

# Annual Report and Accounts 2024



# Contents

---

**Overview**

Chair’s statement ..... 4

CEO’s statement ..... 6

**Strategic report**

Our impact ..... 8

Our strategic objectives ..... 9

Financial review ..... 10

Principal risks and uncertainties ..... 14

**Trustees’ report**

Our priorities for 2025 ..... 18

Structure, governance and management ..... 22

Statement of Trustees’ responsibilities ..... 42

**Director’s report**

Independent Auditor’s report ..... 44

Consolidated statement of financial activities ..... 48

Charity statement of financial activities ..... 49

Balance sheets ..... 50

Cash flow statements ..... 51

Notes to the financial statements ..... 52

**Thank you to our supporters** ..... 74

**Debt happens.**



**Let's deal with it.**

## Chair's statement

---



It is an honour to introduce my first Annual Report as Chair of StepChange. I want to begin by paying tribute to my predecessor, John Griffith-Jones, who led the Board with dedication and insight over the past five years. Under his leadership, StepChange navigated a rapidly changing external environment while maintaining its unwavering commitment to supporting those in problem debt. I am grateful to John for his stewardship, and I look forward to building on the strong foundation he has left.

As we reflect on 2024, one of the key themes for me that emerges is the strength of our governance and strategic leadership. StepChange is an organisation undergoing a transformation. The past year has seen us continue to invest in new technology, refine our funding model, and evolve the way we deliver support to clients. Our governance structures, and the diversity of expertise within our Board of Trustees, have been crucial in steering this change. It has ensured that our transformation is not only ambitious but also well-managed, sustainable, and always focused on achieving the best outcomes for those we serve.

A defining achievement of 2024 has been the development of our new five-year strategy, *Stepping Ahead: Destigmatising Debt and Powering Financial Resilience*. This strategy has been shaped by extensive engagement with clients, partners, and stakeholders, as well as deep analysis of the changing financial landscape. It marks an evolution in StepChange's mission: moving beyond simply helping people out of debt, but towards enabling long-term financial resilience. While debt advice will always remain at the heart of what we do, we recognise that in an era of economic uncertainty, our role must expand to equip people with the tools, knowledge and support to sustain financial wellbeing for the long term.





This strategy is more than just a vision – it is underpinned by practical steps to deliver real impact. In 2024, we worked tirelessly to ensure we are positioned to meet the challenges ahead. We have strengthened our partnerships, secured vital funding to sustain our services, and continued to invest in our people. Our Digital Transformation Programme is progressing at pace, modernising our systems to enhance efficiency, improve accessibility, and future-proof our support. At the same time, our policy and campaigning work has continued to drive systemic change, securing commitments from policymakers and regulators on issues that affect our clients the most.

None of this would be possible without the dedication of StepChange's people – our colleagues, partners, and supporters – who work tirelessly to ensure that those experiencing financial difficulty receive the help they need. I also want to thank my fellow

Trustees for their expertise and guidance in shaping the future direction of the charity. Their collective experience across financial services, policy, technology, and social impact ensures that StepChange remains a leader in the sector, driving innovation while staying true to its core purpose.

As we enter 2025, we do so with a clear plan and a bold ambition: to not only help people recover from debt but to empower them to take control of their financial future. I look forward to seeing the impact of our new strategy and to working with all those who support StepChange to continue delivering for the clients and communities who rely on us.

**Lesley Titcomb CBE**  
Chair of Trustees

# CEO statement

---



This year's Annual Report vividly demonstrates the real progress we have made to support people experiencing financial difficulty in an evolving landscape. StepChange has remained a vital lifeline for thousands of individuals and families, helping them navigate debt and build towards long-term financial resilience.

Demand for our services remains high. In 2024, we provided full debt advice to over 170,000 people. While this represents a slight decrease on last year, the story behind the figures is encouraging. A higher proportion of those coming to us are now accessing a debt solution, meaning more people are taking tangible steps towards financial recovery. Supporting better outcomes for clients is at the heart of our mission and future direction.

At the same time, we have seen significant shifts in how people seek advice. The wider debt advice sector is undergoing change, influenced by economic pressures, evolving customer behaviour, and regulatory developments. The introduction of the Financial Conduct Authority's Consumer Duty in July 2023 has encouraged financial services firms to improve their own customer support and more frequently address debt concerns in-house. This is a welcome development that has helped some clients get support earlier, but it also affects patterns of demand for organisations like ours.

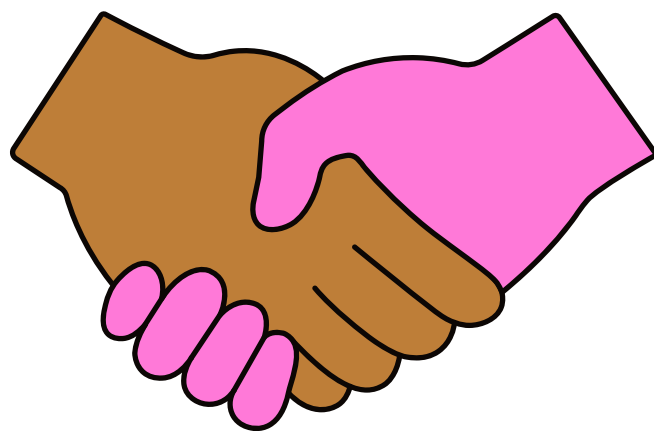
We are also seeing increased competition, including from fee-charging and commercial providers that are active across digital and social media channels. While this expansion gives consumers more choice, it also carries risk. It is vital that people in problem debt are directed toward free, high-quality advice – not commercial services that could worsen their financial situation. That is why our focus remains on providing accessible, expert support, with a clear public benefit mission at our core.

This year, we have also laid strong foundations for the future. Our new five-year strategy, *Stepping Ahead: Destigmatising Debt and Powering Financial Resilience*, sets out an ambitious vision for the charity. It reflects the insights of colleagues, clients and partners, and commits us to a future where we deliver the best possible services – and work with trusted partners where they are better placed to deliver specialist support.

That means continuing to strengthen and expand our own offer. In addition to our core advice services, we have invested in tools and resources that help people take control of their finances. More than 204,000 people accessed support from our wider services in 2024 – from budgeting tools to benefits checks. Our benefits checker alone helped clients identify over £9 million in unclaimed income. These early interventions can be critical in helping people avoid crisis and build financial resilience.

