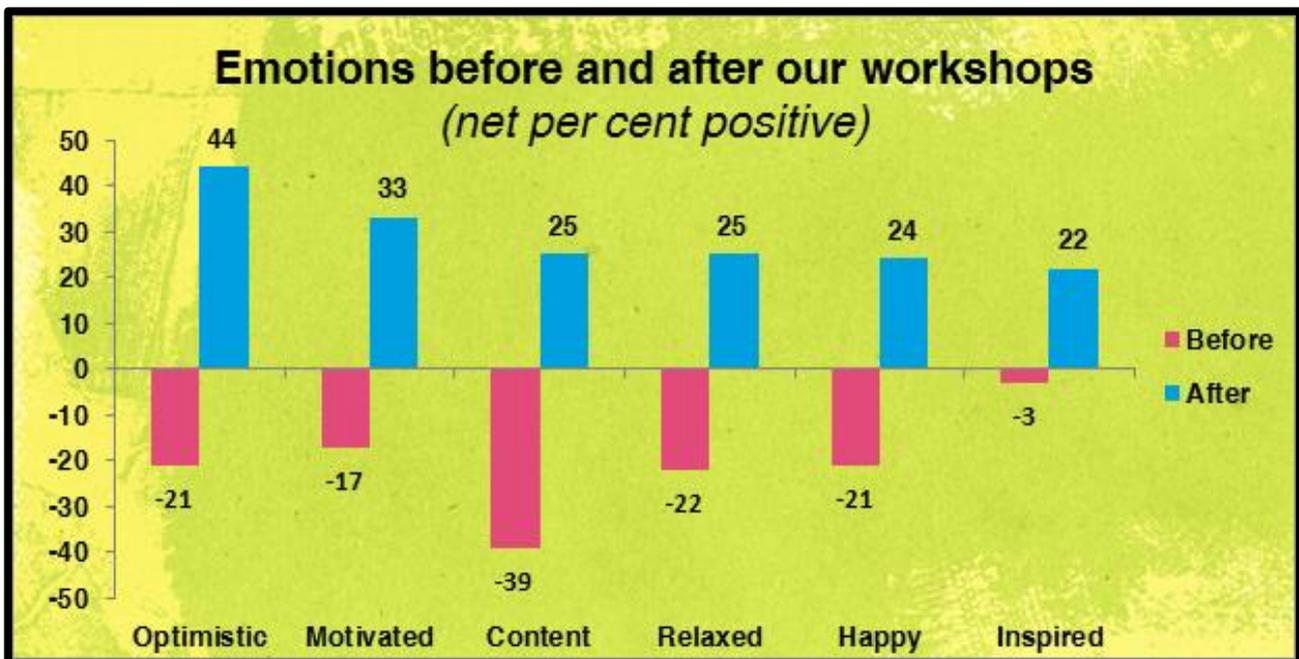
2016/17 is the second academic year where we are selling our Student Moneymanual to schools and colleges. In years past Santander had funded the distribution of hundreds of thousands of SMMs through UCAS packs. But when that ended, we still had our network of universities and colleges which have become reliant on the SMM to provide students with information about managing money at uni.

With this continued interest, we were able to distribute over 31,000 copies in 2016 and so continued to fund the production of a 2016/17 SMM which became available in September.

## Adults and Industry work

With new funding to provide adult money workshops for free through community groups and non-profits, 2016 saw a growth in our ability to reach adults in this way. In 2016 we delivered 37 Workshops to nearly 500 people - a significant growth from 2015.

*To be honest I only came for the free lunch you put on, but I'm so glad I came because I have realised with the little money I get I had all my priorities wrong and it has affected my marriage*



# The Money Charity Annual Report

For the year ended 31 December 2016

**I started saving more, have put in plans to increase my earnings and worrying less.**

In addition, our independent evaluation showed the real impact they have on people's too often troubled relationship with money:

- **74% of attendees** at our workshops said they found them interesting, and **89%** said they had learnt something new
- People reported leaving our workshop with more positive emotions than they felt coming in, with **44% of participants feeling optimistic** about money after the workshop
- **60% of people reported increased confidence** in knowledge of how to make their budget work in practice
- At the end of our workshops, **64% felt they had increased skill** to manage their money well
- After our workshop, **54% felt increased skills and confidence** to understand and explain different savings products

**I was totally impressed myself and highly recommend you**

In 2016 we also created a new version of the Adult Moneymanual. The content was significantly revamped and rebranded in order to make it more engaging and fit more seamlessly with our adult training. The

Moneymanual is handed out in our adult training courses, and is available for purchase and download on our website.

