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Company Registration No. 02757055
Registered Charity No. 1016630

Foundation for Credit Counselling
(A Company Limited by Guarantee)

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended

31 December 2013

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COMPANIES HOUSE

Foundation for Credit Counselling

OFFICERS AND PROFESSIONAL ADVISERS

TRUSTEES

Lord Wilf Stevenson (Chairman)
D J Phelan
Sir G J Mulcahy
S Taverne
D Coates
S Lewis
O Thoresen
D Walker Palmour

CHIEF EXECUTIVE OFFICER

M O'Connor

SECRETARY

M J Lynch

REGISTERED OFFICE

Wade House
Merrion Centre
Leeds
LS2 8NG

AUDITOR

Baker Tilly UK Audit LLP
2 Whitehall Quay
Leeds
LS1 4HG

BANKERS

Barclays Bank
PO Box 190
2nd Floor
1 Park Row
Leeds
LS1 5WU

SOLICITORS

Wrigleys Solicitors LLP
19 Cookridge Street
Leeds
LS2 3AG

Foundation for Credit Counselling

CHAIRMAN'S STATEMENT

2013 has been a very successful year for us. Our strategic aim is to reach more people experiencing debt problems. Our extensive programme of consumer marketing, stakeholder engagement and partnership activity meant that over half a million people sought our help and by the end of the year, the charity was helping over 150,000 people to repay £338 million to lenders.

There is still much to be done, however, and resources are not limitless. All the evidence suggests that the financial circumstances of a substantial proportion of working households remain parlous, with few resources to withstand income shocks and misfortune. Certainly the downward trend in our clients' ability to meet essential living costs continues: last year a quarter of the people who approached us were in arrears on council tax while 13 percent were behind on gas, electricity and water bills. In addition, rent arrears, particularly in the private sector, are increasing.

Reluctance to seek help continues to drive over-indebtedness. More than half of clients surveyed admitted to delaying for more than a year when they knew they had a problem, often preferring to plug the gap with high cost credit. Over a quarter of our clients had payday loans last year, the majority of them had three or more and, on average, owed more than their monthly take home pay. It is in no-one's interests for struggling households to use high cost credit as a safety-net but we have hopes that the tighter regulatory regime being rolled out by the Financial Conduct Authority over the next 12 months will get to grips with the worst excesses of this sector.

It would be foolish, however, to lay all woes at the payday door; they are symptomatic rather than causal. Credit cards and personal loans remain by far the most significant debt racked up by our clients. With increases in interest rates looming ever larger on the horizon, the fact that clients with mortgages owe an average of just under £25,000 – compared with a £16,000 average for all clients - does not bode well. As the economy moves into recovery, we need to ensure that households weakened first by recession and then by rising costs, are not left to flounder into unmanageable debt.

Offering practical help to people with unmanageable debt problems remains a core objective but we are equally concerned to understand the circumstances of people in debt in order to represent their interests and to ensure that there are adequate solutions in place to meet their needs. Our work with key stakeholders supports these aims as well as raising profile. In 2013, we commissioned a major research report from a think tank, looking at the longer term issues for the next generation of borrowers. As well as a Parliamentary launch, we took the key findings to all three party conferences. Data from our statistical warehouse is made freely available to others including the FCA, the Money Advice Service and think tanks such as the Centre for Social Justice while our evidence about the detrimental practices of payday loans and nuisance calls was widely quoted in Parliament last year.

We have invested heavily in developing strategic partnerships to increase referrals outside our core base of lenders and last year, referrals from partners increased by 52 percent to 40,000. An increasing proportion of these are from charities dealing with issues where money problems are a by-product of other issues, such as illness, disability or age.

Lenders still account for half of all our referrals: in 2013, they referred over 128,000 customers to us, an annual increase of 25 percent. We continue to work closely and creatively with them to help their customers and more and more lenders "hot-key" distressed customers direct to us. It is to be hoped that that practices of forbearance and breathing space exemplified by many financial lenders can be developed across other creditor markets in the coming months to allow households precious time to recover.

StepChange Debt Charity celebrated its 20th birthday in 2013; for two thirds of that time, Gordon Bell was chief executive, taking over in 1999 when the charity employed 65 people. When he left at the end of 2013, it was the UK's leading debt charity, employing over 1,000 people, a tremendous achievement, and we wish him well in the future. Our new Chief Executive, Mike O'Connor joined us in January 2014 from Consumer Focus and is leading a strategic review of the Charity for the triennium to 2018.

Foundation for Credit Counselling

CHAIRMAN'S STATEMENT

I should like to thank all the staff at StepChange Debt Charity for their hard work throughout another busy year as well as the trustees for their support for our efforts to help people deal with their problem debts.



Lord Wilf Stevenson

Date: 17 June 2014

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

year ended 31 December 2013

The Trustees, who are the Council of Management, present their report and accounts for the year ended 31 December 2013.

These consolidated accounts are for Foundation for Credit Counselling (FCC), its trading subsidiaries, Consumer Credit Counselling Service Voluntary Arrangements Limited (CCCS VA Ltd) and Consumer Credit Counselling Service Equity Release Limited (CCCS ER Ltd) and Consumer Credit Counselling Service (Scotland) a charity under common control.