At the same time, our new strategy has also required difficult choices about where we focus our efforts. One such decision has been the closure of our subsidiary, Consumer Credit Counselling Services (Equity Release) Limited, which provided mortgage and equity release advice. This strategic decision was taken after a careful review of whether we remain best placed to deliver the outcomes clients need in a changing and complex market. The backdrop has been challenging – with high interest rates, reduced demand, and ongoing market volatility – and Consumer Credit Counselling Services (Equity Release) Limited has not been immune. Looking ahead, we believe that a trusted external partner will be better able to provide clients with the service they need, offering faster access, digital capability and wider expertise. While we will continue to recommend equity release where appropriate, we will no longer deliver it directly. I want to offer my sincere thanks to our Financial Solutions colleagues for their professionalism, dedication and the many clients they have supported.

We begin this next chapter from a position of strength. Thanks to the generosity of our funders and partners, we remain in robust financial health. The increased funding we secured in 2024 has allowed us not only to maintain our services, but to invest in improvements to make them more efficient and impactful. We have modernised our



technology, refined our delivery, and ensured that every pound goes further in helping people in financial difficulty.

None of this would be possible without the commitment of our colleagues. Providing debt advice is complex and emotionally demanding work, and I am continually inspired by the compassion, expertise and resilience our team brings to every client interaction. Their determination to support people through moments of real crisis is the foundation of everything we do.

I would also like to thank our Board of Trustees for their insight and support over the past year. Their strategic guidance and unwavering commitment to our mission have helped shape the organisation we are today – and the one we are becoming.

Finally, my sincere thanks to our partners and funders. Whether through financial support, collaboration or shared expertise, your belief in our work makes our impact possible. Together, we will continue to work towards a future where no one faces financial difficulty alone.

A handwritten signature in black ink, appearing to read 'Vikki Brownridge'. The script is fluid and cursive, with a large, stylized 'V' at the start.

**Vikki Brownridge**  
Chief Executive Officer

# Our impact

**6.2 million**

visits to our website

**170,928**

clients completed  
full debt advice

**41,805**

clients started a  
debt solution



**15,180**

clients became problem  
debt free with our support



**£367 million**

debt repaid by our clients



**£9.1 million**

additional client income  
identified through our  
benefits checker



**204,242**

clients guided

**679,068**

clients accessed our  
Homeowner and Cost of  
Living Hubs



**20,225**

clients guided through our  
Money Health Check

**184,564**

clients on a managed plan



# Our strategic objectives

**In 2024, the final year of our 2022–25 strategy *Stepping Up In A Changing World*, we continued to make good progress against our objectives.**

## Throughout the year:

### **Objective 1: Our clients and their needs at the heart of everything we do**

- We received feedback from 4,000 clients, and exceeded our targets. We achieved a customer satisfaction score of 73%, a Net Promoter Score of +60 and a service accessibility score of 71%.
- We expanded our award-winning Vulnerability Strategy by embedding British Sign Language resources into the client journey, helping clients to identify illegal money lending, and training colleagues to become Plain Numbers practitioners.

### **Objective 2: Empowering our people and developing their skills**

- In 2024, we launched a new three-year Learning and Development Strategy.
- We completed the roll-out of our Equality, Diversity and Inclusion (EDI) Behaviours Programme and trained over 300 colleagues on EDI fundamentals.

### **Objective 3: Adapting to a new funding world**

- We have worked collaboratively with the UK's largest banks and UK Finance to refine a new, fair funding model, which we expect to pilot in 2025 and will enable our partners to plan and fund debt advice for the long-term.
- Alongside securing over £18.7m in funding from our partners in 2024, we continued our work to diversify our funding. We developed 20 new partnerships, enhancing our collaboration with the energy sector, securing over £8 million in new funding.

### **Objective 4: Working with our partners**

- We onboarded 100 partners to our digital referral tools, delivering training sessions

for partners to help them identify signs of vulnerability and debt, and launching a service with OVO Energy, offering debt advice for their most vulnerable customers.

- We continued our sector-wide engagement and collaboration, sharing insights and reports. In September we held our annual partner event, StepChange Connected, bringing together over 175 guests across the industry.

### **Objective 5: Campaigning to stop people falling into problem debt and helping them to recover if they do**

- Following the general election, StepChange called for the new government to put financial security first. We have been engaging with MPs across all parties to raise awareness of our policy priorities and improve protections for consumers.
- Our campaigning successes included seeing the government acknowledge StepChange's calls and announce its plans to regulate the Buy Now Pay Later sector, alongside reducing Universal Credit deductions. In addition, we saw improvements to energy debt collection practises, and reform to private rented sector regulation.
- We published 14 policy and research reports and delivered 30 consultation responses and submissions to Parliament and regulators.

**For a full account of our achievements in 2024 read our full [Impact Report](#)**

## **Impact Report 2024**



# Financial review

---

**For the year to 31 December 2024, our group accounts show a net deficit of £1.6m for the year with free reserves of £12.5m at year-end.**

## Income

In 2024 total income increased to £60.2m compared with £54.7m in 2023. This was primarily due to an increase in donations from £11.9m in 2023 to £17.8m in 2024.

Our unrestricted income includes donations, Fair Share Contributions ("FSC") and income within our operating subsidiaries. FSC remains the group's largest source of income even though it has been reducing over the last four years. However, in 2024 that trend reversed slightly due to an increased number of clients making debt repayments via StepChange solutions, lifting FSC by £1.0m year-on-year. This was however diminished by an increased impact of FSC non-payers reducing the average FSC rate from 10.53% in 2023 to 10.33% in 2024.

It is therefore very welcome to note the increases in donations received, which include a number from the financial services sector and significant funding received from utility companies. The continued support of our funding partners is extremely welcome especially as many of them have agreed ongoing funding for 2025 and 2026.

Our restricted income fell from £3.2m in 2023 to £1.8m in 2024, reflecting the cessation of the grants from the Money and Pensions Service in early 2023.

## Operating expenditure

Total operating expenditure for the group was £61.8m (2023: £59.5m). This expenditure includes £4.6m (2023: £1.3m) of expenditure relating to our back office optimisation programme ("BOO"), our new contact centre platform and investment in our digital foundations. Excluding these ongoing investments, our underlying operating costs reduced by £0.6m as we continue to ensure that we deliver efficiencies from previous investments but without detriment to our ability to deliver for our clients.

People costs remain the group's largest area of expenditure, being approximately 70% of total operating costs. In 2024 we continued to deliver efficiencies in our service delivery, with a 3% reduction in our colleague base whilst still helping a similar number of people to 2023. This follows a 7% reduction in the previous year. Continuing to deliver both client service benefits and cost efficiencies from our ongoing digital investment will remain a key focus for 2025 and 2026.

## Net operating result

The operating deficit of £1.6m (2023: £4.7m deficit) is comprised of an unrestricted deficit of £1.1m (2023: £3.8m deficit) and a restricted deficit of £0.5m (2023: £0.9m deficit).

The restricted deficits in both years are primarily the in-year utilisation of funding received in prior years relating to our pilot programme to provide debt advice to self-employed individuals.