**After the course I sat down with my partner and told him all about it. We had an hour long conversation about money and how we both view it (differently!), which we'd never done before, it was actually a revelation!**



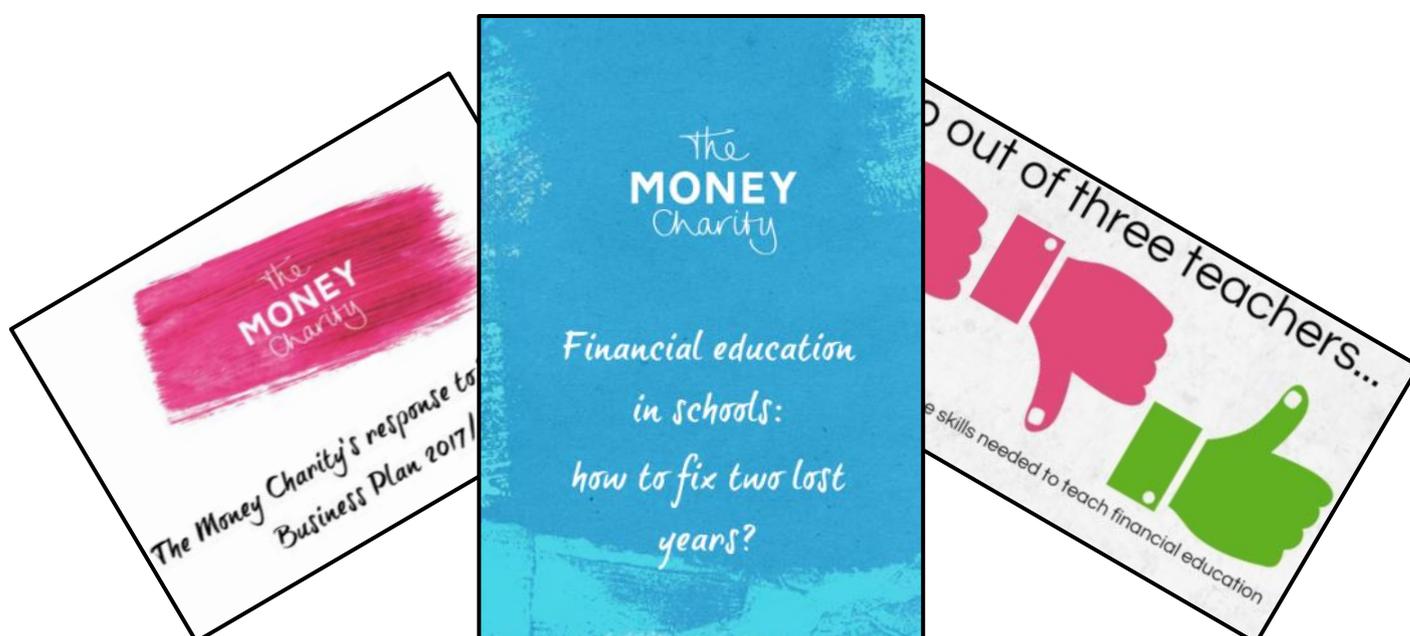
## Policy, research and communications

### Consultations and research

For a small charity, we try to punch above our weight - making the case for what we do and influencing policymakers. So we play a lively part in the financial capability sector, lobby government and push our message in the press.

Our work included 18 formal written responses to some of the most important issues including:

- The state of the UK Credit Card Market
- The future of the Money Advice Service
- 'Help to Save' - designing a scheme that incentivises low income people to save money
- How the end-date for payment protection insurance claims should be administered

