

MONEY

ADVICE TRUST



ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED
31 DECEMBER 2015

Charity Number	1099506
Company Registration Number	4741583 (England & Wales)

MONEY ADVICE TRUST

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MONEY ADVICE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

President Baroness Coussins

Directors and Trustees

The Directors of the charitable company are its Trustees for the purpose of charity law.

Mike Barley	Chair (retired 6 July 2016)
Adam Sharples CB	Chair (appointed 6 July 2016)
Jenny Watson	Deputy Chair
Tracey Bleakley	
Simon Crine	
Martyn Gimber	
Gail Scott-Spicer	
Claire Whyley	
Sian Williams	
Merrick Willis OBE	

Chief Executive Joanna Elson OBE CDir

Company Secretary Ian Witcombe

Ambassadors Liz Barclay, Martin Hall MVO MBE, Rt Hon Sir Ian McCartney, Sir Brian Pomeroy CBE, Carol Sergeant CBE, Sir Sherard Cowper-Coles KCMG LVO and Simon Walker.

Constitution

The Money Advice Trust is a company limited by guarantee (number 4741583) with no share capital and a registered charity (number 1099506) governed by its articles of association. National Debtline, Business Debtline, Wiseradviser, My Money Steps, Common Financial Statement, CASHflow and the Information Hub are part of the Money Advice Trust.

Registered office 21 Garlick Hill London EC4V 2AU

Auditors Sayer Vincent LLP Invicta House 108-114 Golden Lane London EC1Y 0TL

Solicitors Russell-Cooke LLP 2 Putney Hill London SW15 6AB

Bankers National Westminster Bank plc PO Box 399 CR9 3QB

Websites www.moneyadvicetrust.org
www.businessdebtline.org
www.cfs.moneyadvicetrust.org
www.infohub.moneyadvicetrust.org
www.mymoneysteps.moneyadvicetrust.org
www.nationaldebtline.org
www.wiseradviser.org

MONEY ADVICE TRUST

TRUSTEES' REPORT

The Trustees present their annual report and the audited accounts for the year ended 31 December 2015.

Objectives and activities – including public benefit

The Money Advice Trust's charitable objectives are the relief of poverty including, but not limited to, that arising from indebtedness and the advancement of public education in all matters relating to the management of personal finances. These objectives fall under the purposes of public benefit as defined by the Charities Act 2011. The Board has developed strategic plans to ensure that the Money Advice Trust provides public benefit and achieves its objectives as set out in its governing document.

The Board confirms that it has complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity.

The Money Advice Trust exists to serve people in all four administrations of the UK. The services we offer to the public are multi-channel to meet our clients' needs and these include telephone and online debt advice. These are all available to individuals via National Debtline and My Money Steps and to micro-businesses via Business Debtline.

National Debtline, My Money Steps and Business Debtline serve people in debt in England, Wales, Scotland and Northern Ireland. A service we began in April 2016 sees National Debtline advisers providing a triage service in Northern Ireland in conjunction with Citizens Advice Northern Ireland. The Business Debtline service in Northern Ireland is run in partnership with Advice NI.

Anyone in debt can contact National Debtline and we aim to help anyone who contacts us. Any micro-business which is trading or has ceased trading but has business debts outstanding can contact Business Debtline.

The free training and adviser support we offer for free-to-client debt advisers is delivered across the UK by the Money Advice Trust in England and Wales and by funding our partners Money Advice Scotland and Citizens Advice Scotland in Scotland, and Advice NI in Northern Ireland. No fees are charged for our advice services; we charge only for delivering training or consultancy to commercial organisations.

In the original three year strategy 2014 – 2016, we set out an ambitious plan in which we strove to help more people, more effectively across our four aims (set out below). This involved investment in technology that would greatly improve the client journey, make use of new channels in which to serve people and in doing so reduce the cost per client.

Two years into the plan we can reflect on the successes we have had whilst recognising the need to again assess the current and future environment. 2015 was one of significant change for the Money Advice Trust with major projects introduced and the realisation of many of the benefits we envisaged in the original plan. Our multi-channel approach is well established as are our on-going partnerships with Citizens Advice and StepChange Debt Charity.

Strategic report

Achievements and performance

The Money Advice Trust's annual business plan sets out its vision, values and current aspirations and provides key targets against which its performance is evaluated. Achievement of these targets is monitored by the Board.

We remain committed to our values and work to live them and ensure they are embedded in all we do. Our values are:

**Be Balanced
Be Supportive
Be Innovative**

Our vision is:

'People across the UK tackle their debts and manage their money with confidence.'

Our mission reads:

'Supporting people and small business to deal with their debts, training the free advice sector to help them, and improving the UK's money and debt environment.'