REFERENCE AND ADMINISTRATION

NAME AND REGISTRATION

Foundation for Credit Counselling is a company limited by guarantee (number 2757055) and a registered charity (number 1016630). The charity is more widely known as StepChange Debt Charity.

REGISTERED AND PRINCIPAL OFFICE

Wade House, Merrion Centre, Leeds, LS2 8NG

COUNCIL OF MANAGEMENT AND THEIR INTERESTS

The following members of the Council of Management have held office since 1 January 2013:

Lord Wilf Stevenson	
J J Burton	(resigned 4 July 2013)
D J Phelan	
G J Mulcahy	
S Taverne	
D Coates	
M Fairey	(resigned 4 July 2013)
S Lewis	
O Thoresen	
D Walker Palmour	
Kamala Panday	(appointed 4 July 2013)

These individuals constitute Directors of the company for the purposes of the Companies Act 1985 and are the charity's trustees.

SENIOR STAFF

M O'Connor	-	Chief Executive Officer
S Nicholson	-	Chief Financial Officer
F Megaw	-	Chief Operating Officer
F McGee	-	Director of External Affairs
A Somers	-	Director of Business Development

PRINCIPAL ADVISORS

Auditors	-	Baker Tilly UK Audit LLP
Solicitors	-	Wrigleys Solicitors LLP Leeds

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

year ended 31 December 2013

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The governing document of the Foundation for Credit Counselling is its Memorandum and Articles of Association as at 7 April 2014. Under those Articles the members of the Board of Trustees are empowered at any time to appoint any person to be a member of the Board.

TRUSTEE SELECTION, RECRUITMENT AND INDUCTION

SELECTION AND RECRUITMENT

SELECTION

When vacancies arise, a review of the competences and expertise required on the board in relation to the strategic plan is carried out; trustees are recruited through open advertisement, are interviewed by a panel of trustees and appointed by the Board. New trustees are elected for two terms of three years with a third three year term under exceptional circumstances determined by the Chairman.

INDUCTION

The induction of a new trustee is facilitated by the Head of Training and Development utilising the FCC trustee induction programme, which may be tailored to create an induction programme to suit the particular needs of the new trustee.

The trustee will receive a comprehensive "induction pack" comprising a booklet providing reference information covering the background of the charity, its structure and status, its method of operation, its finances and the environment in which it operates. The "induction pack" provides a personal induction checklist for the trustee and the induction will be at the convenience of the trustee.

Governance information is added by including the Charity Commission's booklets, "The hallmarks of an effective charity" and "The effective trustee". All these are enclosed within the NCVO's "The good trustee guide".

INDEMNITY PROVISION

Third party indemnity provision is in place for the benefit of all the trustees of the charity.

ORGANISATIONAL STRUCTURE

The charity has a dedicated senior management and executive team responsible for the day to day running of the organisation ensuring the charity's objectives are achieved.

Although the trustees are readily available, full board meetings are held four times a year in order to discuss performance, policy and strategic planning. In addition Audit Committee and Remuneration Committee meetings are held twice a year.

The charity's executives and relevant senior management are in attendance at these meetings.

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

year ended 31 December 2013

PARTNERS

FCC works closely with many partners to achieve its objectives of delivering debt advice and education:

- The Limavady Community Development Initiative is an independent charity which receives a number of callers from the help line to give them debt advice. All Northern Ireland callers are directed to the Limavady CDI.
- FCC supports another charity, Credit Action, who offer a range of resources, tools and training to help individuals handle their money effectively in order to prevent them from getting into financial difficulty.

RISK REVIEW

Using Charity Commission guidelines the trustees have undertake an annual review of the risks to which the charity is exposed. As part of the process the trustees have implemented a continuous risk management strategy which comprises :-

- 1 a detailed risk register and a continual review process.
- 2 the establishment of systems, policies and procedures designed to minimise those risks identified.
- 3 the implementation of policies and procedures designed to minimise any potential impact on the charity should any of the risks materialise.

OBJECTIVES AND ACTIVITIES

FCC is dedicated to providing confidential and free consumer debt advice and money management assistance to financially distressed families and individuals in the UK.

The charitable objectives as per the Memorandum and Articles of Association are :-

The prevention or relief of poverty amongst persons who are in debt (particularly in the United Kingdom) by :-

- the provision of advice to assist such persons to re-schedule and re-finance their borrowings;
- the provision of financial education to enable such persons to manage their finances more effectively;
- the establishment and support of counselling services to which such persons may resort for advice on debt matters generally;
- the establishment of an insolvency practice to which such persons may resort as an alternative solution to debt problems;
- the establishment or support of such other services or products for the public benefit to assist in the relief of poverty.
- to advance the education of the public in general (and particularly amongst persons in debt or at risk of falling into debt) on the subject of financial budgeting, financial products and financial services.

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

year ended 31 December 2013

When reviewing the charity's aims and objectives the trustees have referred to the Charity Commission's general guidance on public benefit and the supplementary guidance for charities whose aims include preventing or relieving poverty. Using this guidance the trustees consider how planned activities will contribute to the aims and objectives they have set.

The key target for the year was to continue the controlled growth of recent years without diminishing the quality of service to current or new beneficiaries. Coupled with this was a wish to remain at the forefront of free debt advice in the United Kingdom and to extend current services to as many financially distressed families and individuals as possible.

Meeting the target means the debt problems of many thousands of beneficiaries will be under control benefiting borrowers, lenders and society in general.

