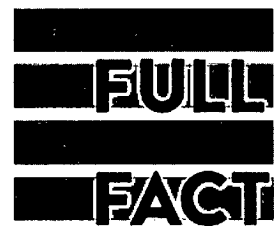
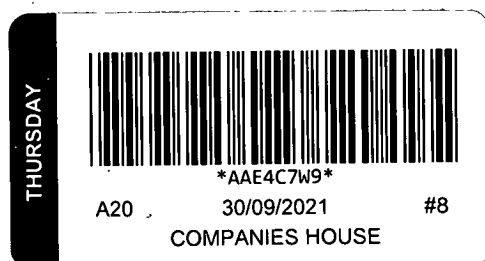


REGISTERED COMPANY NUMBER: 06975984 (England and Wales)
REGISTERED CHARITY NUMBER: 1158683

**REPORT OF THE TRUSTEES AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

FOR

**FULL FACT
(A COMPANY LIMITED BY GUARANTEE)**



FULL FACT

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FULL FACT

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2020

Registered Company number

06975984 (England and Wales)

Registered Charity number

1158683

Registered office

2 Carlton Gardens
London
United Kingdom
SW1Y 5AA

Auditors

MHA MacIntyre Hudson
6th Floor, 2 London Wall Place
London
EC2Y 5AU

Bankers

Charities Aid Foundation
25 Kings Hill Avenue
Kent
ME19 4TA

Trustees

Mr M J Samuel (Chair)
Mr S J W Briscoe
Ms A Cook
Mr T Gordon
Mr J P Harding
Mr R Inglewood
Professor A Menon
Baroness J Royall
Professor J Seaton
Lord J Sharkey
Ms S F Witherspoon

Secretary and CEO

Mr W A Moy

FULL FACT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the consolidated financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of 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 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

Full Fact's charitable objectives, as registered with the Charity Commission, are as follows -

The advancement of public education in the fields of crime, health, immigration, economy, education, environment, and social welfare through education, research and training, using such expertise (legal or otherwise) and advice as the trustees shall consider appropriate, to promote and advance public understanding and inform public debate in those fields whether in the UK or abroad and in particular by making available to the public, through a process of objective, impartial research and rigorous factual analysis, full, accurate and relevant information to assist such public understanding and to inform and improve the quality of public debate.

Such purposes shall in all respects and at all times be construed and promoted:

(a) in an impartial, objective, balanced, and independent manner observing strict political neutrality and, to the extent that such principles may be applied to such purposes, consistent with the principles enunciated in the Code of Practice for Official Statistics;

(b) exclusively for the benefit of the public and in accordance with the law relating to charity in England and Wales.

Strategies and activities

In the short term, we fact check, which has three benefits: informing public debate by giving people reliable information to make up their own minds on issues in public debate; encouraging participants in public debate to provide full and accurate information; and building an evidence base about how specific unsubstantiated claims arise and are spread.

Then, when we see specific unsubstantiated claims we seek to get those claims corrected at source to reduce the level of repetition of the claim and any harm that results from it. Our work has led to corrections from a Prime Minister, national newspapers, and many others, improving the quality of public debate.

In the medium term, we use the evidence from our fact checking to diagnose systemic problems and get systemic changes such as improvements to press complaints procedures. For example, we've worked with official statistics providers and charities to improve the way they present their information when it has been persistently misinterpreted.

In the long run, we believe it is important to advocate the value of high-quality, well-informed public debate and the roles we all have in maintaining that.

In recent years, false and distorted information online has become increasingly important to Full Fact's mission, and increasingly prominent in public and policy debate. Full Fact's response to that includes four areas of work: content, technology, research, and policy. This will continue to be an important concern for our work.

Full Fact has been a world leader in automated fact checking, which we believe has the potential to make fact checking dramatically more effective. We have tools already in use in our fact checking and are developing them with a view to making them globally useful.

FULL FACT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Public benefit

The charity's activities are for the advancement of public education through education, research and training and this report details how it carries out impartial research and rigorous factual analysis, full, accurate and relevant information to assist such public understanding and to inform and improve the quality of public debate.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

STRATEGIC REPORT

Achievement and performance

The demand for Full Fact's work in 2020 was exceptional:

- the number of users on our website more than doubled to reach 22 million;
- we published 591 fact checks and articles on topics including Brexit, climate change and Covid-19;
- we sought 161 correction requests from politicians, newspapers, broadcasters, charities and research organisations;
- our AI tools processed 70,000 potential claims each day;
- compared to 2019, twice as many monthly donors supported Full Fact's independence;
- Full Fact appeared or was mentioned in the media more than 3,500 times;
- our article on how Covid-19 compares to flu was the first to exceed one million unique views on our website.

Fact checking the coronavirus pandemic

The outbreak of the new coronavirus brought with it a surge of contradictory information, unclear guidance and conspiracies. In response, Full Fact scaled up its work considerably. We created a hub page on our website for all our coronavirus content, which comprises more than 360 fact checks and articles. The Full Fact Podcast, which has received over 100,000 listens since it launched in April, shared good information with audiences in a completely new format: three minute 'fact blasts' on the biggest claims of the week, as well as interviews with experts to provide deeper understanding of the issues Full Fact is tackling. We also opened Ask Full Fact, an online form, for readers to submit questions and flag claims about the coronavirus which they think need our attention.