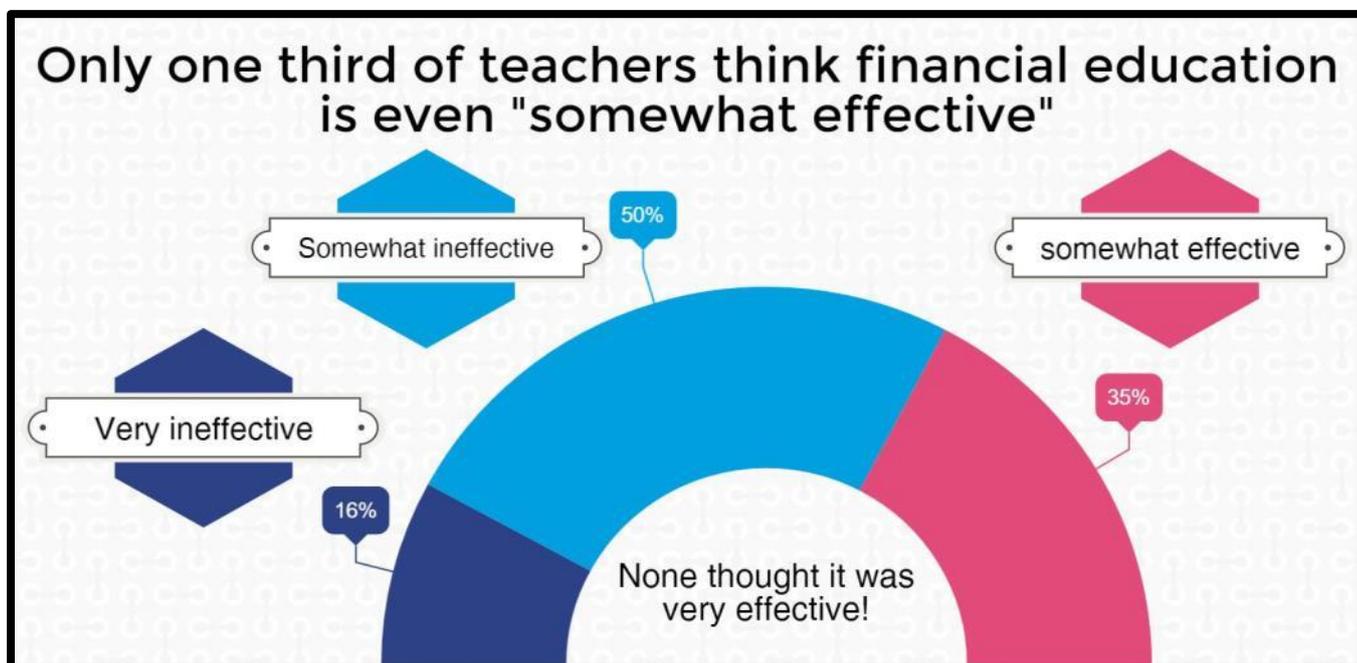


In October 2016, we released 'Financial Education in Schools: how to fix two lost years', our original research into the state of financial education provision in UK schools. From September 2014 when the change to the curriculum that added financial education to maths and citizenship in English schools was announced, The Money Charity were pleased to see financial education finally recognised as something all young people should have access to. But we were sceptical that it would impact what actually went on in schools. In itself, unless matched by a large input of resources and incentives for schools, it would be unlikely to change much in the classroom.

Two years on, we set out to find out what had actually happened. Here's what we found:

- Financial education is not as effective as it should be. Almost two thirds of teachers tell us financial education in the UK is somewhat or very ineffective.
- The introduction of financial education to the curriculum achieved little on the ground. Nearly three quarters of teachers we surveyed saw little or no change.

- Even though the vast majority of teachers see it as an important responsibility, schools face huge barriers in delivering financial education. Not least the lack of financial skills on the part of teachers.
- In order to be worth more than the paper it's written on, a curriculum change has to be matched with serious resources and incentives for schools.



### Our website and social media

We at The Money Charity don't only serve the people who attend our workshops or order our materials - we also provide a voice, championing our work and financial capability more widely. Crucial to this is keeping our website full of engaging resources and press releases and growing our followers on social media.

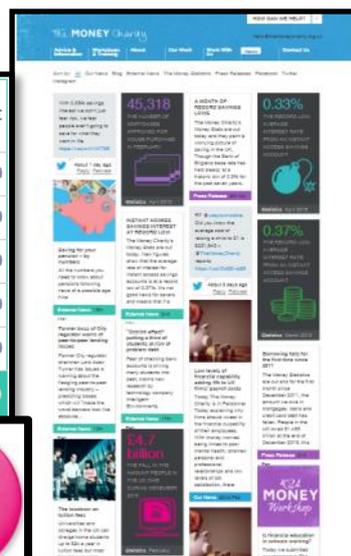
In 2016 there were almost 155,000 page views on our website from over 67,000 unique visitors. Thousands of people used one of our digital tools such as the Budgetbuilder or the Spendometer app.

Excluding the period around Spring 2015, which was atypical for a number of reasons, this represents a 15% rise in the monthly number of visitors to the website - a robust growth in interest that we're proud of.

Amount £	Period	Monthly Budget £
56	Monthly	£56.00
65	Monthly	£65.00
5	Monthly	£5.00
980	Monthly	£980.00
£0.00	Monthly	£0.00
<b>Total Salary / Wages:</b>		<b>£1106.00</b>

**33 years**

It would take for someone on an average salary, saving the average amount, to save a normal first-time buyer deposit.



# The Money Charity Annual Report

For the year ended 31 December 2016

With the new Moneymanual in 2016, we were also able to update the articles and advice pieces on our website, making sure people can still come to us to find resources on how to improve their finances.

As with all charities, we work hard to ensure a growing social media following. From January to December we grew our Twitter following by nearly 800 to 4,700. Similarly, our Facebook page is liked by 50 more people at the end of the year than at the beginning.

## The Money Statistics

Every month for over a decade now, we have trawled dozens of statistical sources and crunched the numbers to produce our Money Statistics. The Money Statistics continue to be the most popular “landing page” on our website - the way that the most people find us.

The audience for the Money Stats has grown steadily, being read nearly 50,000 times in 2016 and getting picked up by news organisations from the BBC and Guardian to the Mirror and Sun.