The Partnership Board, (comprising key funders, relevant government departments and regulators, alongside advice and creditor sector representatives) provides advice on the Money Advice Trust's strategy to help ensure its objectives are representative of key stakeholders, effective and outcome-focussed.

We set out below our key achievements for 2015, which were broadly in line with our objectives as set out in the 3-Year Plan 2014-16. More details are available in our 2015 Impact Report.

In total, we supported over **1,350,000** people either directly through our services or indirectly through our adviser training.

Aim 1: Empower clients to tackle their debts and improve their financial health.

- National Debtline helped almost 400,000 people. The National Debtline website had 989,127 visits and our My Money Steps online tool had 91,200 visits. Together, these resulted in 386,910 advice sessions to 267,936 people. Our webchat service

provided an additional 32,533 advice sessions. National Debtline provided 178,700 advice sessions to 128,040 people on the telephone.

- 97% of people report immediate satisfaction with the advice given. Two months after contacting us, 84% of callers to National Debtline reported that they felt more in control of their financial situation and 90% felt more knowledgeable about financial matters.

Aim 2: Empower microbusinesses to tackle their debts and improve their financial health.

- Business Debtline helped over 52,000 people. The Business Debtline website had 134,894 visits, leading to 43,164 online advice sessions provided to 31,262 people. Our Business Debtline webchat service launched in August 2015 and provided an additional 1,279 advice sessions. Business Debtline provided 29,651 advice sessions to 21,325 people on the telephone.
- Two months after contacting us, 87% of Business Debtline respondents reported that they felt confident that they are managing their money more wisely. 89% of Business Debtline respondents said they felt more knowledgeable about financial matters overall and 62% said our advice helped them to continue trading.

Aim 3: Support free advisers across the UK to provide effective debt advice.

- Wiseradviser helped over 903,000 people indirectly through adviser training.
- We provided 7,587 training places to debt advisers in organisations across the UK and 4,395 advisers actively used the Wiseradviser website to access training and other learning resources. 55% of Wiseradviser training places were provided on online courses.
- 74% of advisers who used our training found that it improved their knowledge of money advice substantially and 84% of advisers applied the learning in their role. 72% of advisers agreed that Wiseradviser has helped their career development.

Innovation Grant outcomes

We support projects that aim to produce lessons, insights and materials which can be shared with others to help individuals or small businesses deal with their debts and improve the UK's money and debt environment.

Key outcomes and lessons from the programme include:

- 45% reduction in repeat visits to a debt advice service by assessing the financial capability of clients and providing additional support to those in need (Talking Money – Future Money Project 2012 & 2014).

- 20% improvement on engagement rates for clients referred to the housing association advice team by using principles based on behavioural economics and nudge theory. (Hyde BE Secure 2015/16).
- 512 advice sessions delivered over Skype and Facetime in British Sign Language which meant 141 deaf people were able to get advice from someone who spoke their language. (DeafPLUS 2016).
- £22,388 saved by 198 carers receiving specialist energy and fuel advice (Changeworks 2015).

Aim 4: Improve the UK's money and debt environment.

We continue to shape policy, responding to 22 consultations in 2015. This resulted in:

- 28 local authorities committed to improving debt collection practices.
- Improved access to debt options such as the online bankruptcy petition process and changes in DRO rules.
- Better protections for people in vulnerable circumstances when HMRC recovers debts by taking money directly from bank accounts.
- Changes to FCA consumer credit rules as they affect debt advice and clearer FCA guidance ensuring that creditors cannot force people to use their pension pots to pay their debts.

Financial review

The majority of income is from voluntary donations, which have been received as a response to the Money Advice Trust's Funding Model. This model is derived from calculating the benefit to organisations which our services provide to their customers.

Our funding for 2015 consisted of approximately 83% from the private sector, 1% from government and 16% from other sources (self-generated).

The total income for the year was £8,792,725 and total costs were £9,385,948. As part of the Board's plan for helping more people, reducing costs per client and improving the client experience, it had agreed a deficit of £507,000 for 2015, with a view to returning to a balanced budget in 2016. This took account of the agreed use of reserves and is a short term measure. The expenditure was used to support our objectives and the detailed financial analysis of income and expenditure can be found in the notes to the accounts section.

The year-end funds of £4,106,254 fall into three categories: unrestricted funds £3,437,639, restricted funds £19,486 and designated funds £649,129.

Reserves policy, investment policy and going concern

The Board is committed to ensuring funds are put to use as soon as possible. It considered its reserves policy in conjunction with the development of its three-year plan and took into account fundraising activity and the investment required in achieving the targets set within the plan.