PRINCIPAL ACTIVITIES

The charity aims to achieve its objectives, in collaboration with its partners, through its principal activities which are the following :-

- . Free help lines providing advice, guidance and helpful material for people in difficulty (clients). When more than general advice is needed the client is either transferred immediately to a debt advisor or an appointment is made at a more convenient date and time for the client. These appointments are usually by telephone at our expense or may be face to face in one of the advice centres around the United Kingdom. For those with internet access online advice is available through "Debt Remedy".
- . In addition to advice there is the possibility of assistance with repayments through a Debt Management Plan. FCC acts on behalf of its beneficiaries in negotiating reduced payments to creditors and distributes payments on their behalf. The majority of funding is on a contribution basis from the creditors termed fair share contribution. It is called a fair share contribution as creditors share with the charity, through a monthly donation, the benefit they gain from its help to its beneficiaries.
- . The principal activity of the charity's trading subsidiary, CCCS VA Ltd, is that of arranging and supervising Individual Voluntary Arrangements.
- . The principal activity of the charity's trading subsidiary, CCCS ER Ltd, is that of equity release advice and the arranging of equity release plans.
- . CCCS Scotland has the same principal activities as FCC.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

CHARITABLE ACTIVITIES

The charity's aims for 2013 were to continue providing core services to as many individuals and families as possible whilst introducing further services to better meet the new and emerging needs of its beneficiaries. With reference to the 2012 Annual Report and Accounts the trustees believed the demand for services would increase significantly in 2013 due in particular to the nationwide television advertising campaign throughout the year. However with appropriate planning and recruitment the charity would be able to meet this demand without adversely affecting the quality of service.

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

year ended 31 December 2013

In total the charity was contacted by over 507,000 people seeking to resolve their debt problems – or around a 1,300 people a day. This represents an increase of 19% on 2012.

The following points indicate the achievements for the year and demonstrate how activities benefited the public. The services provided relate to the charity's stated purposes and objectives :-

SERVICES PROVIDED

- The charity handled over 1.2 million (2012: 1.1 million) calls including 280,165 (2012: 264,153) Helpline calls;
- Advisors assisted over 180,000 (2012: 115,000) people through an in depth advice session;
- Over 120,000 (2012: 85,000) people were advised via Debt Remedy the charity's online advice facility;
- 38,878 (2012: 29,099) new Debt Management Plans (DMPs) were created;
- CCCS VA Ltd created 1,011 (2012: 812) new Individual Voluntary Arrangements (IVAs) with an average debt relief of 73% (2012: 72%) per client.
- CCCS ER Ltd assisted in 328 (2012: 237) applications releasing £12.7 million (2012: £9.5 million) of equity release funding.

EFFICIENCY, EFFECTIVENESS AND QUALITY

Telephone advice

Over 19% (2012: 14%) of Helpline callers were "warm transferred" straight to debt advisors

Client aftercare

Client aftercare continued to deal with a high volume of calls, 882,795 (2012: 760,070), demonstrating the charity's commitment to providing ongoing care for clients on DMP's.

Operational departments

All operational departments operate ongoing quality standards reviews to ensure services to beneficiaries are consistent, measured and of a high standard. A monthly management report conveys the latest information to senior management.

ICM qualifications

The charity's training team continue to work in partnership with the Institute of Credit Management in promoting the Diploma in Money and Debt Advice (DMDA) both internally and nationally. In March 2014 31 employees will receive the diploma and there are 46 new entrants from across the charity. The DMDA has full accreditation from Ofqual thus enhancing the merits of debt advice as a recognised profession.

Database

The charity has operated for more than 20 years and the knowledge and statistics gained over this period enable the charity to continually adjust its services to the changing realities of client's circumstances. Evidence of this unique collection of data can be found in the annual statistical yearbook published every March.

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

year ended 31 December 2013

REFERRALS

Nearly 50% of all referrals came to the charity on the recommendation of their lenders and over 15% were directed by their family and friends. Many others came through the internet via the charity's web site www.stepchange.org and links from other sites.

ONLINE REVIEW

Towards the end of 2013 an Online Review service for DMP clients was launched. Until then advisors in Client Support reviewed DMP's with clients over the phone but the launch of the scheme means clients can now choose the way they prefer to complete the process. The tool gives clients the help they need online and frees up advisors so they can focus on helping clients who prefer to contact the charity by phone.

GROWING LEVELS OF INDEBTEDNESS

FCC has around 150,000 (2012: 130,000) clients benefiting from debt management plans. The repayment ethic promoted by the charity resulted in £338 million (2012: £327 million) being repaid to creditors. With the burden of collecting these debts removed from lenders they will be supportive to our clients as long as over indebtedness exists in our society.

FINANCIAL REVIEW

The overall financial results for the year show net outgoing resources of £3,808,206. Unrestricted income rose by 4.4% resulting in reserves of £23.4 million (2012: £27.2 million) enabling future development and growth while maintaining high standards of service to clients and creditors.

RESERVES POLICY

The trustees have reviewed the charity's need for free reserves in line with guidance issued by the Charity Commission. The target is for free reserves to remain at a level which represents six months projected expenditure. The trustees believe reserves should be at this level to ensure the charity can meet its legal obligations and meet the needs of the beneficiaries in all eventualities. At the year end free reserves stood at just over 6 months of projected expenditure.

