

Company registration number: 02457362

Charity registration number: 900311

# talking money

advice, support & information

(A company limited by guarantee)

Annual Report and Financial Statements

For the Year Ended 31 March 2018

WEDNESDAY



A29 \*A7IOYR76\* #39  
14/11/2018  
COMPANIES HOUSE

Milsted Langdon  
Chartered Accountants and Statutory Auditors  
Freshford House  
Redcliffe Way  
Bristol  
BS1 6NL

## **Talking Money**

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## **Talking Money**

### **Reference and Administrative Details**

#### **Chief Executive Officer**

Mr R Borealis

#### **Trustees**

Mr R Ascroft

Dr M Barnes (resigned 4 October 2017)

Mrs J Collins (resigned 21 March 2018)

Mr R Hicken

Mr N Holliday

Mr D Seabright

Mr P Smith (resigned 15 November 2017)

Mrs D Sturge

#### **Principal Office**

1 Hide Market

West Street

St Philips

Bristol

BS2 0BH

#### **Company Registration Number**

02457362

#### **Charity Registration Number**

900311

## **Talking Money**

### **Reference and Administrative Details**

#### **Bankers**

Cambridge & Counties Bank  
Charnwood Court  
58 New Walk  
Leicester  
LE1 6TE

Charities Aid Foundation  
25 Kings Hill Avenue  
Kings Hill  
West Malling  
ME19 4JQ

Royal Bank of Scotland  
36 St Andrew Square  
Edinburgh  
EH2 2YB

Triodos Bank  
Deanery Road  
Bristol  
BS1 5AS

#### **Auditor**

Milsted Langdon LLP  
Chartered Accountants and Statutory Auditors  
Freshford House  
Redcliffe Way  
Bristol  
BS1 6NL

## **Talking Money**

### **Trustees' Report**

The Board of Trustees is pleased to present its annual Trustees' report and the audited financial statements of the charity for the year ended 31 March 2018, which are also prepared to meet the requirements for a Trustees' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards 102.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing Document**

Talking Money is a charitable company limited by guarantee. It was called Bristol Debt Advice Centre until 1st March 2014 when the name was changed to Talking Money. The company was incorporated on 8 January 1990 (number 02457362) and registered as a charity in February 1990 (number 900311). The charitable company was established under a Memorandum of Association which established its objects and powers, and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

The geographical area covered by the charity is England, although in practice the majority of the face-to-face work is delivered in Bristol and surrounding areas.

The Trustees are responsible for strategy, policy and financial oversight of the company. Implementation of this is delegated to the Chief Executive, who is supported by a Leadership Team.

#### **Recruitment and Appointment of new Trustees**

Before appointment, the aims, objectives and core values of Talking Money are explained by the Chair of Trustees and the Chief Executive, to ensure that individuals are aware of the responsibility their role as Trustee will entail. The CV of a potential Trustee is circulated to current Board Members, and if approved in principle the person is subsequently invited to attend a Board meeting as an observer before their appointment is voted on.

## **Talking Money**

### **Trustees' Report**

#### **Induction and training of new Trustees**

On appointment, Trustees are invited to spend time at Talking Money, undertaking a tour of the office, meeting staff and volunteers, seeing current operational procedures in practice and having a chance to observe an advice session (with the client's permission). These activities provide new Trustees with a greater understanding of the charity's practical work.

In addition, new Trustees are fully briefed by the Chair of Trustees and Chief Executive with regards to:

- Their obligations as members of the Board of Trustees, including relevant publications from the Charity Commission;
- Relevant documentation regarding the legal framework of the charity, e.g. Articles of Association;
- Relevant financial information as set out in the most recent published annual accounts and the quarterly management accounts; and
- Strategic plans and objectives.

#### **Related parties**

None of the Trustees receive remuneration or other benefit from their work with the charity. In the current year other than reimbursed expenses disclosed in note 10 no other related party transactions took place with the Trustees.

Members of the Leadership Team are also related parties. Other than remuneration, no material transactions took place with the members of Leadership Team.