The funding environment in which the Trust operates remains challenging and the Board has reviewed the financial risks associated with the income and expenditure streams and balance sheet items. The Board used this information to ensure that an adequate level of readily realisable unrestricted reserves is held to safeguard the continuing work and commitments of the Money Advice Trust in the event of a significant change in circumstances.

The Board has agreed that a minimum of three to six months running costs; currently £2,400,000 - £4,800,000 should be set aside to cover this. The Board reports that after the agreed investment spends, the year-end unrestricted reserves funds carried forward figure is £3,437,638. This falls within the current reserves policy.

As reported both last year and in 2014, the Board committed to use £1,300,000 from reserves to invest in technology to help more clients, more effectively. This has helped us plan for future increases in numbers of clients helped by being able to build on the new platform. In 2015, we spent £236,318 on enhancing our digital services including online tools, web chat and improving the client journey for those calling us. The improvements are bedding in and there are further changes planned for 2016, which will allow us to increase again the number of clients helped in a cost-effective way.

The Board agreed a revised investment policy for investing reserves in cash deposits and utilising a risk assessment review on organisations' suitability for investment. The risk assessment utilises ratings from credit reference agencies and aims to achieve a spread of investments to minimise the exposure to any one counterparty.

The financial performance and reserve position together with the reasonable expectation that we will have adequate resources to continue in operational existence in the future, give comfort to a level where the accounts have been prepared on the basis that the Money Advice Trust is a going concern.

Principal risks

The Board acknowledges its responsibility in relation to risk management and the need to assess the major strategic, business and operational risks.

The Board monitors risk through its risk framework, which establishes a clear understanding of roles and responsibilities and embeds risk awareness throughout the organisation. The Board considers all types of risk and these are reported via a risk register and heat map. These are reviewed quarterly which helps inform plans to mitigate these risks. These were enhanced during the year with a closer review of departmental risk logs.

In 2015, based on a risk-map driven internal-audit approach, we implemented a programme of audits using an independent auditor. The Audit and Risk Committee and the Board review internal audit reports and risks.

The key risk we currently face is linked to uncertainty of planned income. We are mitigating this risk by regular financial reviews and adjustments as appropriate, plus a significant promotion of our services through our business development team.

Environmental matters

The Money Advice Trust takes its responsibility in relation to environmental matters seriously and whilst we are not making a significant negative environmental impact due to the nature of our activities, we ensure that, where we are able, we help reduce any negative impact. We have increased emailing out information to clients which has reduced paper usage and improved the speed of providing clients with the details they require.

We also aim to replace end-of-life equipment with more energy-efficient equipment and when disposing of older equipment we recycle where possible. We have adopted recycling schemes at both our London and Birmingham offices.

Future plans

We have evolved our three year plan, which has received the support of partners and funders. The plan is informed by data and research, a better understanding of our customer journeys and more effective, efficient channels.

At our December 2015 Board meeting we revised the plan, making it more challenging by aiming to help 4,200,600 people in debt over the period 2016-18, effectively turning our three year plan into a rolling strategic -planning document.

Our business aims for 2016 are as follows:

- To deliver a quality, seamless, multi-channel debt advice service to 526,000 clients in 2016 via National Debtline.
- To deliver a quality, multi-channel debt advice service to 72,000 self-employed clients via Business Debtline.
- To develop 3,000 learners in the free advice sector and support commercial credit sectors to better serve clients, using enhanced technological approaches informed by improved insight, our innovation grants and our partners.
- To improve the UK's money and debt environment by promoting our services, influencing policy and positioning the Trust as an evidence-based thought leader.

The business aims work in conjunction with our internal supporting aims, which ensure the Trust has sufficient funding and applies good governance on all aspects of its operations.

All internal supporting aims (such as HR, IT, finance etc) have their own activities, outputs, outcomes and metrics.

Working together

Our plans envisage working with a range of partners in order to help more people more effectively. Our Partnership Board members include many of these, and we are grateful to Sir Brian Pomeroy CBE for chairing this and the Trust's Funders' Forum so effectively.

Our work has been significantly assisted by our other ambassadors – Liz Barclay, who also chairs our Business Debtline Funders' Forum which had its first meeting in February 2016, Rt Hon Sir Ian McCartney and Martin Hall MVO MBE as well as our President, Baroness Jean Coussins. During 2016, we are delighted that we have welcomed Sir Sherard Cowper-Coles, Carol Sergeant and Simon Walker as new ambassadors.

We benefit very significantly from our Trustees' skills and knowledge in a range of areas, and from their willingness to support us in many ways, as well as from their input at Board meetings and membership of Board Committees.

Our partnership with Citizens Advice grows from strength to strength, where we work together to assist clients with debt problems who call their Advice Line – handling 130,000 calls from their clients who would not otherwise have been able to access debt advice.