Aware that bad information relating to Covid-19 was spreading on private messaging platforms, Full Fact set up a pilot service on WhatsApp. Information on the platform often comes via family and friends, so it is more likely to be trusted and re-shared without being scrutinised. Our service allowed users to forward messages containing suspected misinformation directly to Full Fact. Over the course of the three month pilot, more than 700 people used the service, sending in 1100 messages and over 3000 claims for us to fact check. Due to its success, the WhatsApp service will continue in 2021.

In the summer, we published a joint report with other European fact checkers to analyse common themes in Covid-19 misinformation across our countries. These included fake remedies, claims the virus was caused by 5G networks, and false rumours about vaccines. Our fact checks are also recorded on the #CoronaVirusFacts Alliance database to aid fact checkers in more than 70 countries to fight the 'infodemic' together.

More locally, we partnered with Age UK Camden and Deliveroo during the first national lockdown, following our research that found people aged 65+ are more likely to believe misinformation. We included leaflets in food packages which informed potentially vulnerable recipients about protecting themselves and loved ones from false news and possible scams.

Policy and advocacy

The coronavirus pandemic revealed how we are globally unprepared for major crises of misinformation. In response, Full Fact began developing a new model for tackling future information incidents - where the information environment changes in a way that merits an exceptional and often collaborative response above and beyond 'business as normal'. Other examples from recent years include terror attacks, the EU referendum and the bubbling up of 5G conspiracy theories.

FULL FACT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

We assembled a range of experts from around the world including internet companies, other fact checking organisations, governments and academics in the field. We convened a series of discussions with this group looking at the types of incidents a framework could be applied to; the common challenges which are likely to arise within an individual incident and how we - collectively and as individual organisations - should aim to respond; and the different levels of severity that an incident could be classified as, to enable proportionate responses. Until such a framework exists, we cannot hold accountable those responsible for protecting us from the harms of bad information.

We have published the discussion papers, inviting feedback from other organisations, and the first draft of a framework will be released in early 2021.

In Westminster this year, awareness of Full Fact among MPs rose to over 50%. We regularly updated all MPs with briefings on the state of misinformation in the early months of the pandemic. We sought more corrections from political figures, including representatives of the Conservative, Labour and Liberal Democrat parties. We took four times as many actions on inaccurate claims made in the House of Commons compared to 2019, as well as intervening on those shared on television and Twitter. This work was aided by Full Fact's own AI technology and resulted in some successful corrections, including those of former Health Secretary Jeremy Hunt and Shadow Health Secretary Jonathan Ashworth.

Research

In November we concluded a joint project with Africa Check and Chequeado about the state of fact checking. We published 11 research briefings, providing much-needed evidence for people who are fighting bad information. Key findings included how we are all prone to believing misinformation to some extent, but certain audiences are more susceptible than others; for long-standing debates like vaccine misinformation and conspiracies, fact checks may not change a person's behaviour linked to these beliefs - it is more effective to prevent claims spreading in the first place; and it really does matter how we present fact checks.

We shared our research with other fact checkers digitally and at the International Fact Checking Network's annual conference. We also produced a concise checklist mapping our key findings on to the fact checking process, as a reference for editors and fact checkers who are hard-pressed for time.

There is limited research into the practice of fact checking and our project highlighted evidence gaps still to be filled. Further studies could provide the knowledge we need to tackle bad information more effectively.

Automated fact checking

The primary aim of the AI tools we're building is to facilitate fact checkers around the world. Our claim detection tool highlights possible claims - in major newspapers, Parliament and Prime Minister's Questions, for example - so fact checkers can quickly review the contents and prioritise the most salient claims. We began work on auto transcription of radio so that our fact checkers can easily find claims here too. We made progress in our long term project to develop a claim matching tool. This tool uses manually written patterns to pull up claims which have been repeated, like the 'zombie claim' that the Royal British Legion aren't selling poppies to avoid upsetting "minorities", which surfaced again in 2020. Thanks to claim matching, we were able to quickly set the record straight.

As well as being used daily by Full Fact's team this year, our AI tools have been rolled out to other organisations around the world: fact checkers in Nigeria published their first fact check on a claim identified by our AI, and our tools are being trialled by staff working on Reality Check and Politics Live at the BBC for research and development purposes.

What's next

It is likely that much of our fact checking early next year will focus on debunking false information about Covid-19 vaccines. To meet the demand, a qualified doctor is joining the team to work specifically on health misinformation, and we will recruit an additional fact checker. Full Fact will continue to challenge all those who use bad information or enable its spread, including internet companies, print and online media, politicians, broadcasters, academics and think tanks. We will capitalise on current awareness of our cause to push for better systems; this includes the publication of the second annual Full Fact Report in early 2021.

FULL FACT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL REVIEW

Financial position

The consolidated income for 2020 was £2,316,015 versus income of £2,338,908 in 2019. The main reasons for the decrease in income is due to disruption of planned fundraising and income generating activities due to the pandemic. Spending in 2020 to £2,034,929 from £1,557,009 in 2019. This meant there was a surplus of £281,086 in 2020 versus a surplus of £781,900 in 2019.

