

MONEY

ADVICE TRUST

BUSINESS
DEBTLINE

NATIONAL
DEBTLINE

WISER
ADVISER

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED
31 DECEMBER 2016

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

MONEY ADVICE TRUST

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MONEY ADVICE TRUST

TRUSTEES' REPORT

The Trustees present their annual report and the audited accounts for the year ended 31 December 2016.

Objectives and activities – including public benefit

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.'

We have honed our strategic themes and these are:

Clients - Being client focused, assessing and responding to client demand and needs across all services, channels and devices.

Collaboration - Work with others across the sector to improve the entire client journey and demonstrate effective use of funding.

Compliance - Ensure our advice model meets quality and regulatory standards and delivers best outcomes for clients.

Commissioning - Offer a credible service that is cost effective and evidences positive outcomes for clients and value for money.

Commercial - Grow our commercial revenue to allow for investment in our charitable purposes based on products that improve creditor practice.

The Trustees review the aims, objectives and activities of the Money Advice Trust (referred to below as the Trust) 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 the 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.

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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.

The 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 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 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 to micro-businesses via Business Debtline.

National Debtline and Business Debtline serve people in debt in England, Wales and Scotland. During 2016, National Debtline advisers provided 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 and any surplus monies after costs are used to further the Trust's charitable aims.

As this is the final year of the three year plan 2014 – 2016 we reflect on what we have achieved during that time. The Trust successfully helped more people directly and indirectly via National Debtline, Business Debtline and Wiseradviser whilst developing new capabilities including a key focus on technology.

We have adapted to our environment but the overall direction remained broadly similar. Our telephony capacity has grown beyond what was originally intended as a result of a strategic partnership with Citizens Advice and we have met our targets for the numbers of people we've been able to help online. Taking account of the environment and our organisational capabilities we have set out a plan for 2017 that focuses on key priorities

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whilst remaining agile enough to adapt to emerging needs. In doing so, we have honed our strategic themes. We have also considered how we measure our deliverables and have developed a new reporting framework to give as much transparency as possible in the way that we are delivering services and helping clients.

The Trust's plan remains ambitious and will be supported by a sound financial strategy that, if successful, will put the Trust on a stronger footing for the future and allow for longer term planning.

Strategic report

Achievements and performance

The 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. The main activities, which focus on helping people in debt, are described below and are undertaken to further the Trust's charitable purposes for the public.

During 2016 we achieved the following from our business plan:

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

National Debtline helped 138,120 people on the phone through 182,220 advice sessions. We helped a further 34,065 people through our webchat service. In addition there were 1,104,300 visits to the National Debtline website

89% of callers said they were more knowledgeable about financial matters and 88% of callers said they were less likely to find themselves in a similar situation in the future. 98% of people who used our webchat service were clear on the next steps they needed to take following our advice and 4 in 5 people who used our website would recommend it to a friend who was in debt.

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

Business Debtline advisers helped 20,860 people on the phone through 28,338 advice sessions. We helped a further 3,731 people through our webchat service. In addition there were 132,462 visits to the Business Debtline website.

89% of callers said they were managing money more wisely and 74% of callers said they felt less stressed about their business debts. 98% of clients who used our webchat service were clear on their next steps and 3 in 4 clients who used our website (77%) would recommend it to a friend who was in debt.

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

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Wiseradviser provided 8,619 training places to debt advisers in organisations across the UK and advisers in 860 free-to-client organisations completed Wiseradviser training. 64% of our training places were provided through online courses.

71% of advisers who used our training found that it improved their knowledge of money advice substantially and 92% of advisers agree Wiseradviser has helped them improve client outcomes.

Commercial training

Since beginning our commercial training programme, we have delivered vulnerability and mental-health training to over 11,294 staff at more than 160 credit sector organisations to enable them to better support their clients in vulnerable circumstances.