The unrestricted deficit is stated after the digital investments mentioned above as well as, in 2023, an amortisation charge of £1.5m which relates to the Pulse debt advice development costs that were capitalised as an intangible asset. For 2024 there is no charge since the asset was fully amortised by September 2023.

## Capital expenditure

Total additions to tangible fixed assets were £0.3m this year (2023: £0.1m) with additions being primarily items of IT and office equipment.

## Subsidiaries

The charity has two subsidiaries, one for the provision of insolvency solutions, and one for equity release and mortgage solutions. Any net proceeds generated by these subsidiaries are distributed via Gift Aid back to the charity. Both operations have been developed to help people become free of problem debt. Within the charity's Statement of Financial Activities, the proceeds from the subsidiaries are not classified as charitable activities but included within donations received.

## Cashflow, investments and liquidity

Our investment policy agreed by the Trustees remains to invest in fixed term bank deposits only. Within the year, there was a net decrease in cash and cash equivalents of £4.3m (2023: £2.1m decrease). This decrease is due to utilisation in 2024 of both restricted and unrestricted donations received in 2023.

At 31 December 2024 total cash and cash equivalents were £5.2m (2023: £9.5m) with no funds held on deposit for a period of greater than three months (2023: £NIL).

The group has a liquidity backstop cash requirement agreed with the FCA being a minimum cash balance of £5.25m. Such cash reserves would allow the group to effect an orderly winddown without detriment to clients should the situation ever arise. Group balances dipped slightly below that level at year-end for less than one week due to the timing of payments vs. scheduled receipts.

## Reserves policy and management

Reserves are maintained at a level to manage the short-term financial risk, the potential costs of unplanned closure and ensure the long-term viability of the charity given the risks detailed in the "Principal risks and uncertainties" section of this report. Our reserves policy is reviewed by the Board of Trustees at least annually. In assessing the policy, the Board considers the scale of the charity's ongoing cost base, the risk environment, security of funding as well as the investment needs of the group. In line with best practice, our policy includes a lower and upper limit on our free reserves. This ensures that whilst, on one hand, we are ensuring the group's ongoing financial viability, the group is also applying as much funding to its charitable objectives as it reasonably can.

In December 2024 the Board approved our reserves policy unchanged, being that the group's free reserves (i.e. reserves after removing net tangible and intangible fixed assets and restricted funds) will not be allowed to fall below £10m nor to exceed £18m. This range ensures that reserves should be, at minimum, adequate to ensure an orderly winddown of the charity should that route be chosen or required. Above that minimum, slightly higher reserves help create an operating and planning buffer against that minimum level. The Board may also choose to utilise the higher end of the range should funding risk increase or resource be required for significant future investment.

At 31 December 2024 the group's free reserves stood at £12.5m being unrestricted funds of £12.8m less fixed assets of £1.1m plus unamortised landlord fit-out contribution of £0.8m. This is a decrease of £1.1m since the start of the year as we commenced our investment in the new back office debt management systems.

# Financial review

---

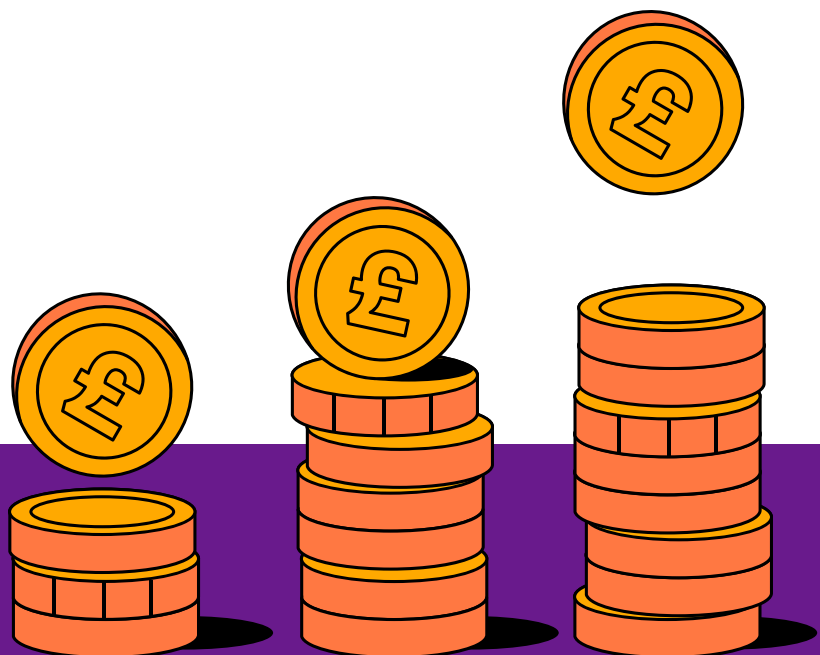
The total balance sheet reserves at 31 December 2024 were £13.2m (2023: £14.8m), of which £0.4m (2023: £0.9m) are restricted in nature.

## Investment policy

The group's investment policy is reviewed annually by the Audit, Risk and Compliance Committee. In 2024, the policy has been maintained to continue to invest the surplus liquid funds in fixed-term deposits with maturities of no more than 12 months. This allows the Board the appropriate flexibility and liquidity as we utilise reserves for the BOO programme. However as interest rates have risen we have been able to utilise shorter-term deposits to generate some return on our balances at minimal risk. Interest yield on overall balances in 2024 was 3.1% (2023: 2.0%).

## Basis of preparation of the Accounts

In line with the Charities Accounts (Scotland) Regulations 2006 (as amended), the charity has prepared a charity-only Statement of Financial Affairs on page 45, with additional charity-only disclosures made in the notes to the financial statements. The financial statements have been prepared on the going concern basis. The charity has strong financial resources invested with minimal risk and no borrowings.









# Principal risks and uncertainties

---

## Our approach to risk management

The Board of Trustees is responsible for approving the charity's approach to risk management, and for setting the type and amount of risk that the charity is willing to accept in pursuit of its objectives.

The Board reviews its risk appetite at least annually to ensure the charity is continuously managing its risks and exposures effectively. This includes considering strategic changes that may impact the type and amount of risk it is willing to take.

The Audit, Risk and Compliance Committee (ARCC), via the charity's Delegated Authority Framework, is accountable for ensuring oversight and maintenance of a sound system of internal control and risk management.

ARCC, in turn, delegates the day-to-day operation of internal controls and risk management to the Executive Team. The Chief Risk Officer has responsibility for the design, implementation and effective operation of the Risk Management Framework.

The charity aims to operate effective processes which enable colleagues to identify, assess, manage, monitor and report on the risks to which StepChange is exposed.