Full Fact Services Ltd's income for 2020 was £432,558 versus income of £232,364 in 2019. The main reasons for the increase in income is due to further contracts with Facebook for Whatsapp. Spending in 2020 increased to £136,512 from £96,196. This meant there was a surplus of £296,046 in 2020 versus a surplus of £136,169 in 2019.

Reserves Policy

It is the charity's policy to aim to maintain unrestricted reserves of between a minimum of 3 months (£514,878) and up to 6 months (£1,209,759) of running costs. In 2020, the total unrestricted reserves were £1,218,923 (2019: £799,463) which is equivalent to just over 6 months running costs, therefore, we are not aiming to increase these reserves in 2021.

Principal funding sources

Our aim in fundraising is to secure our independence and our ability to achieve our charitable objectives. We actively seek and receive a diverse range of funding and are transparent about all our sources of income. In particular, we would like to thank the thousands of people who have supported our work.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. The Charity is continuously monitoring its expected income levels, operational targets are set in order to ensure the charity secures sufficient funding to fulfil its on-going obligations. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Principal risks and uncertainties

The charity's activities expose it primarily to the financial risks of lack of funding. The charity is mindful of maintaining current funding sources.

The charity produces accurate and timely management information which provides an accurate historic record of financial performance but also contains budgets and forecasts to enable us to monitor short and long term cashflow projections, which enables us to manage the risk profile.

Full Fact has an extensive range of protections for our standards and reputation based on our operating guidelines, conflicts of interest policy, and our feedback process. They are regularly reviewed and updated.

Financial and risk management objectives and policies

Cash flow risk

The charity's activities expose it primarily to the financial risks of lack of funding. The charity is mindful of maintaining current funding sources.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

FULL FACT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

Plans for future periods

In a world with more information than ever, it's hard to know what's true and what's not. All around us, people are exploiting that difficulty for political gain or financial gain or hurting other people by being careless about the facts they spread.

Bad information ruins lives. It promotes hate, damages people's health, and hurts democracy. Right now, people who choose to misuse information have an easy time of it. Full Fact fights bad information. We're independent fact checkers and campaigners who find, expose and counter the harm it does.

The challenge

Some of the most powerful people in the world are building their success on bad information, from top politicians to the owners of internet platforms that billions of people use. It's tough to tackle for several reasons. Bad information is often easier, quicker, and more satisfying than getting your facts right. Sharing bad information is often rewarded, by clicks or by votes. Well-funded campaigns and firms deliberately spread bad information. Then there's the scale of the problem, which we're all part of sometimes. Finally, we suffer from low expectations: most people want better, but we don't expect better from people in positions of power.

None of the obvious solutions is enough. We can't eliminate bad information, it's part of a free society. We all know that simply providing good information does not in itself drive out bad information. Education helps but cannot solve the problem and educating everybody is impossible.

How Full Fact works

We don't treat bad information as one big insoluble problem. Fact checking specific claims every day shows it for what it really is: many different problems, many of which we can solve or improve. There are pinch points in the flow of information, moments when changing a few people's minds, an algorithm, or a system can help better information serve millions. Fact checking helps us find them.

Full Fact fights the causes and consequences of bad information in four ways:

1. Fact Checking
to inform our audiences and maintain scrutiny of people in power.

We reached 21 million users on our website in 2020, and millions more see out fact checks via Google, Facebook and YouTube.

2. Corrections & interventions
to stop the spread of specific false claims and hold people to account.

We've achieved corrections from Prime Ministers and many other figures from all political sides.

3. Systems change
to help make bad information rare and less harmful.

Our work led to corrections columns in several newspapers and stopped Ministers selectively leaking official statistics.

4. Advocating high standards
to help maintain high expectations of and from those in public life.

Full Fact has "made us all think a little bit harder." - Oliver Wright, The Times.

FULL FACT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The world we're in

2021 will be another challenging year. The pandemic, Brexit, a tough recession, and elections in Scotland that may lead to another independence vote only get us to May.

Underneath, even bigger changes are happening.

- The rise of the internet companies creates a new power base shaping public debate, which even they point out doesn't yet have appropriate democratic oversight.
- Failure to modernise standards in public life and election law has left opportunities and temptations for abusive and misleading campaigning and political communications.
- Online abuse in public debate is a serious deterrent to taking part for ordinary citizens and MPs.
- The fragmentation of the information environment means that traditional sources of authoritative information struggle to cut through and need more channels and more effort to reach the same audiences.

Our work to inform and improve public debate will be vital in the years and decades ahead.

Full Fact is growing to meet the challenge. Full Fact goes into 2021 having had little let up since the European Parliamentary Elections in 2014. That period included three general elections, two referendums, Brexit, the pandemic, the recession, and the emergence of an active policy agenda around online misinformation. We've grown significantly in the past few years, including for example adding our Policy and Advocacy Team, our Fundraising Team, and our People Operations Manager in 2020. We have work to do to consolidate all this, to make the most of and to support the team, but we have the springboard to become an even more powerful force for change.