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

Influencing

We continue to shape policy, responding to 26 consultations in 2016, engaging 20 Parliamentarians in the work of the Trust and influencing key decision makers. This helped to bring about:

1. Plans to reform bills of sale legislation, by shaping the Law Commission's proposals accepted by the Government
2. Improvements to Insolvency Service's online bankruptcy application and Debt Relief Order portal
3. Several of our recommendations appearing in the report of the House of Lords Financial Exclusion Select Committee
4. A continued focus on local government debt collection through our work with the APPG on Debt & Personal Finance

Innovation grants 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:

Hyde Housing - BE Secure: Has supported 185 clients who were on average 16% less likely to be behind with their rent charges compared to the control group and £538 better off than they were beforehand.

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Behaviour Change - Nudge by Design: The sister project to Hyde housing, it focused on developing a set of nudge materials designed to improve the interaction rates amongst housing association tenants.

Starting Point –Wallet Watchers: Delivered workshops to young people and supported our Borrowed Years campaign.

Stockton and District Advice and Information Centre (SDAIS) – Get in Quick: Made links with health support workers to encourage referrals for money advice.

In 2016 we used our 'sphere of influence' to spread learning from the innovation grants programme, actively using our Partnership Board, drawing on the projects to support our wider campaigns and policy work (i.e. Wallet Watchers case study in 'Borrowed Years'), and using insight to inform a service gap-analysis on vulnerable groups led by the Money Advice Service.

We also started developing a free Wiseradviser e-learning module building on insights from the Hyde Housing and Behaviour Change projects for the wider debt advice sector and are scoping similar learning with creditors.

In addition, we have begun to test materials within our own services, including a pilot at National Debtline, drawing on some of the nudge principles applied by Hyde Housing and Behaviour Change.

Work in progress

We have not been able to achieve all of the things that we set out to do, for instance, launching the new interactive portal, although we are working hard to deliver this as soon as possible in 2017.

Financial review

Like most charities we find the financial climate challenging, but have progressed income generation in a range of ways.

Income from charitable activities includes donations based on our funding model (see below), training and consultancy income, commissioning of our services and contact centre income.

We have received a positive response to our requests for donations based on our funding model which is derived from calculating the benefit to organisations which our services provide to their customers.

In addition, during 2016 we developed an income stream through selling our training and consultancy on debt topics, particularly around the areas of client vulnerability and mental health. This improves knowledge on helping vulnerable clients with debt and generates an income stream.

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Income from commissioned services increased during 2016 to £1,738,111 (£1,430,190 - 2015) with the majority of this coming from Money Advice Service via Citizens Advice (£1.34m) and Citizens Advice Northern Ireland (£70k), and the remainder coming from Money Advice Service directly to deliver debt advice projects (see note 3 from accounts). We have seen a reduction on income from contact centre referrals for debt options, such as Individual Voluntary Arrangement (IVA) or Debt Management Plans (DMP) and we have factored in further reductions into future financial forecasts.

In summary, our funding for 2016 saw a change in sector contributions and the income streams consisted of approximately 85% from the private sector, 1% from government and 14% from other sources (self-generated).

The total income for the year was £9,015,029 and total costs were £9,644,712. The Board have discussed in detail the use of reserves and concluded that for 2017, we would not wish to use reserves to counter any budget variances. We have set in place a detailed sensitivity analysis which will allow us to amend our spend and income accordingly to meet this requirement.

The year-end funds of £3,476,571 fall into three categories: unrestricted funds £2,842,691, restricted funds £61,896 and designated funds £571,984. We aim to spend the designated funds in 2017.

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 addition we implemented a programme of audits using an independent auditor. The Audit and Risk Committee and the Board review internal audit reports and risks.

Using our heat map of risk topics during 2016, the key risk, as last year, remains the uncertainty of planned income. The Board agreed to invest in our business development team in order to realise the growing potential of commercial training, protect the Trust's future income streams and build upon creditor relations.

We are mitigating this risk by regular financial reviews and adjustments as appropriate, plus significant promotion of our services through our business development team.

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 rolling three-year

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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 £2,842,691. This falls within the current reserves policy.

The Board and the Audit and Risk Committee review the investment of reserves in cash deposits and before investing in an organisation we utilise a risk assessment review to check 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.

Future plans

Our longer term plans for each work area are set out below, together with the targets on activity we are aiming for in 2017.

National Debtline

To secure National Debtline as a provider of quality debt advice as part of a sector model that works for clients and has sustainable funding.