A screenshot of a Mirror article titled 'The giant personal debt time bomb we don't know how to diffuse - how to protect yourself'. Below the text is an infographic with three red boxes containing the following data:

<b>£1.5trillion</b> Total debt	<b>£50billion</b> Total interest paid	<b>£1,001</b> Interest charged each
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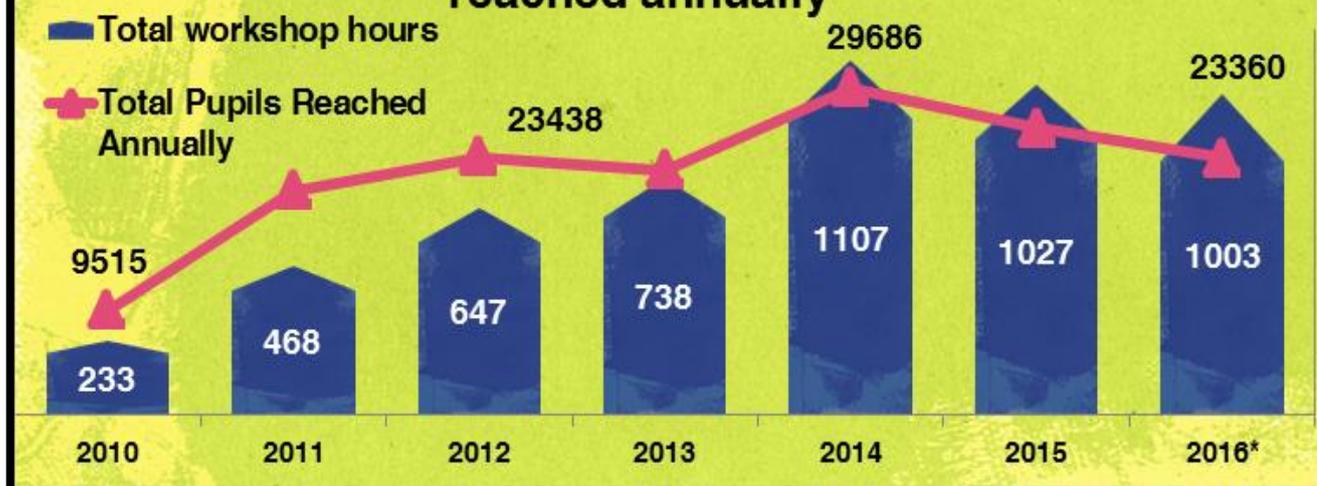
A screenshot of a BBC News article titled 'Warning as household debts rise to top £1.5 trillion'. The article text includes: 'Household debts have risen to £1.5tn in the UK for the first time, new statistics show. After a period of flat growth, debt has begun to rise again in recent years. The Money Charity, which compiled the statistics, says UK adults owe an average of nearly £30,000 each - mostly in mortgages, but also in loans and credit cards - 83% of the country's annual economic output. Some 87% of this debt is in the form of mortgages, secured by property. But UK adults also now owe an average of £3,737 in loans and credit cards. With inflation set to rise, borrowers are urged to start cutting their debts. The warning from the charity, which runs training programmes in schools and for adults, comes days after the governor of the Bank of England warned inflation rates are likely to rise to 2.7% in 2017. According to Bank of England figures, total debt rose by £50bn in the past year - or 3.5% - to break £1.5tn. That followed a 2.3% increase the previous year.'

## Our achievements in 2016:

We reached **23,360** young people across **1,003** hours of workshops round the UK

We created **new teaching resources** to help schools deliver financial education

### Money Workshops delivered and pupils reached annually



\*Prior to 2016 we calculated total workshops rather than hours

Our Money Statistics were shared with **7,800 stakeholders** each month

Average monthly readership of our Money Statistics **rose by 46%**

The Money Charity website received **155,000 page views** from **80,500 visits** in 2016

Our Money Statistics were the most popular part of the website with **49,521 page views**