Decisions are based on managed risk-taking in alignment with our risk appetite and in pursuit of our strategic plan. In doing so, we seek to protect the interests of our clients, in line with our obligations under the Financial Conduct Authority (FCA) Consumer Duty, while ensuring the longevity of the charity.



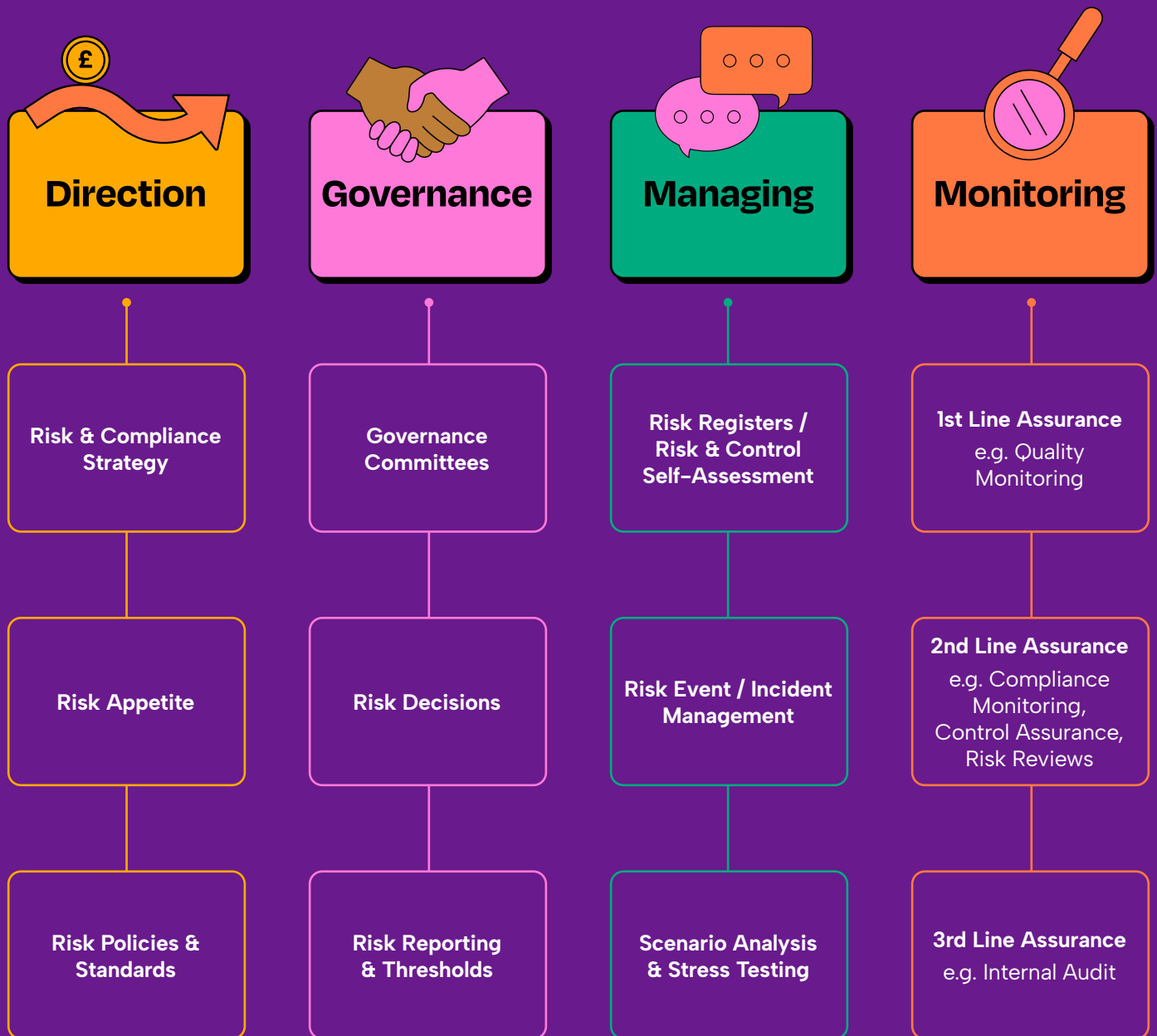
## Three lines of defence

The charity operates a 'three lines of defence' model. Our application of this model is tailored to the size, complexity and activities of the charity. The first line owns and operates most controls to mitigate risk and maintain our ongoing compliance. The second line is responsible for the design, implementation and effective operation of the Risk Management Framework, as well as providing assurance, advice, oversight and challenge to the first line. The third line is internal audit which is provisioned on an outsourced basis and delivers independent assurance over first- and second-line activity. It reports to the ARCC to provide an impartial view of the charity's risk and control environment.

## Risk Management Framework

Risk management takes place in the context of our culture. Our Risk Management Framework is designed to positively influence behaviours in pursuit of our target culture. Its purpose being to create a common risk language and consistent and effective approach to the management of risks.

# Risk Management Framework Summary



## Culture

Risk management happens in the context of our culture and our current culture will always influence how colleagues manage risk. Our risk management framework is designed to positively influence behaviours in pursuit of our target culture.



# Key risks and opportunities

---

**The risk landscape that the charity operates within continues to evolve. A summary of the principal risks and opportunities that the charity is exposed to, and how we manage them is:**

## Digital transformation

We continue to make significant investments in our digital transformation, which presents a significant opportunity to replace legacy systems and develop new technologies and tools that will enhance our ability to meet the current and future needs of our clients. However, this initiative introduces a heightened risk that we invest in the wrong technologies or our organisational capacity for delivery becomes overstretched, potentially impacting colleagues, costs, timelines, and the quality of output.

To mitigate the risks associated with such an ambitious change programme, we have partnered with transformation experts to help us develop an agile change approach which focuses on the outcomes we aim to achieve and is supported by robust governance. This will help manage an efficient and effective transformation programme.

## Debt advice funding model

Securing long-term funding is crucial to ensure we remain financially sustainable and well-equipped to deliver positive client outcomes.

Significant progress has been made toward exploring a pilot with key partners to trial a sustainable debt advice funding model. Whilst this presents a significant opportunity, if the pilot is not successful or does not lead to the establishment of a new funding model for debt advice, we will remain heavily reliant on securing short term donations.

To support this shift, the charity is making developments to enable the sharing of

necessary data with partners for the effective operation of the funding model pilot. We will monitor the results closely and collaborate with our partners to deliver a model which enhances support for clients as well as ensuring sustainable recurring funding for debt advice.

## Increasing competition

As the debt advice sector becomes more competitive, there is, in turn, more competition from both for-profit and not-for-profit organisations. This is influencing how clients seek debt advice, and there is an increasing need to drive growth, innovation and diversified funding streams to ensure our continued commitment to accessible, high-quality support for our clients.