Targets are:

1. To deliver a quality, seamless, multi-channel debt advice service to 140,000 telephone clients and 50,000 web chat clients
2. Provide information to 875,000 visitors to the National Debtline website

Business Debtline

To be recognised as the place to go for debt advice for self-employed people and small businesses by clients, partners and funders.

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Targets are:

1. To deliver a quality, multi-channel debt advice service to 29,000 telephone clients and 12,000 webchat clients
2. Provide information to 110,000 visitors to the Business Debtline website

Wiseradviser

To continue to be the go to place for UK charities for debt advice training, promoting consistent, quality advice and to provide quality, accredited learning to advisers in the free debt advice sector

Targets are:

1. To have 8,000 training places utilised
2. Train 2,400 advisers
3. To provide 5,280 e-learning sessions
4. To have 2,720 face to face places taken.

The Trust

To improve the UK's money and debt environment by influencing policy, regulation and practice. We will do this by use of our evidence, tools, networks and influence to shape policy and regulation, and improve services.

Targets are:

1. Increasing the number of people aware of and using our free services
2. Improving our understanding of our clients using insight from our new CRM, and better understanding the impact of online debt advice
3. Improving practice by local authorities (re debt collection) and the energy sector (with a focus on small businesses)
4. Enhancing how charities in the advice sector work with clients in vulnerable circumstances, use available tools, learn from our Innovation Grants programme, and increasing their awareness and take up of free Wiseradviser training

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,

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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 notes two and three.

We are grateful to our staff for helping achieve the successes we've set out here during 2016.

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 and at each of its sub-committees.

During 2016, 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. During 2016 we ran a recruitment process with open advertising and appointed from 1 January 2017 Anna Bennett and Ade Keasey. Both bring experience in areas that will help the Trust develop its work in line with our strategy. 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 helped us assess the skills needed for the recruitment that took place.

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The Board sets values and strategic direction for the 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; and Nominations and Remuneration Committees. All have specific terms of reference, reviewed at least annually.

The **Audit and Risk Committee** met four times in 2016. We are indebted to Martyn Gimber who chaired this group ably and contributed invaluable as a trustee and who left us on 31 December 2016. Tracey Bleakley was appointed as Chair of the Committee. The other members are Anna Bennett, Sian Williams and Merrick Willis. The Audit and Risk Committee oversees the financial reporting process and reviews the effectiveness of the Trust's risk framework, including internal and external controls, risk management, the independent audit process and compliance systems.

The **Grants Committee** met twice in 2016. It comprises Merrick Willis (Chair of the Committee), Ade Keasey 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 Trust. In addition, the Trust monitors all grants that are made in accordance with the agreements we have in place.

The **Nominations and Remuneration Committee** met twice in 2016. It comprises Jenny Watson (Chair of Committee), Adam Sharples, Simon Crine and Tracey Bleakley, Gail Scott-Spicer. 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 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.

Related parties and relationships with other organisations

There were no related party and relationship matters for reporting that would give rise to any conflicts of interest.

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.

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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);

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- 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 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 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

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

Adam Sharples
Trustee

Tracey Bleakley
Trustee

13 July 2017

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

Opinion

We have audited the financial statements of Money Advice Trust (the 'charitable company') for the year ended 31 December 2016 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 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, including the strategic report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the

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

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, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic 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 including the strategic 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;

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.

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

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on

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the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Joanna Pittman (Senior statutory auditor)

20 July 2017

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

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.

Adam Sharples CB	Chair
Jenny Watson CBE	Deputy Chair
Anna Bennett	Appointed 1 January 2017
Tracey Bleakley	
Simon Crine	
Martyn Gimber	Retired 31 December 2016
Ade Keasey	Appointed 1 January 2017
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 CBE.