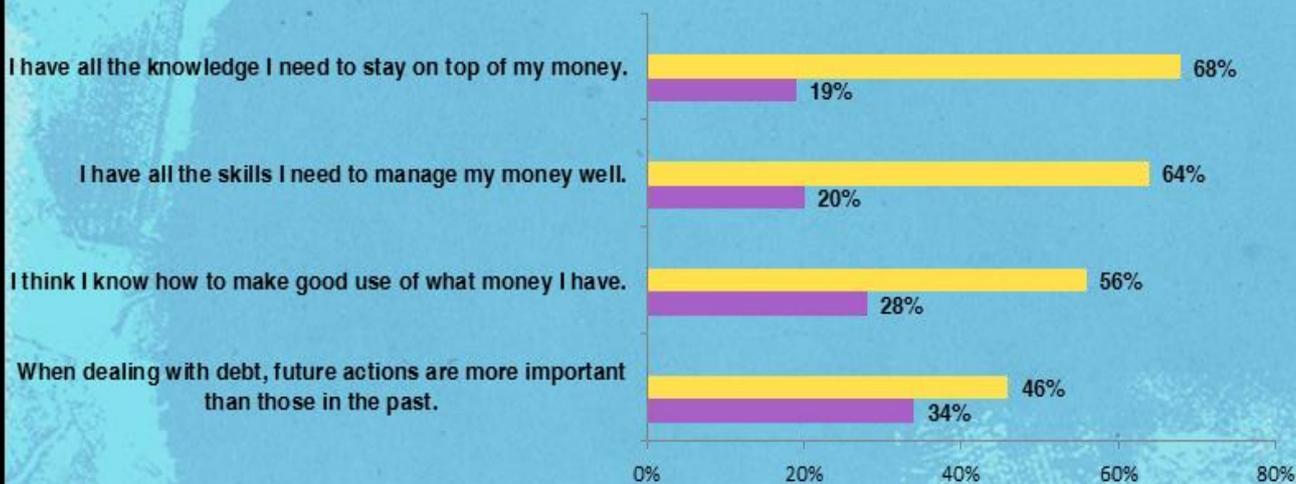
From 2010 to 2016, in **more than 5200 workshops** we have reached **over 150,000 students** across the UK!

We distributed **31,914 hard copies** of our Student Moneymanual to young people

We grew our social media presence, ending 2016 with **4,684 twitter followers**, up 771 in 12 months

## The impact of our workshops on skills & knowledge

■ % for whom the workshop delivered an increased level of agreement   ■ % who 'definitely' agreed with this before the workshop



Of those who attended our workshops for adults, **89%** said that they had **learned something new**

We **updated our workshops for adults**, improving our offer for businesses and non-profits

## Beneficiaries of our services

The beneficiaries of our services are people of all ages and backgrounds across the UK. Our face to face delivery in schools, colleges, and adult community groups is in England, Wales, and Northern Ireland only. Our digital and printed offering is available across the UK.



## Financial review

Overall income for the year amounted to £452,045 (2015 £555,025) with an expenditure for the period of £447,843 (2015 £436,080). Net assets of the charity amounted to £301,630 (2015 £297,428) as at 31 December 2016.

The 2015 figures have been restated to correct an error relating to £150,000 of grant income which was incorrectly included in income and assets in 2015. The impact is to reduce 2015 restricted income, debtors and restricted funds reserves by £150,000. £85,000 of this is included in 2016 restricted funds income and reserves.

It has been the historical policy of the organisation to ensure expenditure is closely linked to income and this principle will continue in the future.

## Reserves policy and going concern

It is the policy of the charity that the unrestricted funds not committed or invested in tangible fixed assets (the free reserves) held, should equate to a minimum of three months of the unrestricted expenditure.

In 2015 we increased our reserves to just over six months' expenditure. In 2016 this has reduced to over four months. This is still comfortably over our target of three months' unrestricted expenditure.

## Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 28<sup>th</sup> September 2004 and registered as a charity on 23<sup>rd</sup> November 2004. 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. In 2013 the charity rebranded and launched as The Money Charity having previously changed its formal name in 2012. The company also updated its Articles of Association in 2014.

All trustees give their time voluntarily and receive no benefits from the charity.

The governing body is the board of trustees. The Chief Executive (Michelle Highman) who is appointed by the trustees, manages the day-to-day operation of The Money Charity's activities under delegated authority. She is responsible for maintaining the direction of the organisation thus ensuring the charity's objectives are achieved. Four board meetings were held during the year and the charity's trustees and senior management attended these meetings.



## Appointment of trustees

The directors of the company are charity trustees for the purpose of charity law and under the company's Articles are known as members of the board. The board ensures that when admitting trustees it takes into account the need for trustees to contribute to the skills and balance of the board as a whole. Recruitment is normally conducted on an open basis, unless a particular skill or need is identified which is best fulfilled by a known individual. Trustees are formally elected to post by the current trustees.

## Statement of responsibilities of the trustees

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



Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that 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.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 2016 was 5 (2015: 5). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

## **Auditors**

Sayer Vincent LLP were appointed as the charitable company's auditors during the year. The trustees' annual report has been approved by the trustees on 9 May 2017 and signed on their behalf.

**Chris Pond**  
**Chair**

**Date: May 9<sup>th</sup> 2017**

# **The Money Charity Annual Report**

For the year ended 31 December 2016

**Thank you to all our friends and supporters,  
including:**

**The Austin & Hope Pilkington Charitable Trust**

**BrightHouse**

**Clearscore**

**Credit Today Awards**

**Dollar Financial**

**The Dulverton Trust**

**The Harpur Trust**

**Homeloan Management**

**John Coates Charitable Trust**

**Link Financial**

**The Mulberry Trust**

**Phoenix Group**

**Provident**

**QuickQuid**

**SJP Wealth Management**

**Vanquis**

**Yorkshire & Clydesdale Bank**

**And the many individual donors**

*The* **MONEY** *Charity*

## Independent auditor's report to the members of The Money Charity.

### Opinion

We have audited the financial statements of The Money Charity (the 'charitable company') for the year ended 31 December 2016 which comprise the statement of financial activities, balance sheet 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 2016 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
- 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 FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the

audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

## **Matters on which we are required to report by exception**

In the light of the 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 trustees' annual report.