Focus

Public debate is a vast field. It is shaped by the existence and quality of official information, the production and communication of research, the media, political behaviour, the internet and those who shape it, public skills and attitudes, and much more.

Full Fact has chosen to focus in two areas at this point -

1. Politicians and the media with existing but inadequate accountability

Fact checking focused on politicians and journalists in positions of power and responsibility, and interventions using the accountability mechanisms that do exist to challenge and get corrections to individual false claims and to expose the gaps and failings of those accountability mechanisms.

2. The missing accountability mechanisms in online public debate

Fact checking online exposes the lack of accountability mechanisms, proportionate policies, effective enforcement, and democratic oversight and helping to build the case that we and others are making in our policy and campaigning work for voluntary, policy, and legislative action.

Full Fact's profile and voice is respected and can be influential. But to tackle the scale of challenges facing our democracy, our communities, and people's health, we need more. We are working both to strengthen our own voice and the range of voices standing up for accuracy in public life.

So our objectives and key results are driven by two key processes. First, fact checking leading to change, both at the level of individual claims, and at the level of accountability systems and legislation. That is what we can do with our team. Secondly, reaching more and more people and wider networks, and that leading to more people taking action, and greater more effective pressure for higher standards.

Fundraising

Full Fact's trustees and staff are grateful to the many individuals and the wide range of organisations who donate to make our work possible. Full Fact complies with the regulatory standards for fundraising. This report covers the requirements charities must follow as set out in the Charities Act 2016.

FULL FACT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Our approach is that donors are a crucial part of the extended Full Fact team and deserve to be treated with respect. That applies to potential donors too. We solicit donations from the public on our website and other online channels and send updates to our donors that we aim to ensure are useful and relevant. We engage with some donors, particularly those giving large amounts, directly and personally. We also fund raise from trusts and foundations, companies, and other funders.

Every donor giving more than £5,000 a year is named on our website and we have turned down funding when necessary to maintain this level of transparency. Our donors understand that independence is essential to Full Fact's work and this governs our relationship with all our donors and potential donors.

Full Fact does not employ third party fundraisers or employ the kinds of fundraising tactics that have given rise to public concern. We are not bound by any voluntary scheme for regulating fundraising but we will keep this under review as our fundraising work develops.

Our website clearly explains how an individual can complain to Full Fact, about our fundraising or any other aspect of our work. We received three fundraising complaints in the 2020 financial year, having received no complaints in 2019. All complaints are recorded on our contact management system and responded to within ten working days. All three complaints related to the same error with our website which was resolved as soon as we knew.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Nature of governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Full Fact is a charitable company (no. 6975984) registered in England and Wales and limited by guarantee, incorporated on 29 July 2009 and registered as a charity (no. 1158683) on 17 September 2014. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. The company's members are its trustees. The guarantee of each Trustee is limited to £10.

Full Fact owns a trading company, Full Fact Services Ltd. The Directors of the company are appointed by the trustees. This company has traded in 2020 and has been included within these financial statements.

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

Recruitment and appointment of new trustees

All of the 11 trustees in this report have been trustees for all of 2020.

New trustees are appointed by agreement of the existing trustees. Our policy is to advertise vacancies openly. New trustees are provided with an induction pack covering structure, strategy, finances, personnel, and procedures.

The Trustees of Full Fact include Conservative, Labour, Liberal Democrat, and independent members of the House of Lords, as well as figures from outside of politics. The Trustees represent a wide range of opinions, and individual trustees do not perform operational duties for the charity.

Organisational structure

The Trustees meet three times a year, with a supplementary Finance and General Purposes Committee, which consists of Sharon Witherspoon (Chair), Hon. Michael Samuel, Anna Cook and Tim Gordon, meeting three times a year as well. The Board reviews its own performance annually and considers training needs as part of this.

FULL FACT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The day-to-day running of Full Fact, is the responsibility of the Chief Executive, Will Moy and the management team, which consists of Deputy CEO & COO Mevan Babakar, Head of Communications Ross Haig, Head of Automated Fact Checking Andrew Dufried, Head of Policy & Advocacy Glen Tarman, Head of Fundraising Louisa Johnson, and Acting Editor Claire Milne.

Charity governance code

The Board conducted a detailed review of Full Fact's governance at the end of 2017, in the light of the recent Charity Governance Code published 2017. This was followed up with annual reviews. We found that Full Fact's governance continues to be fundamentally sound and largely already meets the recommendations of the Code. We are satisfied that Full Fact achieves the outcomes set out under the Code's seven principles.

We have reviewed each of the recommended practices and either taken steps to start to apply them, or chosen not to where the benefits were either not clear or not proportionate. Not all the specific recommendations applied or would have been proportionate for a charity like Full Fact which is relatively small, has no direct beneficiaries in the sense that a charity that principally provides services as opposed to information might, and does not engage directly with vulnerable people.

The board reviews its own performance as a routine part of its discussions and formally once a year. It regularly carries out an audit of skills, experience and diversity of background of its members to inform trustee recruitment and training.