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

Auditor 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.mymoneysteps.moneyadvicetrust.org
www.nationaldebtline.org
www.wiseradviser.org

Money Advice Trust

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

For the year ended 31 December 2016

	Note	Unrestricted £	Restricted £	2016 Total £	Unrestricted £	Restricted £	2015 Total £
Income from:							
Donations	2	4,233,838	-	4,233,838	4,457,608	-	4,457,608
Charitable activities							
- Debt Advice	3	920,452	3,150,220	4,070,672	1,113,899	2,634,252	3,748,151
- Training	3	372,042	234,420	606,462	240,490	224,834	465,324
- Influencing and Policy	3	-	82,848	82,848	-	99,126	99,126
Investments		21,209	-	21,209	22,516	-	22,516
Total income		5,547,541	3,467,488	9,015,029	5,834,513	2,958,212	8,792,725
Expenditure on:							
Raising funds	4	203,210	-	203,210	296,400	-	296,400
Charitable activities							
- Debt Advice	4	4,481,580	3,105,220	7,586,800	4,722,393	2,724,127	7,446,520
- Training	4	1,241,737	234,420	1,476,157	1,056,322	239,331	1,295,653
- Influencing and Policy	4	293,107	85,438	378,545	250,840	96,535	347,375
Total expenditure		6,219,634	3,425,078	9,644,712	6,325,955	3,059,993	9,385,948
Net (expenditure)/income for the year and net movement in funds	6	(672,093)	42,410	(629,683)	(491,442)	(101,781)	(593,223)
Reconciliation of funds:							
Total funds brought forward		4,086,768	19,486	4,106,254	4,578,210	121,267	4,699,477
Total funds carried forward		3,414,675	61,896	3,476,571	4,086,768	19,486	4,106,254

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 2016

	Note	£	2016 £	£	2015 £
Fixed assets:					
Tangible assets	11		18,043		123,174
			18,043		123,174
Current assets:					
Debtors	12	1,350,996		1,553,293	
Cash at bank and in hand		3,958,504		4,886,856	
		5,309,500		6,440,149	
Liabilities:					
Creditors: amounts falling due within one year	13	1,744,938		2,086,910	
Net current assets			3,564,562		4,353,239
Total assets less current liabilities			3,582,605		4,476,413
Creditors: amounts falling due after one year	15		106,034		370,159
Total net assets			3,476,571		4,106,254
The funds of the charity:	17				
Restricted income funds			61,896		19,486
Unrestricted income funds:					
Designated funds		571,984		649,129	
General funds		2,842,691		3,437,639	
Total unrestricted funds			3,414,675		4,086,768
Total charity funds			3,476,571		4,106,254

Approved by the trustees on 13 July 2017 and signed on their behalf by

Adam Sharples
Chair of Trustees

Money Advice Trust

Statement of cash flows

For the year ended 31 December 2016

	Note	2016 £	£	2015 £	£
Cash flows from operating activities	18				
Net cash provided by operating activities			(933,128)		235,938
Cash flows from investing activities:					
Dividends, interest and rents from investments		21,209		22,516	
Purchase of fixed assets		(16,433)		(21,277)	
Net cash provided by investing activities			4,776		1,239
Change in cash and cash equivalents in the year			(928,352)		237,177
Cash and cash equivalents at the beginning of the year			4,886,856		4,649,679
Cash and cash equivalents at the end of the year	19		3,958,504		4,886,856

1 Accounting policies

a) Statutory information

Money Advice Trust is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is 21 Garlick Hill, London, EC4V 2AU.

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 (FRS 102) (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) 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
--------------------------	---------

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.

q) 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.

Money Advice Trust

Notes to the financial statements

For the year ended 31 December 2016

2 Income from donations

	Unrestricted £	Restricted £	2016 Total £	2015 Total £
Lloyds Banking Group	1,131,411	-	1,131,411	1,167,456
Royal Bank of Scotland	685,731	-	685,731	943,348
HSBC	669,997	-	669,997	641,040
Barclays	411,705	-	411,705	411,524
Barclaycard	401,694	-	401,694	410,000
Santander	334,353	-	334,353	344,122
Bank of America	143,679	-	143,679	147,604
Capital One	75,000	-	75,000	75,000
Nationwide	53,161	-	53,161	20,000
Yorkshire and Clydesdale Bank	50,000	-	50,000	100,000
TSB	47,119	-	47,119	-
QuickQuid	40,625	-	40,625	-
American Express Foundation	37,488	-	37,488	-
Other Donations	26,821	-	26,821	24,014
UKAR	25,264	-	25,264	26,000
Vanquis	20,000	-	20,000	30,000
Wonga	20,000	-	20,000	-
Experian	15,500	-	15,500	15,000
Brighthouse	15,000	-	15,000	15,000
Yorkshire Building Society	11,790	-	11,790	-
Wessex	10,000	-	10,000	10,000
Home Retail Group/Argos	7,500	-	7,500	7,500
British Gas	-	-	-	30,000
Money Shop (Dollar Financial)	-	-	-	25,000
Wescot Credit Services	-	-	-	15,000
	4,233,838	-	4,233,838	4,457,608