#### **Pay Policy for senior staff**

The Board of Trustees consider themselves and members of the Leadership Team as the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All Trustees give up their time freely. Details of Trustees' expenses are disclosed in note 10 to the accounts.

The pay of senior staff is reviewed annually by the Trustees.

## **Talking Money**

### **Trustees' Report**

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and Activities**

The Trustees confirm that they have complied with their duty under the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit when planning and reviewing the aims, objectives and activities of Talking Money. Talking Money is committed to enabling as many people as possible to access money advice and financial education.

The organisation's objectives and principal activities are:

- The relief of poverty and promotion of free advice and other services to persons who are in a condition of need, hardship or distress by reason of their social or economic circumstances;
- The advancement of education of the public in matters relating to:
  - Financial literacy
  - Debt awareness and prevention
  - Social welfare and advocacy

The external environment continues to have a very significant impact on the work of the company. Key challenges have included:

- Unprecedented reductions in public spending affecting local authorities, leading to reduced access to a range of public services and more pressure on the voluntary, community and social enterprise sector in 'picking up the pieces';
- The loss of major funding from two energy trusts which have formed a core part of our funding for over a decade and led to the redundancy or termination of contract for six employees (although 5 of these redundancies actually took place in 2018-19); and
- A very uncertain funding environment, in which most of the typical sources of funding are more constrained and much more competition for diminished resources.

The main objectives and activities for the year continued to focus on the provision of high quality money advice services for the public benefit and, through this, to raise public awareness about debt, fuel poverty and debt prevention.

## **Talking Money**

### **Trustees' Report**

Talking Money continued to act as the lead agency for Money Advice West, a sub-regional partnership of seven agencies funded exclusively by the national Money Advice Service. This partnership was seen nationally as sufficiently innovative to win the Institute of Money Advisors' 'Best Partnership' award at its national conference on 15 May 2017.

The company also continued with effective delivery of a contract with South Gloucestershire Council through the South Glos Consortium, another partnership forum involving five local advice agencies and led by Citizens Advice South Gloucestershire.

### **Volunteers**

The company has continued to benefit from the services of volunteers and at the end of 2017-18 there were six active volunteers supporting all of the teams on a regular basis, as well as the Trustees, all of whom are volunteers.

## **ACHIVEMENT AND PERFORMANCE**

### **Charitable activities**

The main area of charitable work continued to be the provision of free and independent, high quality money advice services. The company provides face-to-face money advice by appointment and drop-in sessions at its offices and at outreach venues in Bristol, South Gloucestershire and the surrounding areas. It also offers advice by telephone and email. It also helps clients to apply for financial assistance from a range of charitable organisations and provides training and education services.

The company continued to deliver specialist training courses to money advisers and a range of money advice related awareness training to front line staff such as housing officers, including providing specialist external supervision where required.

Our key objectives are supported through expenditure in delivering money advice, energy advice, benefits advice, financial inclusion and education services. The company continues to meet its core objectives in these respects and this year provided advice, information and support to an increased number of people experiencing financial difficulties. With the effects of the recession and welfare reforms continuing to impact on households, during the year Talking Money received and responded to 5,776 enquiries from members of the public, of which 2,599 resulted in comprehensive advice and/or casework through our extended range of services. Other enquirers were given information and/or directed elsewhere to get advice and support.



## **Talking Money**

### **Trustees' Report**

Financial gains of £1,160,938 were achieved for service users in the year, from energy trust awards, other charitable grants, switching exercises, and increased take up of benefit entitlements. £804,594 of reduced liabilities were also achieved for service users through reducing debt, debt written off and future liabilities reduced (recorded on cases closed during the period). The total amount of debt managed for service users in the year was £9,054,351.

### **FINANCIAL REVIEW**

The Trustees are pleased to report a surplus for the financial year of £35,134. This represents a significant achievement as a £40,000 fundraising target was set for the year in order to achieve a balanced budget. This position was largely achieved through:

- Obtaining new funds to a total of £15,883 that was useable in 2017-18 from the following sources:
  - Aperture, Burton Sweet, Big Lottery Foundation event sponsorship - £2,900
  - Quartet Express - £3,150
  - St. Stephen & St. James Trust - £4,000
  - Needham Cooper - £2,000
  - British Gas Energy Award Scheme - £3,833
- Strong financial management and control by the chief executive, supported by a highly capable Finance Officer
- Sound financial procedures.