Achieving our objectives would not be possible without the generous financial support of our funders, both those who have been loyal to us over the years and the new sectors we have started working with, notably utilities. They have provided us with encouragement and valuable dialogue. The list of our funders can be found at note two.

We are grateful to our staff for helping achieve the successes in 2015.

Structure, governance and management

The Money Advice Trust is a company limited by guarantee, governed by its articles of association dated 27 May 2010. It is a charity registered with the Charity Commission.

The governing body is the Board of Trustees (Board), who are also the directors of the charity for the purposes of the Companies Act. Trustees are appointed by the Board and new Trustees undergo an induction briefing, which covers their legal obligations, Money Advice Trust's governing documentation, strategy and business plans, financial analysis, risk framework and structure as well as meeting staff. Trustee development is considered as part of the annual review on Board effectiveness.

During 2015, the Trustees took time outside its five formal Board meetings to attend a strategy day, focused on progressing our rolling three year plan.

Trustees, who are all unpaid, are appointed for a three-year term, and following the Good Governance Code are usually limited to a maximum of two three-year terms.

Our recruitment processes follow the Good Governance Code and include open advertising and interviewing. We are keen to promote diversity on the Board. The Chair carries out a regular evaluation of the Board's effectiveness and this information is used when considering any development needs and future trustee recruitment.

The Board sets values and strategic direction for the Money Advice Trust, establishes policy and ensures plans are implemented to deliver them, and monitors performance against agreed objectives. It receives reports from the formally delegated Audit and Risk; Grants; Nominations and Remuneration Committees. All have specific terms of reference, reviewed at least annually.

The **Audit and Risk Committee** met four times in 2015. It comprises Martyn Gimber (Chair of the Committee), Tracey Bleakley, Sian Williams and Merrick Willis. The Audit and Risk Committee oversees the financial reporting process and reviews the effectiveness of the Money Advice Trust's risk framework, including internal and external controls, risk management, the independent audit process and compliance systems.

The **Grants Committee** met twice in 2015. It comprises Merrick Willis (Chair of the Committee), Gail Scott-Spicer and Claire Whyley. It oversees the Money Advice Trust Innovation Grant Programme to ensure it is clear, transparent and conforms to the aims and objectives of the Money Advice Trust. In addition, the Money Advice Trust monitors all grants that are made in accordance with the agreements we have in place.

The **Nominations and Remuneration Committee** met twice in 2015. It comprises Jenny Watson (Chair of Committee), Mike Barley, Simon Crine and Martyn Gimber. It is responsible for identifying and nominating for the approval of the Board, candidates for the office of Trustee, Ambassador and President and for organising recruitment for the post of the Chief Executive. It also carries out reviews on matters relating to the remuneration policy and considers succession planning for trustee positions. It meets at least once a year, and as and when necessary.

The Chief Executive, who is appointed by the Board, and the Deputy Chief Executives manage the day-to-day operation of the Money Advice Trust's activities under delegated authority.

The Board is supported by an advisory Partnership Board comprising partner members who meet twice a year. Partner members do not have voting rights and are appointed by the Board.

Remuneration policy

The Money Advice Trust Board has overall accountability for the remuneration of staff who work for us. Board members are unremunerated and are volunteers.

The Money Advice Trust's purpose, values and achievements, as well as its income, activities and market conditions will influence how its remuneration policy is developed and put into practice.

We are committed to ensuring the policy is open and transparent and in accordance with Statement of Recommended Practice (SORP). To reflect this, we publish the principles that underpin the remuneration policy as well as publishing the roles, salaries and pension

contributions for staff who are paid over £60,000 per annum within our annual report and accounts.

Each year all staff participate in an appraisal of their performance. In the case of the Chief Executive, the Chair of the Board undertakes this. We do not apply any performance-related pay or bonuses.

The following are the principles we have adopted as good practice when setting our remuneration policy.

- That we offer fair pay, to attract and keep appropriately qualified staff to lead, manage, support and deliver the Trust's aims. The pay offering objective is to operate at a median rate within the charity sector market.
- Trustees are responsible for setting remuneration levels for the Trust's Chief Executive and where appropriate other members of the senior team.
- The Board delegates to its Nominations and Remuneration Committee (NRC) specific duties in relation to nominations, remuneration, succession planning and recruitment. The NRC's terms of reference are agreed by the Board.
- That we are a Living Wage employer

Statement of Trustees' responsibilities

The Trustees (who are also directors of the Money Advice Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (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 Statement of Recommended Practice (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;
- 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 proper 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 we are aware:

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

Auditors

Sayer Vincent were reappointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

The Trustees' report, which includes the strategic report, has been approved by the Board of Trustees signed on their behalf by:

Mike Barley
Trustee

Martyn Gimber
Trustee

6 July 2016

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE MONEY ADVICE TRUST

We have audited the financial statements of Money Advice Trust for the year ended 31 December 2015, which comprise the statement of financial activities, balance sheet, cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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.