A key risk is that partners may choose to pilot with our competitors if they perceive them to have superior offerings or are investing more rapidly in technology. There is also the additional risk of clients being directed to fee-charging services.

The charity's 2025–2030 strategy outlines our priorities over the next five years, and how we intend to evolve and innovate our services to continue delivering the best long-term outcomes for our clients. To remain competitive in the debt advice and solutions markets, we are continuing our digital transformation and are focused on ensuring we have the capacity and capability to innovate and deliver services which meet the changing needs of our clients, both now and in the future.

## Money Advice and Pensions Service commissioning

The Money Advice and Pensions Service (MaPS) is now preparing the next round of commissioning, inviting organisations in the sector to bid for regional services during 2025/26. This will be followed by national commissioning. We recognise





that these commissioning rounds offer a valuable opportunity to directly impact the wellbeing of clients and have the potential to improve the accessibility and quality of services available to them.

In alignment with our strategy, we will ensure that our approach to bidding is guided by the potential benefits it could provide for our clients. We will carefully consider how the scope, timeline, and approach for MaPS commissioning can best serve the needs of those who rely on the support and services it can offer. We are actively engaging with the commissioning process, including providing input to consultations, to ensure the services focus on good long-term outcomes and meet the diverse needs of clients seeking debt advice.

### **Client budget sustainability**

The impact of higher interest rates and inflation continues to widen the gap between

income and essential expenditure, creating a significant challenge for debt advice services where income does not cover essential expenses. This leads to what is known as a negative budget. Approximately 30% of new clients are facing a negative budget, this is slightly lower than the 31.5% seen in 2023 but is still a substantial proportion of our new client base.

Our existing services provide limited options for clients in this position, resulting in some clients being unable to access a repayment solution. Writing off debts is an option for some but does not address the fundamental deficit in a client's budget, leaving them at high risk of problem debt in the future. This challenge is reflected in our client satisfaction results.

We are actively exploring options to further develop our income maximisation offering and prioritise its development to better support our clients in financially vulnerable circumstances.

# Our priorities for 2025

---

**2025 is set to be a pivotal year for StepChange. The launch of our new five-year strategy, *Stepping Ahead: Destigmatising Debt and Powering Financial Resilience*, marks an exciting moment for the charity as we look to the challenges and opportunities in the future. This strategy is the culmination of extensive research, stakeholder engagement, and reflection on the wider debt advice sector and the evolving needs of our clients.**

Alongside this, we know that financial pressures on households remain acute. While some commentators suggest the cost-of-living crisis is easing, for many of our clients, that is far from the reality. We have seen significant shifts in our client base, including an 82% increase in the number of clients with mortgage arrears, alongside continuing challenges with council tax debt and energy arrears. As a sector, we must rise to the challenge of helping hundreds of thousands—if not millions—of people to get back on their feet following five years of extraordinary economic and social disruption.

StepChange will continue to play a central role, not only as a service provider but also as a campaigner for systemic change. With a new government in place, we are committed to working across all political parties and all four nations of the UK to ensure meaningful action is taken to support those struggling with debt. We are particularly keen to engage with the government's commitment to developing a new financial inclusion strategy, and we'll work to ensure that those at risk of problem debt are firmly on the agenda.

## **Launching and embedding our new strategy**

2025 will see the launch of our new five-year strategy, followed by a period of embedding and implementation to ensure that we are set up to deliver on our ambitious objectives. Central to our new strategy is a shift in focus – not just helping people to become debt-free, but also supporting them to build long-term financial resilience.

To achieve this, we will develop a comprehensive definition of financial resilience and establish clear metrics for good client outcomes. By refining how we measure success, we can ensure that our services not only provide immediate relief, but also empower people to achieve financial stability and security for the future.

## **Supporting our clients**

For our clients, the cost-of-living crisis is not over. In 2025, we will continue to provide full debt advice to more than 170,000 people, helping them move towards sustainable solutions. This slightly reduced number reflects a more targeted client acquisition model, ensuring that we focus our resources on those we are best placed to serve with full debt advice and long-term solutions.

Ensuring that we reach the right clients at the right time remains a priority. We will continue to invest in public brand awareness, maintaining nationwide recognition through key marketing moments such as Debt Awareness Week. We also aim to grow brand consideration among those who can benefit most from our services.

We will also continue to lead on best practices for supporting clients with additional needs by updating our organisational Vulnerability Strategy. This will ensure that our services are inclusive by design and that all clients, regardless of their circumstances, can access tailored, high-quality support.

## Our colleagues

Our colleagues are StepChange's greatest asset, and we are committed to continuing to support, develop, and empower them. In 2024, we achieved a record-high colleague engagement score of 86% for the second consecutive year, a testament to the dedication and passion among our teams.

In 2025, we will further enhance our colleague well-being offering, ensuring that everyone in our organisation has the support they need—particularly those working on the front line with vulnerable clients.

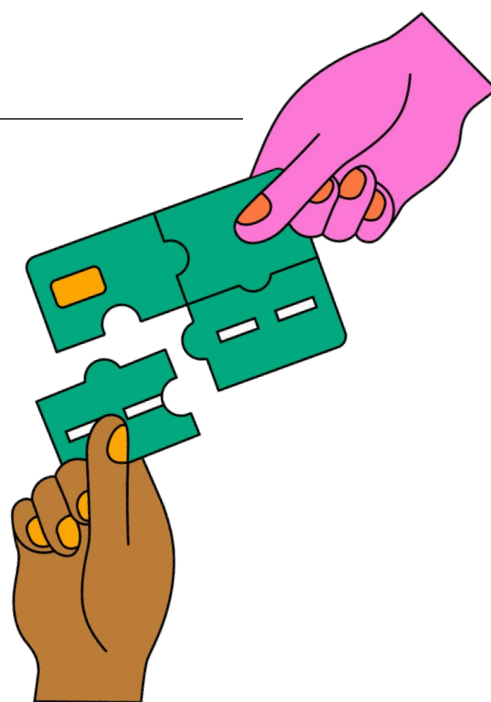
We will also continue our commitment to Equality, Diversity, and Inclusion (EDI) by developing an updated EDI strategy. At a time when some organisations are retreating from EDI work, we remain steadfast in our belief that diversity and inclusion are essential to unlocking the full potential of our teams and ensuring we provide the best possible service to our clients.

## Working with the new government

With a new government in place, 2025 presents a crucial opportunity to influence policy and drive meaningful change. StepChange will continue to build relationships across all parties, and work closely with decision makers to ensure that the needs of those in problem debt are prioritised.

We welcome the government's commitment to developing a financial inclusion strategy and will contribute evidence and insights, particularly in areas such as savings and access to affordable credit.