The Financial Reporting Standards for charities have recently changed and the way that grants without performance specific performance requirements are treated now means that the income for an activity may appear in one year and the related expenditure in the next year, or the following several years. This approach to statutory surplus could make it harder to understand whether an organisation has good financial control and management. For 2017-18 there would be a small surplus of £10,921 if the income for such grants was adjusted to correspond to the related expenditure.

## **Talking Money**

### **Trustees' Report**

#### **Reserves Policy**

The Trustees keep the reserves policy under review (it was last approved on 21 March 2018). The current policy is that reserves should be a minimum of an amount equal to the total accrued redundancy liability of the company (should all staff have to be made redundant) plus one year's property costs, plus 50% of the fundraising target for the year, plus a contingency of 10%. This figure was £103,391 at the year-end (this includes £66,000 for the current redundancy liability), with total liquid reserves standing at £120,378, thereby exceeding the amount required by the reserves policy. The level of unrestricted free reserves, according to the strict definition of the SORP, amounted to £42,893.

#### **Principal Funding sources**

The company's principal source of continuing funding is the debt advice funding from the Money Advice Service; however, there continues to be an active focus on the diversification of income sources. The 'Money Advice West' debt advice project is delivered through seven different agencies with Talking Money acting as the controlling agency. However, funds are held in a separate bank account in the name of Talking Money MAS (MAW). The income attributable to Talking Money alone is shown in these accounts.

#### **Investment performance**

Interest rates remain low, yielding a return of £1,469.

#### **FUTURE DEVELOPMENTS**

The charity plans to continue the activities outlined above in the forthcoming years, subject to satisfactory funding arrangements. We expect the welfare reforms implemented by the Government to continue to impact on low income households leading to increased indebtedness as income levels shrink. In particular, the full-scale introduction in Bristol of Universal Credit during the coming financial year will create significant issues for a proportion of our clients.

We anticipate that numbers of children in poverty and the numbers of households in fuel poverty will continue to rise. We also anticipate that the shortage of affordable housing will lead to increased indebtedness for low income tenants and home-owners. These changes will inevitably lead to increased demand for our services.

The nature of our work is heavily influenced by the requirements from funders and regulatory bodies. The burdens that these impose on staff is enormous and can be very constraining of attempts to help more people and help them better. We believe that we have the capability to do an even better job for more people with fewer constraints and so we will be seeking funding of a different nature to allow some flexibility in how we operate.

## Talking Money

### Trustees' Report

#### BUDGET 2018/19

A budget for 2018/19 was agreed at the Board of Trustees meeting held on 21 March 2018. A £48,500 fundraising target has been included to achieve a balanced budget. This will be highly challenging to achieve given an ever more competitive market for diminishing funds. An experienced freelance fundraiser has been commissioned to assist with this task during the last part of 2017-18 and first part of 2018-19.

#### Disclosure of information to auditor

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

The annual report was approved by the Trustees of the charity on 26/9/18 and signed on its behalf by:

N. A Holliday

Mr N Holliday

Trustee

## Talking Money

### Statement of Trustees' Responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. 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.

Approved by the Trustees of the charity on 26/9/18 and signed on its behalf by:

N. A. Holliday

Mr N Holliday  
Trustee

## **Talking Money**

### **Independent Auditors' Report to the Members of Talking Money**

We have audited the financial statements of Talking Money for the year ended 31 March 2017, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)).

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees 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 on page 11), 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 Statements on Auditing (UK and Ireland). Those standards require use to comply with the Auditing Practices Board's (APB'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 Trustees' 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.

## Talking Money

### Opinion on the 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 March 2017 and of its results 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.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustee 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.