Arrangements for setting key management personnel remuneration

There are many things that attract staff to Full Fact and motivate them above and beyond salaries. But we know pay is an important factor in recruiting and retaining staff. Full Fact seeks to get value for our donors' money by hiring and retaining the right people for their jobs on appropriate terms.

All salaries above £60,000 are approved by the Chair on behalf of the Board of Trustees. Individuals' pay and conditions reflect Full Fact's overall financial position, performance, benchmarking against comparable jobs elsewhere, their level of responsibility and progression over time within the organisation, and the need to ensure that pay is fair between staff.

In 2020, the Key Management Personnel classification was changed to include the management team as well as the CEO. The Key Management Personnel in 2020 were CEO, COO, Head of Automated Fact Checking, Head of Fundraising, Head of Communications, Head of Policy & Advocacy, Acting Editor, Head of Research, and Editor.

All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in notes to the accounts.

The charity's employees are all paid in accordance with Remuneration Policy. The annual remuneration of all staff is decided by the Director with the exception of when the Director proposes to pay a senior salary (defined as over £60,000). This is subject to approval by the Chair on behalf of the Board of Trustees. The same applies to individual pay rises of more than 10%.

An annual review of the existing pay scales is undertaken and a decision taken as to whether or not the charity implements an uplift. The Salary of the Director is determined by the Board of Trustees or through the Finance and General Purpose Committee in accordance with the remuneration policy set out above. The financial performance and health of Full Fact remains the determining factor in any remuneration progression.

FULL FACT

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

STATEMENT OF RESPONSIBILITIES

The trustees (who are also directors of the charity 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, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 charity and of the income and expenditure of the charity for that period. In preparing those financial statements the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the applicable Charities SORP 2015 (FRS 102);
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure to auditors

In so far as the trustees are aware, there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

Reappointment of auditor

The re-appointment of MHA MacIntyre Hudson as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

Report of the trustees, approved by order of the board of trustees, as the company directors, on
17/08/2021 and signed on the board's behalf by:

Sharon Witherspoon

Ms S F Witherspoon - Trustee

FULL FACT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FULL FACT FOR THE YEAR ENDED 31 DECEMBER 2020

Opinion

We have audited the financial statements of Full Fact (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Statement of Cash Flow 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 group's and parent charitable company's affairs as at 31 December 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report.

We are independent of the group and parent 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Trustees' assessment of the entity's ability to continue to adopt the going concern basis of accounting included critical reviews of budgets and forecasts provided.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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.

FULL FACT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FULL FACT FOR THE YEAR ENDED 31 DECEMBER 2020

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' report (incorporating the Directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report (incorporating the Directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the group's and parent 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 group or the parent 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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

FULL FACT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FULL FACT FOR THE YEAR ENDED 31 DECEMBER 2020

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the design and implementation of control systems in place.
- Testing the operational effectiveness of the controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of this report

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.



Stuart McKay BSc FCA DChA (Senior Statutory Auditor)
For and behalf of MHA MacIntyre Hudson
Chartered Accountants and Statutory Auditors
6th Floor, 2 London Wall Place
London, EC2Y 5AU

Date: 29/09/2021

FULL FACT

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

		Unrestricted fund	Restricted funds	31.12.20 Total funds	31.12.19 Total funds <i>As restated</i>
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	1,860,110	18,643	1,878,753	1,734,439
Charitable activities	3	437,261	-	437,261	598,220
Other income		-	-	-	5,000
Investments	4	<u>1</u>	<u>-</u>	<u>1</u>	<u>1,249</u>
Total		2,297,372	18,643	2,316,015	2,338,908
EXPENDITURE ON					
Charitable activities	5	1,807,415	157,017	1,964,432	1,506,937
Raising Funds	6	<u>70,497</u>	<u>-</u>	<u>70,497</u>	<u>50,072</u>
Total		1,877,912	157,017	2,034,929	1,557,009
NET INCOME/(EXPENDITURE)		419,460	(138,374)	281,086	781,900
RECONCILIATION OF FUNDS					
Total funds brought forward		799,463	146,656	946,119	164,219
TOTAL FUNDS CARRIED FORWARD		<u>1,218,923</u>	<u>8,282</u>	<u>1,227,205</u>	<u>946,119</u>

The notes form part of these financial statements

FULL FACT

CONSOLIDATED BALANCE SHEET
31 DECEMBER 2020

	Notes	Unrestricted fund £	Restricted funds £	31.12.20 Total funds £	31.12.19 Total funds £
FIXED ASSETS					
Tangible assets	11	421	-	421	10,559
CURRENT ASSETS					
Debtors	12	528,626	-	528,626	119,557
Cash at bank		<u>1,679,425</u>	<u>8,283</u>	<u>1,687,708</u>	<u>1,233,117</u>
		2,208,051	8,283	2,216,334	1,352,674
CREDITORS					
Amounts falling due within one year	13	(989,550)	-	(989,550)	(417,115)
NET CURRENT ASSETS		<u>1,218,501</u>	<u>8,283</u>	<u>1,226,784</u>	<u>935,559</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,218,922</u>	<u>8,283</u>	<u>1,227,205</u>	<u>946,119</u>
NET ASSETS		<u>1,218,922</u>	<u>8,283</u>	<u>1,227,205</u>	<u>946,119</u>
FUNDS	14				
Unrestricted funds				1,218,922	799,463
Restricted funds				<u>8,283</u>	<u>146,656</u>
TOTAL FUNDS				<u>1,227,205</u>	<u>946,119</u>