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

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

## **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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.

## Auditor's responsibilities for the audit of the financial statements

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

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Joanna Pittman (Senior statutory auditor)**

**Date: May 9<sup>th</sup> 2017**

for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

# The Money Charity Annual Report

For the year ended 31 December 2016

## Statement of financial activities (incorporating an income and expenditure account)

		2016			2015 As restated		
	Note	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
<b>Income from:</b>							
Donations and legacies		219,599	-	219,599	282,321	-	282,321
Charitable activities							
Core activities	2	16,992	214,094	231,086	31,002	241,376	272,378
Investments	3	1,360	-	1,360	326	-	326
<b>Total income</b>		<b>237,951</b>	<b>214,094</b>	<b>452,045</b>	<b>313,649</b>	<b>241,376</b>	<b>555,025</b>
<b>Expenditure on:</b>							
Raising funds	4	8,383	-	8,383	-	-	-
Charitable activities							
Core activities	4	256,439	183,021	439,460	208,105	227,975	436,080
<b>Total expenditure</b>		<b>264,822</b>	<b>183,021</b>	<b>447,843</b>	<b>208,105</b>	<b>227,975</b>	<b>436,080</b>
<b>Net income / (expenditure) for the year and movement in funds</b>	5	<b>(26,871)</b>	<b>31,073</b>	<b>4,202</b>	<b>105,544</b>	<b>13,401</b>	<b>118,945</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward as restated		201,083	96,345	297,428	95,539	82,944	178,483
<b>Total funds carried forward</b>		<b>174,212</b>	<b>127,418</b>	<b>301,630</b>	<b>201,083</b>	<b>96,345</b>	<b>297,428</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the financial statements.

# The Money Charity Annual Report

For the year ended 31 December 2016

## Balance Sheet

		2016		2015
	Note	£	£	As restated £
<b>Fixed assets:</b>				
Tangible assets	11		209	277
<b>Current assets:</b>				
Debtors	12	2,278		11,072
Cash at bank and in hand		335,735		299,321
		<u>338,013</u>		<u>310,393</u>
<b>Liabilities:</b>				
Creditors: amounts falling due within one year	13	(36,592)		(13,242)
			<u>301,421</u>	<u>297,151</u>
<b>Net current assets</b>			<u>301,421</u>	<u>297,151</u>
<b>Total net assets</b>			<u><u>301,630</u></u>	<u><u>297,428</u></u>
<b>The funds of the charity:</b>	15a			
Restricted income funds			127,418	96,345
Unrestricted income funds:				
General funds		174,212		201,083
		<u>174,212</u>		<u>201,083</u>
Total unrestricted funds			<u>174,212</u>	<u>201,083</u>
			<u>-</u>	<u>-</u>
<b>Total charity funds</b>			<u><u>301,630</u></u>	<u><u>297,428</u></u>

Approved by the trustees on 9 May 2017 and signed on their behalf by

CR Pond  
Trustee

## Notes to the financial statements

### 1 Accounting policies

#### a) Statutory information

The Money Charity is a charitable company limited by guarantee and is incorporated in England. The registered office address is 15 Prescott Place, London SW4 6BS.

#### b) Basis of preparation

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 (FRS102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

#### c) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the trustees consider that in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, no restatement of comparative items is required except for two immaterial items as shown in note 9. The transition date was 1 January 2015.

#### d) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

#### e) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

#### f) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

## Notes to the financial statements

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

### g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

### h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

### i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering services, and other educational activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

### j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary costs of the central function, is apportioned on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

- |                              |     |
|------------------------------|-----|
| ● Charitable core activities | 83% |
| ● Support costs              | 17% |

## Notes to the financial statements

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

### k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

### l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Computer equipment and software 25% Straight line
- Furniture, fixtures and fittings 25% Reducing balance

### m) Debtors

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

### n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### o) Creditors and provisions

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

### p) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

## Notes to the financial statements

### q) Pensions

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.