Milsted Langdon LLP

Mr D S Jacobs FCA (Senior Statutory Auditor)  
Milsted Langdon LLP  
Statutory Auditor  
One Redcliff Street  
Bristol  
BS1 6NP

Date: 28/9/18

## Talking Money

### Statement of Financial Activities for the Year Ended 31 March 2018 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
<b>Income and Endowments from:</b>					
Donations and legacies	2	8,165	-	8,165	7,017
Charitable activities	3	238	813,929	814,167	866,557
Other charitable activities	4	3,515	-	3,515	5,935
Investment income	5	1,469	-	1,469	2,879
Other income	6	1,017	-	1,017	2,103
<b>Total income</b>		<b>14,404</b>	<b>813,929</b>	<b>828,333</b>	<b>884,491</b>
<b>Expenditure on:</b>					
Charitable activities	7	(3,483)	(789,716)	(793,199)	(879,229)
<b>Total Expenditure</b>		<b>(3,483)</b>	<b>(789,716)</b>	<b>(793,199)</b>	<b>(879,229)</b>
<b>Net income</b>		<b>10,921</b>	<b>24,213</b>	<b>35,134</b>	<b>5,262</b>
<b>Net movement in funds</b>		<b>10,921</b>	<b>24,213</b>	<b>35,134</b>	<b>5,262</b>
<b>Reconciliation of funds</b>					
<b>Total funds brought forward</b>		<b>342,562</b>	<b>-</b>	<b>342,562</b>	<b>337,300</b>
<b>Total funds carried forward</b>	19	<b>353,483</b>	<b>24,213</b>	<b>377,696</b>	<b>342,562</b>

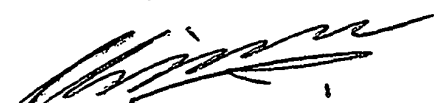
All of the charity's activities derive from continuing operations during the above two periods.  
The funds breakdown for 2017 and 2018 are shown in note 19.

# Talking Money

## (Registration number 02457362) Balance Sheet as at 31 March 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	C 13	310,589	316,101
<b>Current assets</b>			
Debtors	£ 14	65,260	22,950
Cash at bank and in hand	f	288,743	273,949
		<u>354,003</u>	<u>296,899</u>
<b>Creditors: Amounts falling due within one year</b>	G 15	<u>(286,896)</u>	<u>(192,049)</u>
<b>Net current assets</b>		<u>67,107</u>	<u>104,850</u>
<b>Total assets less current liabilities</b>		377,696	420,951
<b>Creditors: Amounts falling due after more than one year</b>	16	<u>-</u>	<u>(78,389)</u>
<b>Net assets</b>		<u>377,696</u>	<u>342,562</u>
<b>Funds of the Charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted income funds		<u>377,696</u>	<u>342,562</u>
<b>Total funds</b>	19	<u>377,696</u>	<u>342,562</u>

The financial statements on pages 14-29 were approved by the Trustees and authorised for issue on 26/9/18 and signed on their behalf by:



Mr D Seabright  
Trustee



## Talking Money

### Statement of Cash Flows for the Year Ended 31 March 2018

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash income		35,134	5,262
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation	13	5,512	4,541
Investment Income	5	(1,469)	(2,879)
		<u>14,964</u>	<u>6,924</u>
<b>Working capital adjustments</b>			
(increase)/decrease in debtors	14	(42,310)	23,492
Increase in creditors	15	5,586	9,206
Increase in deferred income	15	18,974	19,954
		<u>21,427</u>	<u>59,576</u>
<b>Net cash flows from operating activities</b>			
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	5	1,469	2,879
Purchase of tangible fixed assets	13	-	(6,103)
		<u>1,469</u>	<u>(3,224)</u>
<b>Net cash flows from investing activities</b>			
<b>Cash flows from financing activities</b>			
Repayment of loans and borrowings	15	(8,102)	(7,833)
		<u>14,794</u>	<u>48,519</u>
<b>Net increase in cash and cash equivalents</b>			
Cash and cash equivalents at 1 April		<u>273,949</u>	<u>225,430</u>
Cash and cash equivalents at 31 March		<u>288,743</u>	<u>273,949</u>

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

## Talking Money

### Notes to the Financial Statements for the Year Ended 31 March 2018

#### 1 Accounting policies

##### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

##### Basis of preparation

Talking Money meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### Going concern

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

##### Income and endowments

##### Income and endowments

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

##### Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and the settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

##### Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

##### Investment income

Investment income is recognised on a receivable basis as and when the charity is entitled to the income.