FUNDING

The majority of funding, without which the charity could not operate, is a donation from the creditors i.e. a fair share contribution towards all advice, debt management administration and all the other services provided by the charity. The application of this revenue towards FCC's charitable activities is shown in the Statement of Financial Activities and the accompanying notes.

INVESTMENT PERFORMANCE

The charity's investment policy is subject to an annual review by the trustee audit committee. In 2013 the policy of investing the majority of surplus liquid funds in a staggered mix of fixed term deposits met current requirements. With minimal risk an average return of 2.8% (2012: 2.7%) was achieved and considered acceptable.

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

year ended 31 December 2013

FUTURE PLANS

The main aim of the charity is to assist as many families and individuals as possible who may require its services.

Demand for the charity's services, particularly in the present economic climate, is expected to increase. The trustees are aware of this and the need to manage the demand without affecting the quality of services to beneficiaries. The trustees and management are also aware of the ever changing nature of consumer debt problems and the need to be adaptable to beneficiaries needs. Therefore appropriate new services will be provided whenever possible.

A comprehensive and nationwide television advertising campaign took place throughout 2013 to enable many more people in financial difficulty to be aware of the services provided by the charity. Demand for the charity's services increased and carefully managed recruitment ensured the quality of services provided did not diminish either for current or new beneficiaries. The trustees wish to consolidate on this position and further advertising will take place throughout 2014 although not to the same extent as in the previous year.

DISABLED EMPLOYEES

The charity has a global anti-discrimination policy which specifically covers unfair treatment of any service user, employee or prospective employee on the grounds of disability. The policy is available to all employees via a network based communication system and covers responsibility, employment, access, complaints, training and monitoring.

EMPLOYEE INVOLVEMENT

The charity recognises the importance of internal communications and as such has a policy of ensuring all employees are kept informed of developments within the organisation. The policy sets out the belief that teamwork through communication will lead to a more efficient and effective service to both staff and beneficiaries.

This is achieved through passing on information at regular team briefs and one-to-one reviews, via designated departmental employees or through the fortnightly online newsletter to all employees "The Vine". A quarterly magazine version of The Vine is also distributed throughout the organisation.

DONATIONS

During the year the group made charitable donations of £24,942.

AUDITORS

A resolution to reappoint Baker Tilly UK Audit LLP, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

Foundation for Credit Counselling
REPORT OF THE BOARD OF TRUSTEES
year ended 31 December 2013

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

The trustees in their capacity as directors hereby approve the Trustees' Annual Report and the incorporated strategic report.



Lord Wilf Stevenson
Chairman

Date: 17th Jan 2014

Foundation for Credit Counselling

STATEMENT OF TRUSTEES' RESPONSIBILITIES

year ended 31 December 2013

The trustees (who are also directors of Foundation for Credit Counselling for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF FOUNDATION FOR CREDIT COUNSELLING

We have audited the group and parent charity financial statements of Foundation for Credit Counselling ("the financial statements") for the year ended 31 December 2013 on pages 15 to 33. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 12 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2013 and of the group's 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 Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF
FOUNDATION FOR CREDIT COUNSELLING

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:

- the parent charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

Baker Tilly UK Audit LLP

CLAIRE LEECE (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

2 Whitehall Quay

Leeds

LS1 4HG

Date *27 June 2014*

Foundation for Credit Counselling
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
year ended 31 December 2013

	<i>Notes</i>	Total funds 2013 £	Total funds 2012 £
INCOMING RESOURCES			
Incoming resources from generated funds:			
Voluntary income:			
Investment income	1	506,391	537,652
Incoming resources from charitable activities:			
- Counselling and debt management contributions		32,899,063	31,976,469
- Insolvency service		3,351,930	2,856,819
- Equity Release		291,308	178,284
Other income	2	226,073	139,051
		<hr/>	<hr/>
TOTAL INCOMING RESOURCES		37,274,765	35,688,275
		<hr/> <hr/>	<hr/> <hr/>
RESOURCES EXPENDED			
Charitable activities:			
- Counselling costs		26,405,239	23,017,247
- Debt management costs		4,887,610	4,117,208
- Insolvency service		2,711,608	2,238,390
- Equity release services		339,867	207,940
- Promotion of services to beneficiaries		6,262,223	3,300,253
- Financial education		137,554	86,005
Governance		294,849	254,824
Other resources expended		44,021	20,513
		<hr/>	<hr/>
TOTAL RESOURCES EXPENDED	4	41,082,971	33,242,380
		<hr/> <hr/>	<hr/> <hr/>
NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR BEFORE TAXATION	3	(3,808,206)	2,445,895
Taxation on non charitable trading subsidiaries' ordinary activities	7	-	(46,070)
		<hr/>	<hr/>
NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR		(3,808,206)	2,399,825
BALANCE BROUGHT FORWARD AT 1 JANUARY		27,191,045	24,791,220
		<hr/> <hr/>	<hr/> <hr/>
BALANCE CARRIED FORWARD AT 31 DECEMBER	16	23,382,839	27,191,045
		<hr/> <hr/>	<hr/> <hr/>

The charity has no recognised gains or losses other than shown above.
All the activities of the company are classed as continuing.
All incoming resources are classed as unrestricted.