Money Advice Trust

Notes to the financial statements

For the year ended 31 December 2016

3 Income from charitable activities

	Unrestricted £	Restricted £	2016 Total £	2015 Total £
Debt Advice				
Citizens Advice	-	1,342,120	1,342,120	1,141,230
Step Change Debt Charity (DMP)	540,121	-	540,121	640,922
Payplan (DMP)	360,781	-	360,781	444,587
Business Energy Solutions	-	303,839	303,839	5,000
Lloyds Banking Group	-	215,493	215,493	189,862
Royal Bank of Scotland	-	174,397	174,397	184,274
Barclays	-	152,654	152,654	135,065
Barclaycard	-	116,225	116,225	-
Scottish Government	-	110,000	110,000	110,000
Scottish & Southern Electric	-	107,430	107,430	116,944
Scottish Power	-	92,000	92,000	46,923
HSBC	-	86,189	86,189	110,970
Provident Financial	-	70,000	70,000	30,000
Citizens Advice Northern Ireland	-	69,991	69,991	-
Santander	-	49,871	49,871	43,939
Esmée Fairbairn Foundation	-	100,000	100,000	100,000
Comic Relief	-	32,064	32,064	-
Building Societies Trust	-	30,000	30,000	30,000
Wescot Credit Services	-	20,000	20,000	2,000
Northumbrian (North East)	-	17,500	17,500	7,845
TSB	-	12,517	12,517	-
EDF Energy	-	10,728	10,728	10,000
Nationwide	-	10,728	10,728	-
npower	-	8,940	8,940	17,256
Money Advice Service	-	8,732	8,732	-
Grant Thornton (IVA)	7,600	-	7,600	7,200
UKAR	-	7,152	7,152	-
Insolvency Service (DRO)	7,050	-	7,050	7,190
Step Change Debt Charity (IVA)	2,600	-	2,600	1,200
Yorkshire Building Society	-	1,650	1,650	-
Debt Lifeboat (IVA)	1,600	-	1,600	7,200
Other Donations	700	-	700	500
British Gas	-	-	-	290,979
American Express Foundation	-	-	-	31,365
QuickQuid (Enova International)	-	-	-	20,000
Citigroup	-	-	-	10,100
Payplan (IVA)	-	-	-	5,600
Sub-total for Debt Advice	920,452	3,150,220	4,070,672	3,748,151
Training				
Money Advice Service	-	234,420	234,420	224,834
Training Course Income (55 funders (2015: 69))	371,937	-	371,937	238,659
Other	105	-	105	1,831
Sub-total for Training	372,042	234,420	606,462	465,324
Influencing and Policy				
Money Advice Service	-	82,848	82,848	64,126
Provident Financial	-	-	-	35,000
Sub-total for Influencing and Policy	-	82,848	82,848	99,126
Total income from charitable activities	1,292,494	3,467,488	4,759,982	4,312,601