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

The financial statements were approved by the Board of Trustees on 17/08/2021 and were signed on its behalf by:

Sharon Witherspoon

Ms S F Witherspoon – Trustee

FULL FACT

**CHARITY BALANCE SHEET
31 DECEMBER 2020**

	Notes	Unrestricted fund £	Restricted funds £	31.12.20 Total funds £	31.12.19 Total funds £
FIXED ASSETS					
Tangible assets	11	421	-	421	10,559
CURRENT ASSETS					
Debtors	12	537,939	-	537,939	215,322
Cash at bank		<u>1,237,896</u>	<u>8,283</u>	<u>1,246,179</u>	<u>1,001,183</u>
		1,775,835	8,283	1,784,118	1,216,505
CREDITORS					
Amounts falling due within one year	13	(989,550)	-	(989,550)	(417,115)
NET CURRENT ASSETS		<u>786,285</u>	<u>8,283</u>	<u>794,568</u>	<u>799,390</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>786,706</u>	<u>8,283</u>	<u>794,989</u>	<u>809,949</u>
NET ASSETS		<u>786,706</u>	<u>8,283</u>	<u>794,989</u>	<u>809,949</u>
FUNDS	14				
Unrestricted funds				786,706	663,292
Restricted funds				<u>8,283</u>	<u>146,657</u>
TOTAL FUNDS				<u>794,989</u>	<u>809,949</u>

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

The financial statements were approved by the Board of Trustees on17/08/2021..... and were signed on its behalf by:

Sharon Witherspoon

Ms S F Witherspoon – Trustee

FULL FACT

**CONSOLIDATED STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	31.12.20 £	31.12.19 £
Cash flows from operating activities			
Cash generated from operations	1	<u>454,590</u>	<u>1,212,324</u>
Net cash provided by operating activities		<u>454,590</u>	<u>1,212,324</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(9,738)
Interest received		<u>1</u>	<u>1,249</u>
Net cash provided by/(used in) investing activities		<u>1</u>	<u>(8,489)</u>
Change in cash and cash equivalents in the reporting period		<u>454,591</u>	<u>1,203,833</u>
Cash and cash equivalents at the beginning of the reporting period		<u>1,233,117</u>	<u>29,284</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,687,708</u></u>	<u><u>1,233,117</u></u>

The notes form part of these financial statements

FULL FACT

**NOTES TO THE STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.12.20	31.12.19
	£	£
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	281,086	781,900
Adjustments for:		
Depreciation charges	10,138	11,476
Interest received	(1)	(1,249)
(Increase)/decrease in debtors	(409,069)	72,248
Increase in creditors	572,436	347,949
Net cash provided by operations	<u>454,590</u>	<u>1,212,324</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.20	Cash flow	At 31.12.20
	£	£	£
Net cash			
Cash at bank	<u>1,233,117</u>	<u>454,591</u>	<u>1,687,708</u>
Total	<u>1,233,117</u>	<u>454,591</u>	<u>1,687,708</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES

Charity status

Full Fact is a charity incorporated as a company limited by guarantee in England and Wales. The registered office is 2 Carlton Gardens, London, United Kingdom, SW1Y 5AA.

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Group accounts

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity balance sheet presented in the 2019 accounts showed total funds of £946,119, following the reclassification of the gift aid from the trading subsidiary as a distribution the Charity only balance sheet has been amended to show total funds of £809,949.

No separate SOFA has been presented for the Charity alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

Going concern

The Trustees have assessed the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern including the impact of Covid-19. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. The Trustees have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing these financial statements.

Income and endowments

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

Donations and legacies

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

Grants

Grants receivable are recognised when the charity becomes unconditionally entitled to the grant.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES - continued

Other income

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the Charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities 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.

Support costs

Support costs are those that assist the work of the Charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the Charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to expenditure on raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Governance costs are those incurred in connection with the running of the Charity and compliance with constitutional and statutory requirements.

Fund-raising Costs

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Costs of Generating Funds now include staff costs which can be attributed to fundraising activities. This primarily includes the posts of the Fundraising manager and two Philanthropy Officers on a pro-rate basis.

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.

Pension contributions

The charity makes contributions to employee's defined contribution pension plans. The pension cost is charged to the Statement of Financial Activities in the year and represents contributions payable by the charity to the pension fund.

Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings - 20% on cost

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES - continued

Financial Instruments

Basic financial assets

Basic financial assets, which includes debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less, if not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for a particular purpose.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Prior Year Adjustments

Included in the Expenditure on Charitable Activities in 2019 was the Cost of Generating Funds amounting to £50,072. This amount has been reclassified and recognised in the Statement of Financial Activities as Expenditure on Costs of Raising funds, this reclassification has not had any impact on the reported surplus in 2019 and has been made to better reflect the use of funds.