The notes on pages 19 to 33 form part of these financial statements

Foundation for Credit Counselling
 CONSOLIDATED BALANCE SHEET
 31 December 2013

Company Registration No. 2757055
 Registered Charity No. 1016630

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	8	1,873,786	1,818,856
		<u>1,873,786</u>	<u>1,818,856</u>
CURRENT ASSETS			
Debtors	10	6,830,355	6,394,192
Cash at bank and in hand		17,756,450	21,654,544
		<u>24,586,805</u>	<u>28,048,736</u>
CREDITORS: Amounts falling due within one year	12	(3,077,752)	(2,648,092)
NET CURRENT ASSETS		<u>21,509,053</u>	<u>25,400,644</u>
PROVISIONS FOR LIABILITIES	13	-	(28,455)
NET ASSETS		<u>23,382,839</u>	<u>27,191,045</u>
REPRESENTED BY:			
General funds	16	<u>23,382,839</u>	<u>27,191,045</u>
TOTAL FUNDS		<u>23,382,839</u>	<u>27,191,045</u>

The financial statements on pages 15 to 33 were approved by the board of trustees and authorised for issue on 17/12/14 and are signed on its behalf by:


 Lord Wilf Stevenson
 Chairman

The notes on pages 19 to 33 form part of these financial statements

Foundation for Credit Counselling

BALANCE SHEET

31 December 2013

Company Registration No. 2757055

Registered Charity No. 1016630

	<i>Notes</i>	2013 £	2012 £
FIXED ASSETS			
Tangible assets	8	1,665,785	1,683,639
Investments	9	5,001	5,001
		<hr/>	<hr/>
		1,670,786	1,688,640
CURRENT ASSETS			
Debtors due within one year	10	6,754,234	6,428,246
Debtors due after more than one year	10	400,000	400,000
Cash at bank and in hand		17,594,393	21,549,063
		<hr/>	<hr/>
		24,748,627	28,377,309
CREDITORS: Amounts falling due within one year	12	(2,640,797)	(2,508,569)
		<hr/>	<hr/>
NET CURRENT ASSETS		22,107,830	25,868,740
		<hr/>	<hr/>
NET ASSETS		23,778,616	27,557,380
REPRESENTED BY:		<hr/>	<hr/>
General funds	16	23,778,616	27,557,380
		<hr/>	<hr/>
TOTAL FUNDS		23,778,616	27,557,380
		<hr/>	<hr/>

The notes on pages 19 to 33 form part of these financial statements

Foundation for Credit Counselling
CONSOLIDATED CASH FLOW STATEMENT
year ended 31 December 2013

	<i>Notes</i>	2013 £	2012 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	18	(3,318,688)	2,110,761
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		506,391	537,652
CAPITAL EXPENDITURE			
Purchase of fixed assets		(1,085,797)	(995,756)
(DECREASE)/INCREASE IN CASH	19	(3,898,094)	1,652,657

Foundation for Credit Counselling

ACCOUNTING POLICIES

year ended 31 December 2013

The company has adopted the following principal accounting policies which should be read in conjunction with the financial statements set out on pages 15 to 33.

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) published in March 2005, applicable Accounting Standards and the Companies Act 2006.

GOING CONCERN

The financial statements have been prepared on the going concern basis which assumes that the company will continue in operation for the foreseeable future. Details of company activities, risk review procedures, financial performance, reserves and funding are noted on pages 5 to 9 of these financial statements.

The company has strong financial resources invested with minimal risk and no borrowed funding.

On this basis the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence. They therefore consider it appropriate to prepare the financial statements on the going concern basis.

GROUP FINANCIAL STATEMENTS AND SUBSIDIARY COMPANIES

These financial statements consolidate on a line by line basis the results of the company and its wholly-owned subsidiaries, Consumer Credit Counselling Service Voluntary Arrangements Limited (CCCSVA Ltd) and Consumer Credit Counselling Service (Equity Release) Limited (CCCS(ER) Ltd), as well as the financial statements for Consumer Credit Counselling Services (Scotland) (CCCS Scotland), which is a sister charity of FCC, under common control. A separate Statement of Financial Activities ("SOFA") (incorporating an income and expenditure account) for the company itself is not presented because the company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005.

The incoming resources for the company during the year ended 31 December 2013 were £34,164,212 (2012 - £33,047,570). After expenditure of £37,942,976 (2012 - £30,701,931) a net deficit of £3,778,764 (2012 – surplus of £2,345,639) was generated for Foundation for Credit Counselling, as an individual company.

The shares held in CCCSVA Ltd and CCCS(ER) Ltd, for which there is no readily ascertainable market value, are valued at cost.

INCOMING RESOURCES

Investment income and counselling and debt management contributions are credited to the accounts in the accounting period in which they are receivable.

Income from insolvency services is credited to the SOFA in the accounting period in which it is receivable.

Income from grants, where entitlement is not conditional on the delivery of a specific performance by the charity, is recognised when the charity becomes unconditionally entitled to the grant.

Foundation for Credit Counselling

ACCOUNTING POLICIES

year ended 31 December 2013

RESOURCES EXPENDED

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all costs related to that activity.

Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity.

Support costs are allocated between expense headings on the basis of employee numbers.

Governance costs are those incurred in connection with organisational administration and compliance with constitutional and statutory requirements.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Fixtures, fittings and equipment - 20% - 33.3% on a straight line basis

LEASING

Rentals payable under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

PENSIONS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the statement of financial activities on an accruals basis.