## Talking Money

### Notes to the Financial Statements for the Year Ended 31 March 2018

#### Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage. The apportionment of these support costs are detailed in note 7.

#### Governance costs

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

#### Taxation

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

#### Tangible fixed assets

All computer equipment and individual fixed assets costing £1,000 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Land and buildings	Held at historical cost
Furniture and equipment	25% straight line

## Talking Money

### Notes to the Financial Statements for the Year Ended 31 March 2018

#### Trade debtors

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

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

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### Trade creditors

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

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

#### Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### Fund structure

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

Restricted funds are to be used for specific purposes as described by the Donor. Expenditure, which meets these criteria, is charged to the fund together with a fair representation of support costs.

#### Operating leases

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

## Talking Money

### Notes to the Financial Statements for the Year Ended 31 March 2018

#### Financial instruments

##### Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

##### Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

##### Pensions and other post retirement obligations

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### 2. Income from donations and legacies

	Unrestricted Funds		
	General	Total 2018	Total 2017
	£	£	£
Donations from individuals and businesses	8,165	8,165	7,017
	8,165	8,165	7,017

Of the above incoming resources £8,165 (2017 - £7,017) was attributable to unrestricted funds and £Nil (2017 - £Nil) to restricted funds.

## Talking Money

### Notes to the Financial Statements for the Year Ended 31 March 2018

#### 3. Income from charitable activities

	Unrestricted Funds		Total	Total
	General	Restricted funds	2018	2017
	£	£	£	£
Action for Warm Homes		3,333	3,333	-
Boost Finance	-	9,750	9,750	5,750
Bristol City Council	-	43,060	43,060	49,043
BCC Homelessness Trailblazer		17,778	17,778	-
Bristol Fuel Poverty Partnership		8,689	8,689	-
Bristol Wessex Water	-	29,400	29,400	43,115
British Gas Energy Trust	-	115,467	115,467	190,417
Co-Op Foundation		2,967	2,967	-
DIBS		12,000	12,000	-
Dundry View Green Capital	-	-	-	1,650
Ebico	-	-	-	5,750
EDF Energy Trust	-	60,428	60,428	80,572
Energy Best Deal	-	5,000	5,000	5,000
Financial capability	-	1,613	1,613	4,700
Gift Aid	238	-	238	375
Henry Smith Charity	-	42,300	42,300	24,133
Impact Offenders Project	-	-	-	9,270
Irwin Mitchell Referrals	-	300	300	-
Knightstone Housing Association	-	11,497	11,497	8,871
Money Advice Service	-	353,765	353,765	335,747
Quartet Community Foundation	-	5,000	5,000	7,000
Scottish Power	-	6,927	6,927	32,658
Solon Housing Association	-	36,344	36,344	33,408
South Gloucestershire Council	-	38,311	38,311	29,098
St Stephen & St James Trust	-	10,000	10,000	-
	238	813,929	813,929	866,557

Of the above incoming resources £813,929 (2017 - £866,182) was attributable to restricted funds and £238 (2017 - £375) to unrestricted funds.

## Talking Money

### Notes to the Financial Statements for the Year Ended 31 March 2018

#### 4. Income from other charitable activities

	Unrestricted Funds		
	General	Total 2018	Total 2017
	£	£	£
Training and Consultancy work	3,515	3,515	5,935

Of the above income resources £3,515 (2017 - £5,935) was attributable to unrestricted funds and £Nil (2017 - £Nil) to restricted funds.

#### 5. Investment Income

	Unrestricted Funds		
	General	Total 2018	Total 2017
	£	£	£
Interest receivable on bank deposits	1,469	1,469	2,879

Of the above incoming resources £1,469 (2017 - £2,879) was attributable to unrestricted funds and £Nil (2017 - £Nil) to restricted funds.

#### 6. Other Income

	Unrestricted Funds		
	General	Total 2018	Total 2017
	£	£	£
Other incoming resources	1,017	1,017	2,103

Of the above incoming resources £1,017 (2017 - £2,103) was attributable to unrestricted funds and £Nil (2017 - £Nil) to restricted funds.