We will also engage with the government's Child Poverty Strategy, recognising that single parents and families with children are disproportionately represented among our clients. We know that they have been among the hardest hit by the cost-of-living crisis.



## Working with partners and diversifying our funding

We are incredibly grateful to the valued partners who stepped up in 2024 to fund our essential work, helping us to continue providing lifesaving services while also investing in new technology and innovation.

In 2025, we will further strengthen these partnerships and expand our funding base by:

- **Scaling our small business advice proposition to reach more businesses in need.**
- **Developing our utilities sector partnerships to support people struggling with energy arrears.**
- **Expanding our welfare benefits service, following the successful 2024 pilot.**
- **Driving improvements in the Individual Voluntary Arrangement (IVA) market, ensuring that good client outcomes are placed at the heart of the product.**
- **Enhancing creditor referral pathways with new digital tools for smoother, more efficient client journeys.**
- **Leveraging real-time data on client outcomes to provide creditors with deeper insights into their customers' financial wellbeing.**



## Technology and transformation

In 2024 we saw significant progress in StepChange's technological transformation, with the successful implementation of Genesys, our new call centre platform. Rolled out rapidly and with high levels of colleague engagement, Genesys has already improved our ability to support clients and manage colleague capacity more efficiently.

In 2025, we will continue to unlock the full benefits of this new platform, while also retiring outdated legacy systems. These currently underpin back-office processes such as client reviews and payment distributions. These changes will increase efficiency, unlock cost savings, and allow us to deliver even more for our clients with fewer resources.

## Meaningful systemic change

StepChange will continue to work with government, regulators, and policymakers to drive meaningful systemic change in 2025. Our key areas of focus will include:

- **Reforming the insolvency landscape to ensure it is fair, effective, and consumer focused.**
- **Advocating for stronger protections and regulatory improvements in debt solutions.**
- **Pushing for reforms in credit reporting and credit markets to encourage early intervention, reduce financial exclusion, and prevent problem debt from escalating.**
- **Addressing persistent issues in the credit market, including revolving credit, persistent debt, Buy Now Pay Later regulation, and the Consumer Credit Act.**

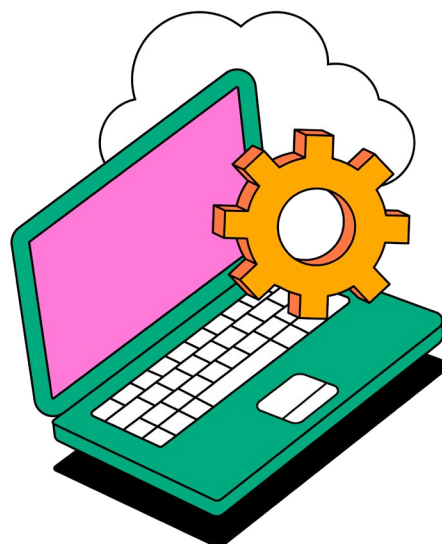
Our goal is to ensure that policy and regulation evolves to support financial resilience, reduce the stigma around debt, and create a fairer and more effective credit system for consumers.

## Consumer Credit Counselling Service (Equity Release)

As part of our strategic review, and following two years of difficult conditions in the equity release and mortgage markets, the Board decided, in April 2025, to cease new business in our subsidiary company Consumer Credit Counselling Service (Equity Release) Limited and to support the company in commencing an orderly wind-down. While this is a difficult decision, it will help enable the charity to focus its resources on where it can make the biggest impact to clients on a cost effective basis. The charity will continue to recommend equity release solutions where appropriate but via referral to a selected external partner. As a consequence the parent charity will cease to recharge costs to this subsidiary for 2025.

## Conclusion

2025 will be a defining year for StepChange. With the launch of our new strategy, we are embarking on an ambitious journey to not only help people become debt-free but to ensure they are supported in building long-term financial resilience. Through our commitment to clients, colleagues, partners, and policy change, we will work tirelessly to improve outcomes, break down stigma, and create a fairer financial system for all.









# Structure, governance and management

## Structure and management

Foundation for Credit Counselling ("the charity"), which trades under the name StepChange Debt Charity, is a company limited by guarantee and is registered as a charity (no. 1016630 in England and Wales, and SC046263 in Scotland). It has two active subsidiary companies:

- **Consumer Credit Counselling Services (Equity Release) Ltd, company number 06741879.**
- **Consumer Credit Counselling Service Voluntary Arrangements Ltd, company number 05659160.**

The charity is authorised and regulated by the Financial Conduct Authority (FCA no. 729047) to provide debt adjusting and debt counselling services. It is permitted to hold client money as a not-for-profit firm and holds limited permission under the FCA Handbook within its flexible firm portfolio.

Consumer Credit Counselling Service (Equity Release) Ltd is separately authorised and regulated by the Financial Conduct Authority (FCA no. 517674) to advise and arrange home reversion plans and mortgage contracts.

Both the charity and Consumer Credit Counselling Service (Equity Release) Ltd fall under the FCA's Senior Managers and Certification Regime for solo-regulated consumer credit firms, as 'limited' and 'core' firms, respectively. Appropriate arrangements are in place to ensure both entities comply with the requirements of the regime.

Consumer Credit Counselling Service Voluntary Arrangements Ltd employs Insolvency Practitioners that are licensed and authorised by the Insolvency Practitioners Association (IPA).

## Board of Trustees

The charity is governed by a Board of Trustees ("the Board") and currently consists of ten Trustees. In 2024, one new Trustee – Janet Pope – was appointed. On 30 April 2024, the Chair of the Board, John Griffith-Jones, stood down from the role after over five years. Following an open recruitment process, Lesley Titcomb CBE was appointed Chair from 1 May 2024. The Board is supported by a Company Secretary – Catherine Smith – appointed in February 2024 and an officer of the company. Arrangements were put in place during late 2024 to recruit up to three Trustees in 2025.

For the purposes of company law, all Trustees are Directors of the charity. Trustees have a duty to act in the best interest of the charity and must not place themselves in a position where they have, or may have, direct or indirect interests that conflict with their duties. As such, the charity has a conflict-of-interest policy in place, which sets out guidelines and procedures for identifying, monitoring, and managing actual and potential conflicts of interest. A register of Trustees' interests is maintained, and reviewed annually by the Board, with interim updates presented at Board meetings whenever amendments or additions are made. There is a standing agenda item at each Trustee meeting requiring those present to declare any conflicts of interest relating to matters to be discussed at the meeting. Trustees and members of the Executive team sign an annual declaration to confirm the accuracy of their declared interests.

The Board has a Schedule of Matters Reserved and is responsible for setting the group's strategic direction, overseeing governance and risk, setting budgets, and ensuring that the charity achieves its objectives and complies with its legal and regulatory obligations. Some specific duties of the Board are delegated to the Audit, Risk and Compliance Committee, and the Nomination and Remuneration

Committee, with the day-to-day running of the charity managed by the Executive Team.