FULL FACT

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Donations from individuals and institutions	1,860,110	18,643	1,878,753	1,734,439
	<u>1,860,110</u>	<u>18,643</u>	<u>1,878,753</u>	<u>1,734,439</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Public Education	437,261	-	437,261	589,220
	<u>437,261</u>	<u>-</u>	<u>437,261</u>	<u>589,220</u>

4. INVESTMENT INCOME

	31.12.20 £	31.12.19 £
Deposit account interest	<u>1</u>	<u>1,249</u>
	<u>1</u>	<u>6,249</u>

5. CHARITABLE ACTIVITIES COSTS

	Staff Costs £	Direct Costs £	Support Costs £	Total 2020 £	Total 2019 As restated £
Public Education	1,461,400	491,165	11,867	1,964,432	1,506,937
	<u>1,461,400</u>	<u>491,165</u>	<u>11,867</u>	<u>1,964,432</u>	<u>1,506,937</u>

FULL FACT**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020****5. CHARITABLE ACTIVITIES COSTS - continued**

	Staff Costs	Direct Costs	Support Costs	Total 2019
	£	£	£	£
Public Education	986,252	487,828	32,857	1,506,937
	<u>986,252</u>	<u>487,828</u>	<u>32,857</u>	<u>1,506,937</u>

6. COSTS OF RAISING FUNDS

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019 <i>As restated</i>
	£	£	£	£
Staff Costs	70,497	-	70,497	50,072
	<u>70,497</u>	<u>-</u>	<u>70,497</u>	<u>50,072</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.20	31.12.19
	£	£
Depreciation - owned assets	10,138	11,476
Auditor's remuneration	<u>10,000</u>	<u>10,200</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

9. STAFF COSTS

	31.12.20	31.12.19
	£	£
Wages and salaries	1,308,222	885,472
Social security costs	143,823	93,892
Pensions costs	28,557	16,887
Other costs	51,295	40,073
	<u>1,531,897</u>	<u>1,036,324</u>

The average monthly number of employees during the year was as follows:

	31.12.20	31.12.19
Public Education	30	22
Generating Funds	2	-
	<u>32</u>	<u>22</u>

Highest Paid Employees

4 (2019: 2) employees received emoluments of more than £60,000 during the year of which is broken down as:

1 x £70,000 - £79,000
 3 x £60,000 - £69,000

Key Management Personnel

In 2020, the Key Management Personnel classification was changed to include the management team as well as the CEO. The Key Management Personnel in 2020 were CEO, COO, Head of Automated Fact Checking, Head of Fundraising, Head of Communications, Head of Policy & Advocacy, Acting Editor, Head of Research and Editor. The total amount of employee benefits (including employer's national insurance contributions) received by Key Management Personnel is £406,137 (2019: £83,932).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund	Restricted funds	Total funds <i>As restated</i>
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,659,773	74,666	1,734,439
Charitable activities	503,220	95,000	598,220
Other income	5,000	-	5,000
Investments	<u>1,249</u>	<u>-</u>	<u>1,249</u>
Total	2,169,242	169,666	2,338,908
EXPENDITURE ON			
Charitable activities	1,409,428	97,509	1,506,937
Raising Funds	<u>50,072</u>	<u>-</u>	<u>50,072</u>
Total	1,459,500	97,509	1,557,009
NET INCOME/(EXPENDITURE)	709,743	72,157	781,900
RECONCILIATION OF FUNDS			
Total funds brought forward	89,719	74,500	164,219
TOTAL FUNDS CARRIED FORWARD	<u>799,462</u>	<u>146,657</u>	<u>946,119</u>

FULL FACT

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. TANGIBLE FIXED ASSETS

All fixed assets belong to the charity.

	Fixtures and fittings £
COST	
At 1 January 2020 and 31 December 2020	<u>44,957</u>
DEPRECIATION	
At 1 January 2020	34,398
Charge for year	<u>10,138</u>
At 31 December 2020	<u>44,536</u>
NET BOOK VALUE	
At 31 December 2020	<u>421</u>
At 31 December 2019	<u>10,559</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20		31.12.19	
	£	£	£	£
	Group	Charity	Group	Charity
Trade debtors	306,097	195,865	94,460	91,726
Amounts owed by group undertakings	-	124,067	-	96,963
Other debtors	611	610	40	1,576
VAT	41,692	37,171	-	-
Accrued income	176,781	176,781	21,612	21,612
Prepayments	3,445	3,445	3,445	3,445
	<u>528,626</u>	<u>537,939</u>	<u>119,557</u>	<u>215,322</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20		31.12.19	
	£	£	£	£
	Group	Charity	Group	Charity
Trade creditors	99,465	99,465	73,731	73,731
Social security and other taxes	38,073	38,073	32,437	32,437
Other creditors	8,665	8,665	4,635	4,635
Deferred income	830,397	830,397	298,112	298,112
Accrued expenses	12,950	12,950	8,200	8,200
	<u>989,550</u>	<u>989,550</u>	<u>417,115</u>	<u>417,115</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

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 £28,557 (2019 - £16,887).