Respective responsibilities of Trustees and auditors

As explained more fully in the statement of Trustees' responsibilities set out in the report of the Trustees, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the Trustees including the Strategic Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

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 2015 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the report of the Trustees, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Joanna Pittman (Senior statutory auditor)

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

2016

Money Advice Trust

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

For the year ended 31 December 2015

	Note	Unrestricted £	Restricted £	2015 Total £	Unrestricted £	Restricted £	2014 Total £
Income from:							
Donations and legacies	2	4,457,608	-	4,457,608	4,705,213	-	4,705,213
Charitable activities							
- Debt Advice	3	1,113,899	2,634,252	3,748,151	1,468,158	2,336,578	3,804,736
- Training	3	240,490	224,834	465,324	154,034	165,616	319,650
- Insight & Engagement	3	-	99,126	99,126	-	96,437	96,437
Other trading activities		-	-	-	-	-	-
Investments		22,516	-	22,516	26,914	-	26,914
Other		-	-	-	-	-	-
Total income		5,834,513	2,958,212	8,792,725	6,354,319	2,598,631	8,952,950
Expenditure on:							
Raising funds	4	296,400	-	296,400	268,036	-	268,036
Charitable activities							
- Debt Advice	4	4,722,393	2,724,127	7,446,520	5,415,556	2,301,463	7,717,019
- Training	4	1,056,322	239,331	1,295,653	981,672	170,219	1,151,891
- Insight & Engagement	4	250,840	96,535	347,375	234,780	96,437	331,217
Other		-	-	-	-	-	-
Total expenditure		6,325,955	3,059,993	9,385,948	6,900,044	2,568,119	9,468,163
Net expenditure for the year	6	(491,442)	(101,781)	(593,223)	(545,725)	30,512	(515,213)
Reconciliation of funds:							
Total funds brought forward		4,578,210	121,267	4,699,477	5,123,935	90,755	5,214,690
Total funds carried forward		4,086,768	19,486	4,106,254	4,578,210	121,267	4,699,477

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 17 to the financial statements.

Money Advice Trust

Balance sheet

Company no. 4741583

As at 31 December 2015

	Note	£	2015 £	£	2014 £
Fixed assets:					
Tangible assets	11		123,174		221,861
			123,174		221,861
Current assets:					
Debtors	12	1,553,293		1,682,125	
Short Term Deposits		2,000,000		500,000	
Cash at bank and in hand		2,886,856		4,149,679	
		6,440,149		6,331,804	
Liabilities:					
Creditors: amounts falling due within one year	13	2,086,910		1,854,188	
Net current assets			4,353,239		4,477,616
Total assets less current liabilities			4,476,413		4,699,477
Creditors: amounts falling due after one year	15		370,159		-
Total net assets			4,106,254		4,699,477
The funds of the charity:	17				
Restricted income funds			19,486		121,267
Unrestricted income funds:					
Designated funds		649,129		1,155,577	
General funds		3,437,639		3,422,633	
Total unrestricted funds			4,086,768		4,578,210
Total charity funds			4,106,254		4,699,477

Approved by the trustees on 6 July 2016 and signed on their behalf by

Mike Barley
Chair of Trustees

Money Advice Trust

Statement of cash flows

For the year ended 31 December 2015

	Note	2015	2014
		£	£
Cash flows from operating activities	18		
Net cash provided by / (used in) operating activities		235,938	1,275,166
Cash flows from investing activities:			
Dividends, interest and rents from investments		22,516	26,914
Proceeds from the sale of fixed assets		-	-
Purchase of fixed assets		(21,277)	(169,267)
Proceeds from sale of investments		-	-
Purchase of investments		-	-
Net cash provided by / (used in) investing activities		1,239	(142,353)
Change in cash and cash equivalents in the year		237,177	1,132,813
Cash and cash equivalents at the beginning of the year		4,649,679	3,516,866
Cash and cash equivalents at the end of the year	19	4,886,856	4,649,679

1 Accounting policies

a) 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 (August 2014) (FRS 102) 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.

b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 January 2014. No transition adjustments were required.

c) Public benefit entity

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

d) 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.

e) 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.

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

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

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

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.

1 Accounting policies (continued)

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 running our debt advice services, providing debt advice training and research and policy work 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 and overhead costs of the central function, plus fundraising costs are apportioned based on an estimate of staff time attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

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 £1,500. 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:

IT & Telephony Equipment	3 years
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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.

All

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.