#### 7. Expenditure on charitable activities

	Activity undertaken directly	Activity support costs	Total 2018	Total 2017
	£	£	£	£
Debt Advice	286,392	13,489	299,881	288,914
Energy Advice	165,805	7,810	173,615	245,138
Financial Capability	97,976	4,615	102,591	96,305
Corporate	203,488	9,584	213,072	245,139
Governance	4,040	-	4,040	3,733
	757,701	35,498	793,199	879,229

Of the above expenditure £3,483 (2017 - £13,047) was attributable to unrestricted funds and £789,716 (2017 - £866,182) to restricted funds. In addition to the expenditure analysed above, there are also governance costs of £4,040 (2017 - £3,733) which relate directly to charitable activities. See note 8 for further details.

The support costs detailed above relates solely to general office expenditure.

## Talking Money

### Notes to the Financial Statements for the Year Ended 31 March 2018

#### 8. Analysis of governance and support costs

##### Governance costs

	Restricted Funds £	Total 2018 £	Total 2017 £
<b>Auditor's remuneration</b>			
Audit of the financial statements	4,040	4,040	2,733
All other non audit services	-	-	1000
	4,040	4,040	3,733

#### 9. Net incoming/outgoing resources

Net incoming resources for the year include:

	2018 £	2017 £
Audit fees	4,040	3,733

#### 10. Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

During the year one Trustee had their expenses reimbursed totally £39 (2017 - £502). No trustees have received any other benefits from the charity during the year.

#### 11. Staff Costs

The aggregate payroll costs were as follows:

	2018 £	2017 £
<b>Staff costs during the year were:</b>		
Wages and salaries	601,918	660,373
Social security costs	42,993	45,509
Pension costs	26,080	27,577
Other staff costs	6,224	9,381
	677,215	742,840

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

	2018 No.	2017 No.
Average number of employees	27	33

No employee received emoluments of more than £60,000 during the year. The total employee benefits of the key management personnel of the charity were £217,801 (2017 - £204,388).



## Talking Money

### Notes to the Financial Statements for the Year Ended 31 March 2018

#### 12. Taxation

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

#### 13. Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
<b>Cost</b>			
At 1 April 2017	303,227	31,608	334,835
At 31 March 2018	303,227	31,608	334,835
<b>Depreciation</b>			
At 1 April 2017	-	18,734	18,734
Charge for the year	-	5,512	5,512
At 31 March 2018	-	24,246	24,246
<b>Net book value</b>			
At 31 March 2018	303,227	7,362	310,589
At 31 March 2017	303,227	12,874	316,101

#### 14. Debtors

	2018 £	2017 £
Trade debtors	28,848	3,842
Prepayments	13,297	12,966
Other debtors	23,115	6,142
	65,260	22,950

## Talking Money

### Notes to the Financial Statements for the Year Ended 31 March 2018

#### 15. Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans	77,486	7,199
Trade creditors	10,064	5,560
Other taxation and social security	12,366	15,355
Other creditors	21,788	17,717
Deferred income	165,192	146,218
	<hr/>	<hr/>
	286,896	192,049

Creditors due within one year includes the following liabilities, on which security has been given by the charity:

	2018	2017
	£	£
Mortgage	77,486	7,199
	<hr/>	<hr/>

The bank loan detailed above is secured on the registered address 1 Hide Market, West Street, Bristol, BS2 0BH. It is repayable by 1 June 2018. A new loan for the balance outstanding has been agreed.

#### 16. Creditors: amounts falling due after one year

	2018	2017
	£	£
Bank loans	Nil	78,389
	<hr/>	<hr/>

#### 17. Pension and other schemes

##### Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £26,080 (2017 - £27,577).

#### 18. Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the Trustees is liable to contribute an amount not exceeding £1 towards the assets of the Charity in the event of liquidation.