4 Analysis of expenditure

	Charitable activities						2016 Total £	2015 Total £
	Cost of raising funds £	Debt Advice £	Training £	Influencing and Policy £	Governance costs £	Support costs £		
Staff costs (Note 7)	122,390	4,477,334	439,223	233,455	101,991	1,131,982	6,506,375	6,202,667
IT & Telephony	5,826	595,991	24,347	11,113	2,830	54,150	694,257	798,068
Occupancy	13,148	535,022	61,557	21,425	7,495	105,155	743,802	733,455
Adviser Training	-	-	378,161	-	-	-	378,161	388,607
Commercial Training	-	-	146,545	-	-	-	146,545	144,652
Grants (Note 5)	-	121,918	233,750	-	-	-	355,668	349,589
Other Staff Costs	5,048	185,527	25,475	4,310	2,464	49,177	272,001	187,355
Depreciation	1,374	98,204	5,763	2,466	692	13,065	121,564	118,108
Communications	-	65,591	13,434	-	-	-	79,025	79,241
Travel	13,794	9,280	16,445	13,912	3,804	26,729	83,964	77,931
Self Help Packs	-	13,938	-	31,705	-	-	45,643	48,406
Other Costs	14,847	85,044	22,620	12,094	11,647	71,455	217,707	257,869
	176,427	6,187,849	1,367,320	330,480	130,923	1,451,713	9,644,712	9,385,948
Support costs	24,567	1,283,223	99,834	44,089	-	(1,451,713)	-	-
Governance costs	2,216	115,728	9,003	3,976	(130,923)	-	-	-
Total expenditure 2016	203,210	7,586,800	1,476,157	378,545	-	-	9,644,712	
Total expenditure 2015	296,400	7,446,520	1,295,653	347,375	-	-		9,385,948

Money Advice Trust

Notes to the financial statements

For the year ended 31 December 2016

5 Grant making

	Grants to institutions £	2016 £	2015 £
Cost			
Training	233,750	233,750	220,980
Innovation Grants	75,543	75,543	83,081
Business Debtline Northern Ireland	46,375	46,375	26,500
Core Grant Funding	-	-	19,028
At the end of the year	<u>355,668</u>	<u>355,668</u>	<u>349,589</u>

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

Innovation Grants - funding of external innovative debt advice and training projects

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

Core Grant Funding - Given to Money Advice Scotland in 2015.

6 Net expenditure for the year

This is stated after charging / crediting:

	2016 £	2015 £
Depreciation	121,564	118,108
Loss on disposal of fixed assets	-	1,856
Operating lease rentals:		
Property	300,615	324,021
Other	12,754	12,716
Auditor's remuneration (excluding VAT):		
Audit	10,050	9,900
Other services	2,850	2,000

7 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	5,537,976	5,287,287
Termination costs	7,296	-
Social security costs	537,492	489,262
Employer's contribution to defined contribution pension schemes	423,611	426,118
	6,506,375	6,202,667

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

Employee Position	2016		2015	
	Gross Salary £	Employer Pension £	Gross Salary £	Employer Pension £
Chief Executive	110,692	10,053	109,177	9,826
Deputy Chief Executive (Strategy and Services)	86,180	7,838	72,214	6,499
Deputy Chief Executive (Corporate Services)	79,082	7,756	74,263	6,684

The total employee benefits (including employer pension contributions and employer national insurance) of the key management personnel, as listed above, were £335,102 (2015: £309,875)

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 £3,684 (2015: £2,664) incurred by 9 (2015: 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:

	2016 No.	2015 No.
Debt Advice	139	137
Training	9	10
Influencing and Policy	8	8
Support	29	29
Business Development	5	4
	190	188

9 Related party transactions

There are no related party transactions to disclose for 2016 (2015: 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	876,850	876,850
Additions in year	16,433	16,433
Disposals in year	(42,245)	(42,245)
At the end of the year	<u>851,038</u>	<u>851,038</u>
Depreciation		
At the start of the year	753,676	753,676
Charge for the year	121,564	121,564
Eliminated on disposal	(42,245)	(42,245)
At the end of the year	<u>832,995</u>	<u>832,995</u>
Net book value At the end of the year	<u>18,043</u>	<u>18,043</u>
At the start of the year	<u>123,174</u>	<u>123,174</u>

All of the above assets are used for charitable purposes.