1 Accounting policies (continued)

p) Pensions

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2015 total Total £	2014 Total £
Gifts				
Lloyds Banking Group	1,167,456	-	1,167,456	1,196,270
Royal Bank of Scotland	943,348	-	943,348	1,198,716
HSBC	641,040	-	641,040	664,428
Barclays	411,524	-	411,524	423,439
Barclaycard	410,000	-	410,000	410,000
Santander	344,122	-	344,122	348,780
Bank of America	147,604	-	147,604	150,000
National Australia Bank Group	100,000	-	100,000	50,000
Capital One	75,000	-	75,000	75,000
British Gas	30,000	-	30,000	30,000
Vanquis	30,000	-	30,000	-
UKAR	26,000	-	26,000	20,000
Money Shop (Dollar Financial)	25,000	-	25,000	-
Donations	24,014	-	24,014	13,580
Nationwide	20,000	-	20,000	-
Wescot Credit Services	15,000	-	15,000	7,500
Brighthouse	15,000	-	15,000	10,000
Experian	15,000	-	15,000	15,000
Wessex	10,000	-	10,000	10,000
Home Retail Group/Argos	7,500	-	7,500	7,500
QuickQuid	-	-	-	40,000
Wonga	-	-	-	25,000
Scottish Power	-	-	-	10,000
	4,457,608	-	4,457,608	4,705,213

Money Advice Trust

Notes to the financial statements

For the year ended 31 December 2015

3 Income from charitable activities

	Unrestricted £	Restricted £	2015 Total £	2014 Total £
Citizens Advice	-	1,141,230	1,141,230	904,932
Step Change Debt Charity (DMP)	640,922	-	640,922	875,282
Payplan (DMP)	444,587	-	444,587	521,396
British Gas	-	290,979	290,979	20,979
Lloyds Banking Group	-	189,862	189,862	192,550
Royal Bank of Scotland	-	184,274	184,274	194,151
Barclays	-	135,065	135,065	142,305
Scottish & Southern Electric	-	116,944	116,944	10,327
HSBC	-	110,970	110,970	112,540
Scottish Government	-	110,000	110,000	110,000
Esmée Fairbairn Foundation	-	100,000	100,000	100,000
Scottish Power	-	46,923	46,923	41,454
Santander	-	43,939	43,939	43,939
American Express Foundation	-	31,365	31,365	30,552
Building Societies Trust	-	30,000	30,000	30,000
Provident Financial	-	30,000	30,000	30,000
QuickQuid (Enova International)	-	20,000	20,000	30,000
npower	-	17,256	17,256	18,315
Citigroup	-	10,100	10,100	-
EDF Energy	-	10,000	10,000	12,989
Northumbrian (North East)	-	7,845	7,845	9,045
Debt Lifeboat (IVA)	7,200	-	7,200	6,000
Grant Thornton (IVA)	7,200	-	7,200	6,400
Insolvency Service (DRO)	7,190	-	7,190	12,680
Payplan (IVA)	5,600	-	5,600	44,800
BES	-	5,000	5,000	-
Wescot Credit Services	-	2,000	2,000	7,500
Step Change Debt Charity (IVA)	1,200	-	1,200	1,600
Department for Business, Innovation & Skills	-	-	-	275,000
Nationwide	-	-	-	20,000
Other Donations	-	500	500	-
Sub-total for Debt Advice	1,113,899	2,634,252	3,748,151	3,804,736
Money Advice Service	-	224,834	224,834	165,616
Training Course Income (69 funders)	238,659	-	238,659	153,904
Other	1,831	-	1,831	130
Sub-total for Training	240,490	224,834	465,324	319,650
Money Advice Service	-	64,126	64,126	63,937
Provident Financial	-	35,000	35,000	32,500
Sub-total for Insight & Engagement	-	99,126	99,126	96,437
Total income from charitable activities	1,354,389	2,958,212	4,312,601	4,220,823

Notes to the financial statements

For the year ended 31 December 2015

4 Analysis of expenditure

	Cost of raising funds £	Charitable activities			Governance costs £	Support costs £	2015 Total £	2014 £	Total
		Debt Advice £	Training £	Insight & Engagement £					
Staff costs (note 7)	168,577	4,393,424	342,373	221,568	98,291	978,434	6,202,667	5,773,732	
IT & Telephony	10,660	698,378	22,436	11,319	3,054	52,221	798,068	904,596	
Occupancy	20,900	557,861	43,295	20,597	6,185	84,617	733,455	704,375	
Adviser Training	-	-	388,607	-	-	-	388,607	293,222	
Commercial Training	-	-	144,652	-	-	-	144,652	95,764	
Grants (note 5)	-	128,609	220,980	-	-	-	349,589	600,205	
Other Staff Costs	3,371	114,825	16,357	4,434	1,968	46,400	187,355	243,642	
Depreciation	906	109,699	1,841	962	260	4,440	118,108	135,146	
Communications	-	59,431	11,886	7,924	-	-	79,241	79,281	
Self Help Packs	-	30,497	-	17,909	-	-	48,406	60,827	
Other Costs	52,412	129,848	22,853	20,640	14,047	96,000	335,800	577,373	
	256,826	6,222,572	1,215,280	305,353	123,805	1,262,112	9,385,948	9,468,163	
Support costs	36,039	1,114,612	73,193	38,268	-	(1,262,112)	-	-	
Governance costs	3,535	109,336	7,180	3,754	(123,805)	-	-	-	
Total expenditure 2015	296,400	7,446,520	1,295,653	347,375	-	-	9,385,948	9,468,163	
Total expenditure 2014	268,036	7,717,019	1,151,891	331,217	-	-	9,468,163		