The Board held five full meetings during 2024, as well as strategic planning days and additional shorter meetings held on specific subject areas as required.

On behalf of the Board, the Nomination and Remuneration Committee oversees arrangements for Board and Trustee effectiveness and the periodic review of the collective performance of the Board and its Committees. During 2024, with the appointment of a new Chair and Company Secretary, we continued to review our performance and further strengthen our governance practice. In addition, the Chair has annual discussions with individual Trustees to review their performance and contribution to the Board; the performance of the Chair is reviewed annually by the Senior Independent Director.

### Trustee induction and development

The induction of new Trustees is facilitated by the Company Secretariat function. Trustees receive a comprehensive induction pack 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. Trustees have access to the charity's Board Portal which contains past Board and committee meeting packs, policies, and strategy documents. Governance information is also provided via the Charity Governance Code and key Charity Commission guidance including "The Essential Trustee," and the NCVO's online training session on Trustee roles and responsibilities. The Trustee induction programme also involves meetings with managers across the different functions of the charity, as well as client call listening and other observation sessions with front line operations colleagues. Additional tailored induction sessions are arranged for

individual Trustees as required. A Trustee mentoring system for those joining the Board in their first Trustee role is also in place.

Following initial induction activity, there are a number of ongoing development opportunities available for Trustees. In addition to support for any specific training or development activity that may be identified or requested, for example through the annual review process, additional areas of learning and insight are covered via activities such as stakeholder engagement sessions and through engaging external expertise. Notably in 2024, there was a development session run for Trustees regarding monitoring agile programmes, as well as the establishment of a new programme of focused 'familiarisation' sessions providing Trustees with further insights into key areas such as regulatory compliance, public affairs and campaigning, finance, and the wider debt management sector.

### Trustee term of duty

New Trustees are initially appointed for a term of three years, which may be extended for a further three years upon approval by the Board. A Trustee may, in exceptional circumstances, be appointed for a third three-year term where the Board determines that it is in the best interest of the charity, and in line with agreed criteria for such an extended term.

Trustees, with the exception of the Chair of the Board, receive no remuneration for their services, but are entitled to receive reasonable expenses when costs are incurred as a result of carrying out their normal duties and responsibilities. A Trustee Expenses Policy aligning with Charity Commission guidance is in place to ensure no Trustee is 'out of pocket' as a result of carrying out their Trustee duties and responsibilities and, importantly, to help ensure that being a Trustee is open to all. Third-party indemnity provision is in place for the Trustees.

# Board and Committee meeting structure

---

The Board has two specialist committees to assist it with its work – Audit, Risk and Compliance, and Nomination and Remuneration – which have specific responsibilities as outlined below. Trustees may be invited to serve on one or more Board committees. Executive team members attend Board and Committee meetings by invitation. Committee membership details are shown in the table on page 29. The Chair of each Committee reports back to the Board at its next formal meeting and minutes of Committee meetings are circulated to all Trustees.

## Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee's purpose is to provide assurance to the Board that the group as a whole has an effective system of internal controls, risk management, and financial reporting. This includes oversight of internal and external audit processes. The areas covered within the Committee's terms of reference include financial reporting; internal controls and risk management systems; financial crime, whistleblowing, and anti-bribery; internal audit; and external audit. The Committee met five times in 2024.

## Nomination and Remuneration Committee

The Nomination and Remuneration Committee's purpose is to provide oversight of Trustee and Executive appointments, remuneration, and organisational culture arrangements. The areas covered within the committee's terms of reference include Board and Committee composition; selection processes for Trustees and the Executive; succession planning; Board, Trustee and executive performance; the overall reward and recognition framework; equality, diversity and inclusion; organisational culture; contractual arrangements for the Executive Team; and the review of remuneration trends and market analyses. The Committee met three times in 2024, in addition to meetings relating to the recruitment of new Trustees.

## Executive

The Executive team manages the charity's daily activities. Responsibilities are governed through formally minuted monthly meetings of the Executive Board, quarterly meetings of the Executive Risk and Conduct Committee, and biannual meetings of the Executive Talent Board.

The Executive Board provides focus on strategy and planning, day-to-day oversight and management of the operations of the charity, including financial and colleague performance management, service delivery and operational volumes. It develops business plans, policies, procedures, and budgets for presentation to the Board of Trustees and has responsibility for their implementation whilst ensuring the effective delivery of the charity's purpose, strategy, and objectives. The Executive Board also oversees the change portfolio, ensuring this aligns to strategic objectives, and that programmes are delivering value.



The Executive Risk and Conduct Committee provides oversight of the risk, compliance, audit, and control framework for the charity, and informs the Executive of material risks, breaches, or operational failures to enable timely escalation to the Board and the Audit, Risk and Compliance Committee. The areas covered within its terms of reference include risk management; compliance; information security and data protection; client money; financial crime; health and safety; and internal audit.

The Executive Talent Board is set up to ensure that the charity has the talent it needs currently, and in the future, to deliver its strategic priorities. As part of managing the people and wider risk agenda, the Board reviews the senior leadership talent matrix and succession plan to identify high potential colleagues and capture succession gaps and opportunities, and solutions and strategies to accelerate talent needs and ambitions.

In addition, the two subsidiary companies – Consumer Credit Counselling Services (Equity Release) Ltd and Consumer Credit Counselling Services Voluntary Arrangements Ltd – each have their own Board of Directors and meet at least quarterly. The Consumer Credit Counselling Services (Equity Release) Ltd Board held additional monthly meetings during 2024 to closely monitor performance. Yvonne MacDermid, as a StepChange Trustee, sits as Non-Executive Director on both the subsidiary Boards, and the StepChange CEO Vikki Brownridge is Chair of both Boards; there are regular reports on the work of the subsidiaries to the StepChange Board as parent company, including the circulation of minutes of Subsidiary Board meetings.

## Charity Governance Code

The charity's Governance Framework aligns with the principles of the 'Charity Governance Code for Larger Charities.' The Code's seven principles cover organisational purpose; leadership; integrity; decision making, risk and control; Board effectiveness; equality, diversity, and inclusion; and openness and transparency. The charity is committed to maintaining the highest standards of governance and uses the Code as a practical point of reference to drive a process of continual improvement built upon the Code's principles, key outcomes, and recommended practice. During 2024, the charity actively contributed to the review of the Charity Governance Code through participation in the consultation and the associated roundtable event.

The Board effectiveness review undertaken by an external third-party in 2022 included a positive assessment of the charity's performance against the Code principles, and actions were taken to address key recommendations to strengthen governance systems and practices.