## Notes to the financial statements

### 2 Income from charitable activities

	Unrestricted	Restricted	2016 Total	2015 Total
	£	£	£	£
Grants	-	214,094	<b>214,094</b>	241,376
Consultancy	10,325	-	<b>10,325</b>	23,232
Money manual	5,702	-	<b>5,702</b>	4,185
Training	965	-	<b>965</b>	3,585
<b>Total income from charitable activities</b>	<b>16,992</b>	<b>214,094</b>	<b>231,086</b>	<b>272,378</b>

### 3 Income from investments

	Unrestricted	Restricted	2016 Total	2015 Total
	£	£	£	£
Bank interest	1,360	-	<b>1,360</b>	326
	<b>1,360</b>	<b>-</b>	<b>1,360</b>	<b>326</b>

## Notes to the financial statements

### 4 Analysis of expenditure

	Raising funds £	Charitable core activities £	Governance costs £	Support costs £	2016 Total £	2015 Total £
Staff costs (Note 6)	-	202,856	-	41,971	244,827	262,321
Other staff costs	-	-	-	7,729	7,729	3,303
Restricted direct costs	-	98,907	-	-	98,907	109,351
Unrestricted direct costs	-	24,799	-	-	24,799	14,165
Other charitable activities	-	3,059	-	-	3,059	3,674
Insurance	-	-	-	1,684	1,684	1,502
Telephone and internet	-	-	-	4,117	4,117	3,039
Office costs	-	-	-	1,806	1,806	2,083
Computer maintenance and printing cost	-	-	-	9,015	9,015	9,141
Rent	-	-	-	20,004	20,004	20,004
Legal fees	-	-	-	976	976	1,073
Consultancy	8,383	-	-	-	8,383	-
Audit fees	-	-	8,355	-	8,355	5,995
Accountancy fees	-	-	-	1,911	1,911	-
Depreciation	-	-	-	68	68	92
Miscellaneous	-	-	13	12,190	12,203	337
	<b>8,383</b>	<b>329,621</b>	<b>8,368</b>	<b>101,471</b>	<b>447,843</b>	436,080
Support costs	-	101,471	-	(101,471)	-	-
Governance costs	-	8,368	(8,368)	-	-	-
<b>Total expenditure 2016</b>	<b>8,383</b>	<b>439,460</b>	<b>-</b>	<b>-</b>	<b>447,843</b>	<b>436,080</b>
Total expenditure 2015	-	436,080	-	-	436,080	

Of the total expenditure, £264,822 was unrestricted (2015: £208,105) and £183,021 was restricted (2015: £227,975).

## Notes to the financial statements

### 5 Net income for the year

This is stated after charging / (crediting):

	2016	2015
	£	£
Depreciation	68	92
Operating lease rentals:		
Property	20,004	20,004
Auditors' remuneration (excluding VAT):		
Audit	6,000	5,995
Accountancy	750	-
	<u>          </u>	<u>          </u>

### 6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2016	2015
	£	£
Salaries and wages	209,378	222,816
Social security costs	18,590	20,704
Employer's contribution to defined contribution pension schemes	16,859	18,801
	<u>          </u>	<u>          </u>
	<u>244,827</u>	<u>262,321</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2016	2015
	No.	No.
£70,000 – £79,999	<u>          </u>	<u>          </u>
	1	1

## Notes to the financial statements

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £85,540 (2015: £85,540).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2015: £nil). No charity trustee received payment for professional or other services supplied to the charity (2015: £nil).

No trustees' expenses were incurred in 2016 (2015: £nil).



## Notes to the financial statements

### 7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 7 (2015: 8).

	2016 No.	2015 No.
Raising funds	0.2	0.2
Core activities	5.6	6.6
Support and governance	1.2	1.2
	<hr/>	<hr/>
	7.0	8.0
	<hr/> <hr/>	<hr/> <hr/>

### 8 Related party transactions

Aggregate donations from related parties were £200,000 (2015: £200,000).

There are no other related party transactions to disclose for 2016 (2015: none).



## Notes to the financial statements

### 9 Prior year adjustment

A prior year adjustment has been made in 2015 in relation to £150,000 grant income that was incorrectly included before the entitlement criteria was met. £85,000 of this has now been included in 2016 and £65,000 remains outstanding. The impact on prior year reserves was a reduction of £150,000 in restricted funds to £96,345. Last year's debtors balance has also been reduced by £150,000.

The prior year accounts have also been adjusted to accrue holiday pay and gift aid as shown below.

Reserves position	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	31 December 2015			31 December 2014		
	£	£	£	£	£	£
Funds previously reported	202,035	246,345	448,380	97,766	82,944	180,710
<b>Prior year adjustment</b>						
Adjustment to grant income	-	(150,000)	(150,000)	-	-	-
Holiday pay accrual	(2,920)	-	(2,920)	(3,837)	-	(3,837)
Gift aid accrual	1,968	-	1,968	1,610	-	1,610
<b>Funds restated</b>	<b>201,083</b>	<b>96,345</b>	<b>297,428</b>	<b>95,539</b>	<b>82,944</b>	<b>178,483</b>