Of the total expenditure, £6,325,955 was unrestricted (2014: £6,900,044) and £3,059,993 was restricted (2014: £2,568,119).

5 Grant making

	Grants to institutions £	2015 £	2014 £
Cost			
Training	220,980	220,980	210,518
Specialist Support Grants	-	-	145,374
Innovation Grants	83,081	83,081	116,232
Business Debtline Northern Ireland	26,500	26,500	33,125
Core Grant Funding	19,028	19,028	94,956
	<hr/>	<hr/>	<hr/>
At the end of the year	349,589	349,589	600,205
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Training - Grants given to partner agencies for the provision of Wiseradviser training.

Innovation Grants - funding of external innovative debt advice projects

Business Debtline Northern Ireland - grant provided to Advice Northern Ireland to provide this service.

Core Grant Funding - Given to Money Advice Scotland. Core funding was also given to Advice UK in 2014.

6 Net expenditure for the year

This is stated after charging / crediting:

	2015 £	2014 £
Depreciation	118,108	135,147
Loss on disposal of fixed assets	1,856	-
Operating lease rentals:		
Property	324,021	265,721
Other	12,716	39,878
Auditors' remuneration (excluding VAT):		
Audit	9,900	9,700
Other services	2,000	11,845
	<hr/> <hr/>	<hr/> <hr/>

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

Staff costs were as follows:

	2015 £	2014 £
Salaries and wages	5,287,287	4,879,304
Social security costs	489,262	453,682
Employer's contribution to defined contribution pension schemes	426,118	440,746
	<u>6,202,667</u>	<u>5,773,732</u>

The following employees received employee benefits in excess of £60,000:

Employee Position	Gross Salary £	Employer Pension £
Chief Executive	109,177	9,826
Deputy Chief Executive	74,263	6,684
Director of Strategy & Services	72,214	6,499
	<u>-</u>	<u>-</u>

The total employee benefits including employer pension contributions of the key management personnel were £278,663 (2014: £267,354)

The charity contributes between 4% and 9% of annual salary to employees group personal pension scheme.

The charity trustees were not paid or 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).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £2,664 (2014: £3,988) incurred by 10 (2014: 10) members relating to attendance at meetings of the trustees.

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2015 No.	2014 No.
Debt Advice	137	132
Training	10	10
Insight & Engagement	8	7
Support	29	24
Business Development	4	3
	<u>188</u>	<u>176</u>

9 Related party transactions

There are no related party transactions to disclose for 2015 (2014: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

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

	Computer equipment £	Total £
Cost		
At the start of the year	858,357	858,357
Additions in year	21,277	21,277
Disposals in year	(2,784)	(2,784)
	<hr/>	<hr/>
At the end of the year	876,850	876,850
	<hr/>	<hr/>
Depreciation		
At the start of the year	636,496	636,496
Charge for the year	118,108	118,108
Eliminated on disposal	(928)	(928)
	<hr/>	<hr/>
At the end of the year	753,676	753,676
	<hr/>	<hr/>
Net book value		
At the end of the year	123,174	123,174
	<hr/> <hr/>	<hr/> <hr/>
At the start of the year	221,861	221,861
	<hr/> <hr/>	<hr/> <hr/>

All of the above assets are used for charitable purposes.

12 Debtors

	2015 £	2014 £
Trade debtors	754,680	1,228,055
Other debtors	7,370	2,749
Taxation and social security	-	5,221
Prepayments	311,859	296,100
Accrued income	479,384	150,000
	<hr/>	<hr/>
	1,553,293	1,682,125
	<hr/> <hr/>	<hr/> <hr/>

13 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	217,454	364,697
Taxation and social security	169,433	132,512
Other creditors	21,864	20,313
Accruals	243,185	151,544
Deferred income (note 14)	1,434,974	1,185,122
	<hr/>	<hr/>
	2,086,910	1,854,188
	<hr/> <hr/>	<hr/> <hr/>

Money Advice Trust

Notes to the financial statements

For the year ended 31 December 2015

14 Deferred income

Deferred income comprises of donations received for BDL advisers from 2016 onwards and income for delayed training provision.