ONEROUS LEASE

An onerous lease provision is recognised when the group is liable to fulfil rent and other property commitments up to the lease expiry date but is no longer utilising the property.

UNRESTRICTED FUNDS

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purposes and are available as general funds.

Foundation for Credit Counselling
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 year ended 31 December 2013

1	INVESTMENT INCOME	2013 £	2012 £
	Bank interest	506,391	537,652
		<u> </u>	<u> </u>
2	OTHER INCOME	2013 £	2012 £
	Income from mortgage advisors and insolvency practitioners	55,886	17,634
	Other	170,187	121,417
		<u> </u>	<u> </u>
		226,073	139,051
		<u> </u>	<u> </u>
3	NET (OUTGOING)/INCOMING RESOURCES BEFORE TAXATION	2013 £	2012 £
	This is stated after charging:		
	Depreciation of tangible assets	1,030,867	1,088,522
	Operating lease rentals		
	Land & buildings	1,310,202	1,176,077
	Principal auditor's remuneration		
	Audit	30,450	29,500
	Non audit services	30,381	20,896
	Internal audit	24,262	21,014
		<u> </u>	<u> </u>

Foundation for Credit Counselling
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
year ended 31 December 2013

4 RESOURCES EXPENDED

a) Analysis of total resources expended

	<i>Staff costs</i>	<i>Other direct costs</i>	<i>Support costs</i>	<i>Total 2013</i>	<i>Total 2012</i>
Unrestricted funds	£	£	£	£	£
Counselling costs	14,025,609	310,473	12,069,157	26,405,239	23,017,247
Debt management costs	2,407,853	792,651	1,687,106	4,887,610	4,117,208
Insolvency service	2,234,444	477,164	-	2,711,608	2,238,390
Equity release services	312,633	27,234	-	339,867	207,940
Promotion of services to beneficiaries	1,673,267	4,163,686	425,270	6,262,223	3,300,253
Financial education	-	137,554	-	137,554	86,005
	<u>20,670,201</u>	<u>5,917,822</u>	<u>14,181,533</u>	<u>40,769,556</u>	<u>32,967,043</u>
Governance	99,260	184,289	11,300	294,849	254,824
Other resources expended	-	44,021	-	44,021	20,513
	<u>99,260</u>	<u>228,310</u>	<u>11,300</u>	<u>338,870</u>	<u>275,337</u>
Total charitable expenditure	<u><u>20,753,067</u></u>	<u><u>6,137,072</u></u>	<u><u>14,192,833</u></u>	<u><u>41,082,971</u></u>	<u><u>33,242,380</u></u>

Foundation for Credit Counselling
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 year ended 31 December 2013

4 RESOURCES EXPENDED (*continued*)

b) Analysis of support costs

Unrestricted funds	Counselling costs £	Debt management costs £	Promotion of services to beneficiaries £	Governance £	Total 2013 £	Total 2012 £
Staff costs	5,840,365	824,521	206,131	-	6,871,017	6,205,357
Training and recruitment	336,194	47,462	11,867	-	395,523	389,488
Travel and subsistence	232,106	32,768	8,195	7,802	280,871	268,103
Premises	2,263,634	319,572	79,893	-	2,663,099	2,316,753
Communications and IT	1,528,739	215,821	53,955	-	1,798,515	1,482,245
Printing and postage	542,752	76,623	19,156	309	638,840	646,782
Consultancy and professional	489,197	52,292	16,562	3,189	561,240	548,926
Depreciation	836,170	118,047	29,511	-	983,728	1,015,346
Total support costs	12,069,157	1,687,106	425,270	11,300	14,192,833	12,873,000

c) Analysis of governance costs

	Total 2013 £	Total 2012 £
Audit and accountancy fees	60,831	50,396
Internal audit fees	24,262	21,014
Legal and professional fees	99,196	87,577
Apportionment of staff and support costs	110,560	95,837
	294,849	254,824

Foundation for Credit Counselling
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 year ended 31 December 2013

5	EMPLOYEES	2013	2012
		No.	No.
	The average monthly number of persons employed by the group during the year was:		
	Promotion of services to beneficiaries	25	21
	Counselling	653	560
	Debt Management	88	51
	Insolvency Services	90	72
	Client services and administrative support	243	239
		<u> </u>	<u> </u>
		1,099	943
		<u> </u>	<u> </u>
		2013	2012
		£	£
	Staff costs for above persons:		
	Wages and salaries	24,670,043	19,686,033
	Social security costs	2,254,979	1,825,576
	Other pension costs	655,307	434,765
		<u> </u>	<u> </u>
		27,580,329	21,946,374
		<u> </u>	<u> </u>

The number of employees whose emoluments were in excess of £60,000 during the year, excluding pension contributions, fell within the following ranges:

	2013	2012
	No.	No.
£60,001 - £70,000	4	-
£70,001 - £80,000	1	1
£90,001 - £100,000	-	1
£120,001 - £130,000	1	2
£130,001 - £140,000	2	1
£170,001 - £180,000	1	1
	<u> </u>	<u> </u>
Total	9	6
	<u> </u>	<u> </u>

A total of 9 (2012 - 5) of these employees had retirement benefits accruing under a defined contribution pension scheme.

A termination payment amounting to £172,000 has also been accrued in respect of the employee included in the bracket £170,001- £180,000.