Impact on income and expenditure	Unrestricted	Restricted	Total
	31 December 2015		
	£	£	£
Net movement as previously reported	104,269	163,401	267,670
<b>Prior year adjustment</b>			
Adjustment to grant income	-	(150,000)	(150,000)
Holiday pay accrual	917	-	917
Gift aid accrual	358	-	358
<b>Net movement as restated</b>	<b>105,544</b>	<b>13,401</b>	<b>118,945</b>

## Notes to the financial statements

### 10 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

### 11 Tangible fixed assets

	Furniture, fixtures and fittings £	Computer equipment and software £	Total £
<b>Cost</b>			
At the start and end of the year	4,967	12,371	17,338
<b>Depreciation</b>			
At the start of the year	4,690	12,371	17,061
Charge for the year	68	-	68
At the end of the year	4,758	12,371	17,129
<b>Net book value</b>			
<b>At the end of the year</b>	209	-	209
At the start of the year	277	-	277

All of the above assets are used for charitable purposes.

## Notes to the financial statements

### 12 Debtors

	2016	2015
		As restated
	£	£
Trade debtors	1,228	9,104
Other debtors	1,050	1,968
	<hr/>	<hr/>
	2,278	11,072
	<hr/>	<hr/>



## Notes to the financial statements

### 13 Creditors: amounts falling due within one year

	2016	2015
	£	As restated £
Trade creditors	24,669	4,327
Accruals	11,923	8,915
	<hr/>	<hr/>
	36,592	13,242
	<hr/> <hr/>	<hr/> <hr/>

### 14 Analysis of net assets between funds (current year)

#### a) Current year

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	209	-	209
Net current assets	174,003	127,418	301,421
	<hr/>	<hr/>	<hr/>
<b>Net assets at 31 December 2016</b>	<b>174,212</b>	<b>127,418</b>	<b>301,630</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

#### b) Prior year

	General unrestricted £	Restricted £	Total funds As restated £
Tangible fixed assets	277	-	277
Net current assets	200,806	96,345	297,151
	<hr/>	<hr/>	<hr/>
<b>Net assets at 31 December 2015</b>	<b>201,083</b>	<b>96,345</b>	<b>297,428</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## Notes to the financial statements

### 15 Movements in funds

#### a) current year

	At 1 January 2016 As restated £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2016 £
<b>Restricted funds:</b>					
Financial Education in Schools	71,308	166,519	(154,875)	-	<b>82,952</b>
Adult training	25,037	47,575	(28,146)	-	<b>44,466</b>
<b>Total restricted funds</b>	<b>96,345</b>	<b>214,094</b>	<b>(183,021)</b>	-	<b>127,418</b>
General funds	201,083	237,951	(264,822)	-	<b>174,212</b>
<b>Total unrestricted funds</b>	<b>201,083</b>	<b>237,951</b>	<b>(264,822)</b>	-	<b>174,212</b>
<b>Total funds</b>	<b>297,428</b>	<b>452,045</b>	<b>(447,843)</b>	-	<b>301,630</b>

The narrative to explain the purpose of each fund is given at the foot of the note below.



# The Money Charity Annual Report

For the year ended 31 December 2016

b) prior year

	At 1 January 2015 As restated £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2015 As restated £
<b>Restricted funds:</b>					
Adult training	24,887	20,000	(19,850)	-	25,037
Financial Education in Schools	35,847	221,376	(185,915)	-	71,308
Student Guide	22,210	-	(22,210)	-	-
<b>Total restricted funds</b>	<b>82,944</b>	<b>241,376</b>	<b>(227,975)</b>	<b>-</b>	<b>96,345</b>
<b>Unrestricted funds:</b>					
General funds	95,539	313,649	(208,105)	-	201,083
<b>Total unrestricted funds</b>	<b>95,539</b>	<b>313,649</b>	<b>(208,105)</b>	<b>-</b>	<b>201,083</b>
<b>Total funds</b>	<b>178,483</b>	<b>555,025</b>	<b>(436,080)</b>	<b>-</b>	<b>297,428</b>



## Notes to the financial statements

### Purposes of restricted funds

#### Adult training

This includes funding specifically for the provision of training to adults aimed both directly at individuals who want to learn to manage money well, and the intermediaries, such as housing associations and community groups who help them.

#### Financial Education in Schools

To provide free direct delivery training and teacher resource packs in schools and colleges in England, Wales and Northern Ireland through our Money Workshops.

## 16 Operating lease commitments

	Equipment	
	2016	2015
	£	£
Less than one year	3,687	3,687
One to five years	3,073	6,760
	<hr/>	<hr/>
	6,760	10,447
	<hr/>	<hr/>

## 17 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

# The Money Charity Annual Report

For the year ended 31 December 2016

A person is walking away from the camera on a paved path that stretches into the distance. The person is wearing a blue long-sleeved shirt, dark shorts, and a patterned beanie. They are barefoot and wearing a yellow wristband on their left wrist and a watch on their right wrist. The background shows a sunset with a pink and orange sky and some green bushes on either side of the path.

# The MONEY Charity