## Talking Money

### Notes to the Financial Statements for the Year Ended 31 March 2018

#### 19. Funds

	Balance at 1 April 2017 £	Incoming resources £	Resources expended £	Balance at 31 March 2018 £
<b>Unrestricted funds</b>				
<b>Unrestricted general funds</b>				
General	342,562	14,404	(3,483)	353,483
<b>Restricted funds</b>				
Action for Warm Homes	-	3,333	(3,333)	-
Boost Finance	-	9,750	(9,750)	-
Bristol City Council	-	43,060	(43,060)	-
BCC Homelessness Trailblazer	-	17,778	(17,778)	-
Bristol Fuel Poverty Partnership	-	8,689	(8,689)	-
Bristol Wessex Water	-	29,400	(29,400)	-
British Gas Energy Trust	-	115,467	(115,467)	-
Co-Op Foundation	-	2,967	(2,967)	-
DIBS	-	12,000	(12,000)	-
EDF Energy Trust	-	60,428	(60,428)	-
Energy Best Deal	-	5,000	(5,000)	-
Financial capability	-	1,613	(1,613)	-
Henry Smith Trust	-	42,300	(42,300)	-
Irwin Mitchell Referrals	-	300	( 300)	-
Knightstone Housing Association	-	11,497	(11,497)	-
Money Advice Service	-	353,765	(353,765)	-
Quartet Community Foundation	-	5,000	-	5,000
Scottish Power	-	6,927	(6,927)	-
Solon Housing Association	-	36,344	(36,344)	-
South Gloucestershire Council	-	38,311	(29,098)	9,213
St Stephens & St James Trust	-	10,000	-	10,000
<b>Total restricted funds</b>	-	813,929	(789,716)	24,213
<b>Total funds</b>	342,562	828,333	(793,199)	377,696

## Talking Money

### Notes to the Financial Statements for the Year Ended 31 March 2018

	Balance at 1 April 2016 £	Incoming resources £	Resources expended £	Balance at 31 March 2017 £
<b>Unrestricted funds</b>				
<b>Unrestricted general funds</b>				
General	337,300	18,309	(13,047)	342,562
<b>Restricted funds</b>				
Boost Finance	-	5,750	(5,750)	-
Bristol City Council	-	49,043	(49,043)	-
Bristol Wessex Water	-	43,115	(43,115)	-
British Gas Energy Trust	-	190,417	(190,417)	-
Dundry View Green Capital	-	1,650	(1,650)	-
Ebico	-	5,750	(5,750)	-
EDF Energy Trust	-	80,572	(80,572)	-
Energy Best Deal	-	5,000	(5,000)	-
Financial Capability	-	4,700	(4,700)	-
Henry Smith Trust	-	24,133	(24,133)	-
Impact Offenders Project	-	9,270	(9,270)	-
Knightstone Housing Association	-	8,871	(8,871)	-
Money Advice Service	-	335,747	(335,747)	-
Quartet Community Foundation	-	7,000	(7,000)	-
Scottish Power	-	32,658	(32,658)	-
Solon Housing Association	-	33,408	(33,408)	-
South Gloucestershire Council	-	29,098	(29,098)	-
<b>Total restricted funds</b>	-	866,182	(866,182)	-
<b>Total funds</b>	337,300	884,491	(879,229)	342,562

## Talking Money

### Notes to the Financial Statements for the Year Ended 31 March 2018

The specific purposes for which the funds are to be applied are as follows:

Action for Warm Homes – ‘Healthy Money’ addressed the vicious spiral poverty created; financial problems causing limited energy use in a home, impacting client’s health. In turn, the deterioration in health impacting on the ability to create an income. The project provided energy advice, budgeting and benefits advice, catching clients who were falling through gaps in the system; who were vulnerable and isolated helping to give them a second chance.

Boost Finance is a partnership project led by Barton Hill Settlement which provides a weekly drop in session for savings, self-employment, business development and money advice for residents of the Barton Hill estate. For part of the year, some funding was provided for BOOST by the Money Advice Service.

Bristol City Council funded a contribution to the core costs of delivering money advice services to the residents of Bristol.