14. MOVEMENT IN FUNDS

Group & Charity

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	799,463	419,460	1,218,923
Restricted funds			
University of Edinburgh	7,500	(7,500)	-
Google DNI	51,145	(51,145)	-
Google AI (Tides)	74,666	(74,666)	-
Nuffield 2019 Elections	13,346	(13,346)	-
IFCN YouTube grant	-	8,283	8,283
	<u>146,657</u>	<u>(138,374)</u>	<u>8,283</u>
TOTAL FUNDS	<u>946,119</u>	<u>281,086</u>	<u>1,227,205</u>

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
General fund	89,719	709,744	799,463
Restricted funds			
University of Edinburgh	10,243	(2,743)	7,500
Google DNI	64,257	(13,112)	51,145
Google AI (Tides)	-	74,666	74,666
Nuffield 2019 Elections	-	13,346	13,346
	<u>74,500</u>	<u>72,157</u>	<u>146,657</u>
TOTAL FUNDS	<u>164,219</u>	<u>781,901</u>	<u>946,119</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

14. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,297,372	(1,877,912)	419,460
Restricted funds			
University of Edinburgh	-	(7,500)	(7,500)
Google DNI	-	(51,145)	(51,145)
Google AI (Tides)	-	(74,666)	(74,666)
Nuffield 2019 Elections	-	(13,346)	(13,346)
IFCN YouTube grant	18,643	(10,360)	8,283
	<u>18,643</u>	<u>(157,017)</u>	<u>(138,374)</u>
TOTAL FUNDS	<u>2,316,015</u>	<u>(2,034,929)</u>	<u>281,086</u>

Comparative net movement in funds

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,169,242	(1,459,500)	709,744
Restricted funds			
University of Edinburgh	-	(2,743)	(2,743)
Google DNI	-	(13,112)	(13,112)
Google AI (Tides)	74,666	-	74,666
Nuffield 2019 Elections	60,000	(46,654)	13,346
Vodafone	35,000	(35,000)	-
	<u>169,666</u>	<u>(97,509)</u>	<u>72,157</u>
TOTAL FUNDS	<u>2,338,908</u>	<u>(1,557,009)</u>	<u>781,900</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

15. FUNDS

Google DNI - has established the Google Digital News Initiative Fund to support and promote innovation in the digital news sector. Third generation fact checking aims to help fact checking get to internet scale by developing and testing write-once reuse-anywhere formats for fact checking including automated fact checking, and new methods to help fact checkers monitor the balance of their output.

University of Edinburgh - Citizens' Expectations on Brexit Outcomes: 'Fact' Transmission and Persuasive Power in a Digital World. The aim of this collaborative project between the Neuropolitics Research Lab, University of Edinburgh and Full Fact is to offer new insights into how citizen' Brexit-related expectations are shaped in an increasingly digital world. They will examine the characteristics that lead to Brexit-related messages being accepted as facts or viewed as misinformation and why they are picked up on and spread online.

Google AI/Tides - This funding is part of our award from the Google AI for Social Good Impact Challenge. In partnership with Africa Check, Chequeado and the Open Data Institute, we'll use artificial intelligence to dramatically improve and scale global fact checking efforts, working with international experts to define how artificial intelligence could transform this work, developing new tools and deploying and evaluating them.

Nuffield Foundation - The Nuffield Foundation is supporting our editorial team to fact check claims and seek corrections. The grant is also funding an annual report on the quality of information in the UK and what everyone - from government, tech companies, journalists and citizens - can do to help improve the honesty and accuracy of public debate.

Nuffield Foundation - General Election 2019 - The Nuffield Foundation awarded Full Fact £60,000 to improve the understanding and use of evidence in the 2019 general election campaign. This grant was used to temporarily increase the size of our fact checking team, allowing us to respond to more claims and publish fact checks quicker and temporarily increase the size of our communications team, helping us to increase the reach of our fact checks. It also allowed us to increase the power of our automated fact checking tools by adding the ability to monitor online adverts for new and recurring claims and conduct research into the public's perceptions of key claims and voters' experiences of information and factual claims during the campaign.

Vodafone Techstarter - Vodafone Techstarter provides UK-based social tech ventures and charities the chance to secure funding and access to expertise - to help them take transformational ideas from start-up to scale-up. We have received funding to support our automated fact checking work. We're building in-house automated fact checking tools which help to identify claims to check, track the spread of false claims and check claims in real time. These tools will speed up our editorial processes, help us monitor new claims and visualise Full Fact's impact by tracking how our interventions affect the spread of false claims.

IFCN Youtube Grant - The International Fact Checking Network's Fact Checking Development Fund, funded by YouTube via the Google Digital News Initiative, is supporting Full Fact to develop new formats for fact checks. We will work to develop and trial new creative formats with the aim to reach many more people with our fact checks. This will draw from and build on research into how best to engage audiences with good information, tackling the harm caused by misleading claims.

16. RELATED PARTY DISCLOSURES

At the year end, £nil (2019: £17,500) is due from TTO Conference Ltd and during the year £nil (2019: £1,248) was received as interest from a loan to TTO Conference Ltd where Will Moy is Director.