Foundation for Credit Counselling
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
year ended 31 December 2013

6 TRUSTEES

None of the Trustees (or any persons connected with them) received any remuneration during the year. Six of the Trustees were reimbursed for out of pocket expenses (2012 - 2 Trustees) totalling £7,179 (2012 - £4,408).

Indemnity insurance is taken out to cover losses arising from neglect or default by any charity Trustee, employee or officer. The costs of providing this insurance is £13,886 (2012 - £17,490).

7 TAXATION

As a charity the company is exempt from tax on income falling within Part II of the Corporation Tax Act 2010 and on gains falling within s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives. No tax charges have arisen in the charity.

Taxation relates to deferred tax on losses in Consumer Credit Counselling Service Voluntary Arrangements Limited, the Charity's trading subsidiary.

Analysis of charge in the year

	2013	2012
	£	£
Deferred tax:		
Deferred tax on trading losses	-	46,070

No provision has been made for the deferred tax asset of £92,861 (2012 - £76,406) in Consumer Credit Counselling Service (Equity Release) Limited due to the uncertainty that exists over the recoverability of the asset.

8 TANGIBLE FIXED ASSETS
CONSOLIDATED

	<i>Fixtures, fittings and equipment</i>
	£
Cost	
At 1 January 2013	6,884,440
Additions	1,085,797
Disposals	(181,111)
	<hr/>
At 31 December 2013	7,789,126
	<hr/>
Depreciation	
At 1 January 2013	5,065,584
Charge for the year	1,030,867
Disposals	(181,111)
	<hr/>
At 31 December 2013	5,915,340
	<hr/>
Net book value	
At 31 December 2013	1,873,786
	<hr/>
At 31 December 2012	1,818,856
	<hr/>

Foundation for Credit Counselling
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 year ended 31 December 2013

8	TANGIBLE FIXED ASSETS <i>(continued)</i>		
	<i>COMPANY</i>	<i>Fixtures, fittings and equipment</i>	
		£	
	Cost		
	At 1 January 2013	5,937,683	
	Additions	919,274	
	Disposal	(181,111)	

	At 31 December 2013	6,675,846	

	Depreciation		
	At 1 January 2013	4,254,044	
	Charge for the year	937,128	
	Disposal	(181,111)	

	At 31 December 2013	5,010,061	

	Net book value		
	At 31 December 2013	1,665,785	
		=====	
	At 31 December 2012	1,683,639	
		=====	
9	FIXED ASSET INVESTMENTS	2013	2012
		£	£
	Subsidiary undertaking	5,001	5,001
		=====	=====

The company has a 100% holding (1 share with nominal value of £1) in Consumer Credit Counselling Service Voluntary Arrangements Limited. The principal activity is the provision of insolvency services.

The company has a 100% holding (5,000 shares with nominal value of £5,000) in Consumer Credit Counselling Service (Equity Release) Limited. The principal activity is the provision of equity release loan advice and referral services.

Foundation for Credit Counselling also operates through a sister charity, Consumer Credit Counselling Service (Scotland).

Foundation for Credit Counselling
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
year ended 31 December 2013

9 **FIXED ASSET INVESTMENTS** *(continued)*

A summary of the results and balance sheet of the subsidiaries are given below:

Consumer Credit Counselling Service Voluntary Arrangements Limited

	2013 £	2012 £
Turnover	3,206,930	2,856,819
Costs of sales	(1,827,189)	(1,432,218)
	<hr/>	<hr/>
Gross profit	1,379,741	1,424,601
Administrative expenses	(1,366,244)	(1,262,461)
	<hr/>	<hr/>
Operating profit	13,497	162,140
Interest payable	-	(8,853)
Taxation	-	(46,070)
	<hr/>	<hr/>
Profit for the financial year	13,497	107,217
	<hr/> <hr/>	<hr/> <hr/>
Assets	846,374	751,822
Liabilities	(895,173)	(814,118)
	<hr/>	<hr/>
Shareholder's deficit	(48,799)	(62,296)
	<hr/> <hr/>	<hr/> <hr/>

Foundation for Credit Counselling
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
year ended 31 December 2013

9 **FIXED ASSET INVESTMENTS** *(continued)*

Consumer Credit Counselling Service (Equity Release) Limited

	2013 £	2012 £
Turnover	291,308	178,284
Costs of sales	(195,559)	(120,273)
	<hr/>	<hr/>
Gross (loss)/profit	95,749	58,011
Administrative expenses	(158,114)	(99,960)
	<hr/>	<hr/>
Operating loss	(62,365)	(41,949)
Interest payable	(23,236)	(20,269)
	<hr/>	<hr/>
Loss for the financial year	(85,601)	(62,218)
	<hr/> <hr/>	<hr/> <hr/>
Assets	66,731	44,731
Liabilities	(529,580)	(421,979)
	<hr/>	<hr/>
Shareholder's deficit	(462,849)	(377,248)
	<hr/> <hr/>	<hr/> <hr/>

Consumer Credit Counselling Service (Scotland)

	2013 £	2012 £
Total incoming resources	552,785	360,642
	<hr/>	<hr/>
Total resources expended	(510,123)	(351,453)
	<hr/>	<hr/>
Net incoming resources	42,662	9,189
	<hr/> <hr/>	<hr/> <hr/>
Assets	170,762	72,554
Liabilities	(49,889)	(40,943)
	<hr/>	<hr/>
Unrestricted funds	120,873	31,611
	<hr/> <hr/>	<hr/> <hr/>