12 Debtors

	2016 £	2015 £
Trade debtors	534,356	754,680
Other debtors	2,513	7,370
Prepayments	400,803	311,859
Accrued income	413,324	479,384
	<u>1,350,996</u>	<u>1,553,293</u>

13 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	184,684	217,454
Taxation and social security	199,363	169,433
Other creditors	88,635	21,864
Accruals	140,409	243,185
Deferred income (note 14)	1,131,847	1,434,974
	<u>1,744,938</u>	<u>2,086,910</u>

14 Deferred income

Deferred income comprises primarily of donation funding from Royal Bank of Scotland and Business Energy Solutions

	2016 £	2015 £
Balance at the beginning of the year	1,805,133	1,185,122
Amount released to income in the year	(1,429,974)	(1,185,122)
Amount deferred in the year	862,722	1,805,133
Balance at the end of the year (Total)	1,237,881	1,805,133
Balance at the end of the year (falling due within one year)	1,131,847	1,434,974
Balance at the end of the year (falling due after one year)	106,034	370,159
Balance at the end of the year (Total)	1,237,881	1,805,133

15 Creditors: amounts falling due after one year

	2016 £	2015 £
Deferred Income (due 2-5 years)	106,034	370,159
	106,034	370,159

16a Analysis of net assets between funds 2016

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	18,043	-	18,043
Net current assets	2,842,691	553,941	167,930	3,564,562
Long term liabilities	-	-	(106,034)	(106,034)
Net assets at the end of the year	2,842,691	571,984	61,896	3,476,571

16b Analysis of net assets between funds 2015

	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)
Net assets at the end of the year	3,437,639	649,129	19,486	4,106,254

Money Advice Trust

Notes to the financial statements

For the year ended 31 December 2016

17a Movements in funds 2016

	At 1 January 2016 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2016 £
Restricted funds:					
Debt Advice	-	3,150,220	(3,105,220)	-	45,000
- <i>Citizens Advice</i>	-	1,342,120	(1,342,120)	-	-
Training	11,920	234,420	(234,420)	-	11,920
Influencing and Policy	7,566	82,848	(85,438)	-	4,976
Total restricted funds	19,486	3,467,488	(3,425,078)	-	61,896
Unrestricted funds:					
Designated funds:					
3 Year Implementation Plan	407,588	-	(95,234)	-	312,354
Commercial Training	-	-	(20,913)	200,000	179,087
Dilapidation Fund	62,500	-	-	-	62,500
Fixed Assets	123,174	-	(121,564)	16,433	18,043
Website Project	50,270	-	-	(50,270)	-
Innovation Grants	5,597	-	(5,597)	-	-
Total designated funds	649,129	-	(243,308)	166,163	571,984
General funds	3,437,639	5,547,541	(5,976,326)	(166,163)	2,842,691
Total unrestricted funds	4,086,768	5,547,541	(6,219,634)	-	3,414,675
Total funds	4,106,254	9,015,029	(9,644,712)	-	3,476,571

Money Advice Trust

Notes to the financial statements

For the year ended 31 December 2016

17b Movements in funds 2015

	At 1 January 2015 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2015 £
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
<i>WA Project Funding</i>	11,920	-	-	-	11,920
<i>F2F DAP 2014/15</i>	-	-	-	-	-
<i>F2F DAP 2015/16</i>	-	-	-	-	-
Influencing and Policy	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, Citizens Advice funded Triage service and Grants to other organisations providing Debt Advice. 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 and grants to other organisation providing debt advice Training.

Influencing and Policy 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;
- Additional staff for the drive commercial revenue

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

	2016 £	2015 £
Net (expenditure) for the reporting period (as per the statement of financial activities)	(629,683)	(593,223)
Depreciation charges	121,564	118,108
Dividends, interest and rent from investments	(21,209)	(22,516)
Loss on disposal of fixed assets	-	1,856
Decrease in debtors	202,297	128,832
(Decrease)/Increase in creditors	(606,097)	602,881
Net cash provided by / (used in) operating activities	(933,128)	235,938

19 Analysis of cash and cash equivalents

	At 1 January 2016 £	Cash flows £	Other changes £	At 31 December 2016 £
Cash in hand	2,886,856	(428,352)	-	2,458,504
Notice deposits (less than three months)	2,000,000	(500,000)	-	1,500,000
Total cash and cash equivalents	4,886,856	(928,352)	-	3,958,504

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	
	2016 £	2015 £	2016 £	2015 £
Less than one year	285,870	300,615	22,880	10,085
Two to five years	400,499	686,409	52,834	27,733
	686,369	987,024	75,714	37,818

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.