Bristol City Council’s Trailblazer project provided funding for part of the role of a Financial Inclusion Officer where the work carried out by them was centred specifically around preventing homelessness in Bristol. This was delivered through advice and casework where we made applications for unclaimed benefits or funds to make up shortfalls in rent pay off arrears and provide essential household goods to keep people in their homes.

Bristol Fuel Poverty Partnership [WHAM] - Three organisations [The Centre for Sustainable Energy, Talking Money and West of England Care & Repair] working in partnership to support residents who may be struggling with high fuel bills, cold, damp homes or money issues, or whose homes need improvements to make them warmer, healthier and cheaper to live in. The funding for this project is being provided by Bristol City Council.

Bristol Wessex Water funded the provision of money advice and ‘water clinics’ for their clients who have difficulty paying their water bills. Talking Money worked with St Pauls Advice Centre to increase awareness and uptake of Bristol Wessex Water affordability schemes alongside the availability of debt and money advice. They also funded workshops for prisoners.

The British Gas Energy Trust core grant, which ended in June 2018, enabled the charity’s Energy Advice Project to work throughout the South West region and undertake some telephone work across England, with the aim of reducing and preventing fuel poverty.

The Co-Op Foundation provided funds by the way of Co-op members being able to choose Talking Money as their chosen charity. By doing so anytime they bought branded Co-op goods 1% of their spending went to Talking Money. This money was used to partially fund the role of a Benefits Caseworker who offered advice and casework around benefit entitlement and helped with claims, appeals and other issues around financial inclusion.

The DIBS legacy fund was provided to us after the charitable trust DIBS, who Talking Money had made a large number of charity applications to for white good and furniture in the past, was permanently closed. The money was given to Talking Money to continue with DIBS’ charitable aims now that the trust was closing and was used in 2 distinct ways. Firstly, to part fund the role of a Financial Inclusion Officer to provide benefits and financial inclusion advice and casework to Talking Money clients. Secondly, a fund was set up for advisors to access small grants of up to £100 per client for debt relief order fees, medical evidence for disability benefit applications, low cost essential items and to top up partial charity awards for household goods, furniture and bankruptcy fees.

## Talking Money

### Notes to the Financial Statements for the Year Ended 31 March 2018

The EDF Energy Trust enables the charity's Energy Advice Project to provide energy and money advice with the aim of reducing and preventing fuel poverty.

Energy Best Deal is a promotional campaign led by Citizens Advice - Talking Money received funding through them to deliver presentations and support other agencies to do so, to reduce fuel poverty.

Financial Capability - Chairing of the South West regional forum, sharing good practice on financial capability.

The Henry Smith Charity grant enabled the charity to maintain some of the debt advice provision that would otherwise have been lost as a result of the ending of the Legal Services Commission contract.

The Law Firm Irwin Mitchell provided funds to enable us to give specialist benefits advice and casework to their clients who were being assisted with personal injury claims by the firm.

Knightstone Housing Association provided funding for specialist debt advice for their tenants, and for staff training.

The Money Advice Service funded partnership 'Money Advice West' has a three year grant agreement which began in October 2014. The project is funded by the Money Advice Service through seven different agencies. Talking Money is acting as the controlling agency and receives both project management income and delivery income, together with a small amount of infrastructure funding. The income attributable to Talking Money is shown in these accounts.

Scottish Power provided a grant for clients to receive practical advice and financial guidance on energy bills and energy efficiency measures as well as broader financial capability support.

Solon Housing Association provides funding for a Benefits Adviser to provide money and benefits advice to their tenants.

South Gloucestershire Council provides funding for debt advice for their residents, through the delivery of outreach sessions, drop in sessions and individual appointments - from October 2015 onwards this has been paid via South Gloucestershire Citizens Advice as lead agency of the South Gloucestershire Advice Services consortium.

#### 20. Analysis of net assets between funds

	Unrestricted funds General funds	Total funds
	£	£
Tangible fixed assets	310,589	310,589
Current assets	354,003	354,003
Current liabilities	(286,896)	(311,109)
	<hr/>	
Total net assets	377,696	353,483

#### 21. Analysis of net funds

	At 1 April 2017	Cash flow	At 31 March 2018
	£	£	£
Cash at bank and in hand	273,949	14,794	288,743