Foundation for Credit Counselling
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
year ended 31 December 2013

10 DEBTORS

	Consolidated		Company	
	2013	2012	2013	2012
Due within one year:	£	£	£	£
Trade debtors	5,059,962	4,893,487	4,439,235	4,333,114
Prepayments and accrued income	1,527,748	1,440,922	1,449,860	1,327,964
Other debtors	242,645	59,783	222,778	58,106
Amounts owed by group undertakings	-	-	642,361	709,062
	<u>6,830,355</u>	<u>6,394,192</u>	<u>6,754,234</u>	<u>6,428,246</u>

	Consolidated		Company	
	2013	2012	2013	2012
Due after more than one year:	£	£	£	£
Amounts owed by group undertaking	-	-	400,000	400,000
	<u>-</u>	<u>-</u>	<u>400,000</u>	<u>400,000</u>

Included in the above is a loan of £400,000 (2012 - £400,000) made to Consumer Credit Counselling Service (Equity Release), a trading subsidiary of Foundation for Credit Counselling. Interest is charged at a rate of 5%. The loan has no fixed repayment date.

Foundation for Credit Counselling
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 year ended 31 December 2013

11 DEFERRED TAXATION

The deferred taxation included in the balance sheet is as follows

	2013 £	2012 £
Included in debtors	-	-

The movement in the deferred taxation account during the year was:

	2013 £	2012 £
Balance brought forward	-	46,070
Profit and loss account movement arising during the year	-	(46,070)
Balance carried forward	-	-

12 CREDITORS: Amounts falling due within one year

	Consolidated		Company	
	2013 £	2012 £	2013 £	2012 £
Trade creditors	629,203	624,683	385,417	619,846
Other taxes social security costs	607,588	548,389	607,588	548,389
Accruals and other creditors	1,840,961	1,475,020	1,647,792	1,340,334
	<u>3,077,752</u>	<u>2,648,092</u>	<u>2,640,797</u>	<u>2,508,569</u>

13 PROVISIONS FOR LIABILITIES

	Consolidated		Company	
	2013 £	2012 £	2013 £	2012 £
Provision for onerous lease	-	28,455	-	-
	<u>-</u>	<u>28,455</u>	<u>-</u>	<u>-</u>

The provision for onerous lease relates to future rent and service charges on a vacant property.

Foundation for Credit Counselling

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

year ended 31 December 2013

14 GUARANTEE

The liability of members of Foundation for Credit Counselling (and ex members for one year from their resignation date) is limited to £1 each.

15 OPERATING LEASE COMMITMENTS

At 31 December 2013 the group had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings	
	2013	2012
	£	£
Expiry date:		
Within one year	21,915	122,748
Between one and five years	211,840	145,923
After five years	1,080,429	784,079
	<u>1,314,184</u>	<u>1,052,750</u>

16 MOVEMENTS IN GENERAL UNRESTRICTED FUNDS

	At 1 January 2013 £	Incoming Resources £	Outgoing Resources £	At 31 December 2013 £
CONSOLIDATED				
General unrestricted	<u>27,191,045</u>	<u>37,274,765</u>	<u>41,082,971</u>	<u>23,382,839</u>
COMPANY				
General unrestricted	<u>27,557,380</u>	<u>34,164,212</u>	<u>37,942,976</u>	<u>23,778,616</u>

Foundation for Credit Counselling

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

year ended 31 December 2013

17 RELATED PARTY DISCLOSURES

Wrigleys Solicitors

Malcolm Lynch who is a partner of Wrigleys Solicitors LLP, is the company secretary of Foundation for Credit Counselling. During the year £59,707 (2012 - £53,570) was charged by Wrigleys Solicitors LLP. At the balance sheet date accruals included £13,027 (2012 - £7,343) in respect of these fees.

18 RECONCILIATION OF NET (OUTGOING)/INCOMING RESOURCES TO NET (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Net (outgoing)/incoming resources for the year	(3,808,206)	2,399,825
Taxation	-	46,070
Investment income	(506,391)	(537,652)
Depreciation charge	1,030,867	1,088,522
Increase in debtors	(436,163)	(1,180,103)
Increase/(decrease) in creditors	401,205	294,099
	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	(3,318,688)	2,110,761
	<hr/>	<hr/>

19 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN CASH

	2013 £	2012 £
(Decrease)/increase in cash in the year	(3,898,094)	1,652,657
Net cash at 1 January 2013	21,654,544	20,001,887
	<hr/>	<hr/>
Net cash at 31 December 2013	17,756,450	21,654,544
	<hr/>	<hr/>

Foundation for Credit Counselling

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

year ended 31 December 2013

20 ANALYSIS OF NET FUNDS

	At 1 January 2013 £	Cash outflow £	At 31 December 2013 £
Cash at bank and in hand	21,654,544	(3,898,094)	17,756,450
	<u> </u>	<u> </u>	<u> </u>

21 PENSION COSTS

The charity operates defined contribution pension schemes. The assets of the schemes are held separately from those of the company, being invested with insurance companies as per the employee's instructions. The pension cost charge represents contributions payable by the charity to the funds and amounted to £655,307 (2012 - £434,765).