	2015 £	2014 £
Balance at the beginning of the year	1,185,122	27,500
Amount released to income in the year	(1,185,122)	(27,500)
Amount deferred in the year	1,805,133	1,185,122
	<u>1,805,133</u>	<u>1,185,122</u>
Balance at the end of the year	<u>1,805,133</u>	<u>1,185,122</u>

15 Creditors: amounts falling due after one year

	2015 £	2014 £
Deferred Income (due 2-5 years)	370,159	-
Bank loans	-	-
Amounts due under finance leases	-	-
	<u>370,159</u>	<u>-</u>

16 Analysis of net assets between funds

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	123,174	-	123,174
Net current assets	3,437,639	525,955	389,645	4,353,239
Long term liabilities	-	-	(370,159)	(370,159)
	<u>3,437,639</u>	<u>649,129</u>	<u>19,486</u>	<u>4,106,254</u>
Net assets at the end of the year	<u>3,437,639</u>	<u>649,129</u>	<u>19,486</u>	<u>4,106,254</u>

Money Advice Trust

Notes to the financial statements

For the year ended 31 December 2015

17 Movements in funds

	At the start of the year	Incoming resources & gains	Outgoing resources & losses	Transfers	At the end of the year
	£	£	£	£	£
Restricted funds:					
Debt Advice	89,875	2,634,252	(2,724,127)	-	-
- <i>Citizens Advice</i>	89,875	1,141,230	(1,231,105)	-	-
Training	26,417	224,834	(239,331)	-	11,920
Insight & Engagement	4,975	99,126	(96,535)	-	7,566
Total restricted funds	121,267	2,958,212	(3,059,993)	-	19,486
Unrestricted funds:					
Designated funds:					
3 Year Implementation Plan	815,414	-	(236,318)	(171,508)	407,588
Fixed Assets	220,005	-	(118,108)	21,277	123,174
Dilapidation Fund	62,500	-	-	-	62,500
Website Project	50,206	-	-	64	50,270
Innovation Grants	5,597	-	-	-	5,597
Total designated funds	1,153,722	-	(354,426)	(150,167)	649,129
General funds	3,424,488	5,834,513	(5,971,529)	150,167	3,437,639
Total unrestricted funds	4,578,210	5,834,513	(6,325,955)	-	4,086,768
Total funds	4,699,477	8,792,725	(9,385,948)	-	4,106,254

Purposes of restricted funds

Debt Advice includes National Debtline, My Money Steps, Business Debtline and a Citizens Advice funded Triage service. These services offer free, expert and professional debt advice via telephone, Internet and email.

The Training programme provides free face-to-face and online money advice training. It includes training provided through the Money Advice Service Debt Advice Project.

Grants & Contracts consist of grants to the Trust's partners to cover training and core costs, a pilot service in Northern Ireland plus a new style of grant for innovative projects.

Insight & Engagement covers the development of Trust policy in relation to specific issues and consultations affecting its activities and the debt advice sector. It also includes debt advice tools such as the Common Financial Statement, CASHflow, Infohub and the Trust's self-help packs.

Purposes of designated funds

The Trustees have agreed to designate funds for the following:

- Investment for the Trust's 3 year funding strategy including a telephony upgrade, CRM project, marketing and overall implementation of these projects
- Funds for Fixed Assets have been designated;
- Dilapidation expenditure for 21 Garlick Hill, London and 8th Floor, Tricorn House, Birmingham;
- Costs associated with the re-design and upgrade of the Trust's websites;
- Additional funds for the Innovation Grants project;

18 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2015 £	2014 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(593,223)	(515,213)
Depreciation charges	118,108	135,147
Dividends, interest and rent from investments	(22,516)	(26,914)
Loss on disposal of fixed assets	1,856	-
Decrease in debtors	128,832	436,399
Increase in creditors	602,881	1,245,747
Net cash provided by / (used in) operating activities	235,938	1,275,166

19 Analysis of cash and cash equivalents

	At 1 January 2015 £	Cash flows £	Other changes £	At 31 December 2015 £
Cash in hand	4,149,679	(1,262,823)	-	2,886,856
Notice deposits (less than three months)	500,000	1,500,000	-	2,000,000
Total cash and cash equivalents	4,649,679	237,177	-	4,886,856

20 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property		Equipment	
	2015 £	2014 £	2015 £	2014 £
Less than one year	278,601	278,601	10,085	10,377
Two to five years	699,423	978,024	27,916	-
	978,024	1,256,625	38,001	10,377

21 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.