## Equality, diversity and inclusion

The Board recognises that embedding equality, diversity, and inclusion (EDI) in the charity is essential to best support its clients, ensuring it provides public benefit and can deliver its strategic objectives. It is recognised that a diverse and inclusive organisation also helps attract, retain and develop the best talent, better supporting innovation, enhancing our brand and reputation, and is vital for our client, colleague, and wider stakeholder relationships.

In 2022 we published our first formal EDI strategy, this was known as Stepping Up to Equality, Diversity and Inclusion. Starting with foundations, we have raised EDI awareness

by offering training to our colleagues as part of our EDI Behaviours Programme which encourages colleagues to embed EDI within their roles; 490 colleagues have participated to date including the Executive and Senior Leadership Teams with further training roll-out planned in 2025.

In 2024, members of the Executive and Senior Leadership Teams have shared their lived experience of disability. This resulted in us releasing Disability Awareness Training and an Accessible Meeting Guide. We have also continued to celebrate religious festivals such as Eid, Diwali, Hanukkah and Christmas throughout the year. Another highlight for us was participating in the Leeds Pride Parade for the first time.

We have continued to collate data as part of our diversity data campaign with completion rates currently at 45%; this has increased our understanding of the demographic profile of our colleagues, highlighting the breadth of diversity across a number of indicators, and helped us to identify areas to focus. We published our first ever colleague data report, sharing the demographic make-up of our organisation with our colleagues to facilitate collective understanding.

Our recruitment data shows us that we are attracting a diverse pool of candidates, and we are taking steps to continue to increase inclusivity within every stage of our recruitment process to enhance the candidate experience. In 2024, we welcomed a new Chief Operating Officer to our Executive team, maintaining a good gender balance with 43% female and 57% male representation.

We are pleased to note that our actions are driving results in terms of our colleague engagement which has increased by eleven percentage points when compared to 2021. Executive members continue to hold regular listening sessions across our locations with colleagues who are

invited to share their experience and recommendations for improving inclusion. The Board also ensures that it hears from a variety of stakeholders at regular intervals in the year to hear real-time feedback.

Looking ahead, a key priority for 2025 will be the development and launch of our refreshed equality, diversity and inclusion strategy that will support the delivery of our charitable purposes and our new organisational strategy.

Within its own practice, the Board recognises the value of a diverse group of Trustees, with a broad range of experience, skills, background, and perspectives. It aims to adopt an inclusive culture that helps promote balanced decision-making that best serves its clients and wider society. The Nomination and Remuneration Committee regularly carries out an audit of skills, experience, and diversity of Trustees to identify gaps, and to inform Trustee recruitment and training; these were most recently refreshed in 2024. When recruiting new Trustees, the Committee considers how best to attract a diverse pool of candidates, taking steps to ensure there is an inclusive recruitment process and considering where and how Trustee vacancies are publicised. This approach has increased representation on the Board, including through the recruitment of two Trustees with lived experience of problem debt that joined in 2023.

The Nomination and Remuneration Committee on behalf of the Board continues to lead on monitoring the implementation of the EDI strategy. The Committee chair, Helen Dean, takes on the role of Trustee EDI champion.

# Stakeholder engagement

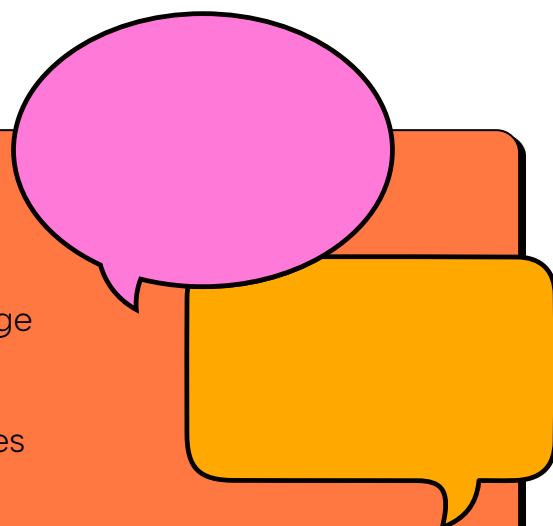
The Board recognises the value of effective engagement with the charity's stakeholders, including clients, colleagues, partners, regulators and across its wider eco-system. This is to both build trust and confidence, as well as informing its own decision-making and measuring the charity's success in achieving its charitable purposes and

strategic objectives. The Chair of the Board, and other Trustees, are involved in regular external meetings and events with partners and the wider debt advice sector, as well as participating in client call-listening exercises, receiving quarterly 'Voice of the client' reports, and undertaking site visits to StepChange offices across the country to meet colleagues.

## Of particular note in 2024:

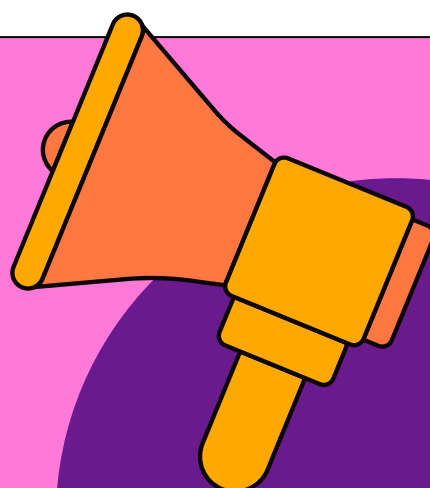
### Client focus group:

A new approach to client focus groups was started in January 2024 with attendance by a small group of Trustees. The objective of the group is for StepChange to undertake research with clients. Our Trustees observe these sessions to hear first-hand about the experiences, needs and wants of clients. This provides valuable insight to the Board and the charity to help shape future propositions and client experiences. It also keeps Trustees up to date with issues affecting clients and provides insight into the impact on their lives. We held two focus groups in 2024, and outputs and recommendations from each session are shared with the full Board and with the Client Steering Group who ensure any improvements are progressed.



### Colleague engagement sessions:

As part of its planning awaydays in summer 2024, the Board trialled a new format for colleague engagement sessions, enabling all Trustees to meet informally in small groups with colleagues from across different areas of the charity. This represented the voice of the creditor, client and colleague. The sessions proved to be insightful and positive for Trustees and colleagues alike, with the format to be further developed and built into future planning days.



## Remuneration of senior employees

---

The charity has a pay management policy which applies to all colleagues and is regularly reviewed by the Nomination and Remuneration Committee and approved by the Board, most recently in December 2024. As set out in the pay management policy, the overriding principle is for the charity's total reward offering to be competitive, fair, and sustainable. The principles guiding the charity's pay management approach include basic pay reflecting a colleague's skills, competence, and capability to perform their role, a commitment to equal pay in accordance with the charity's approach to equality, diversity, and inclusion, and that all roles are aligned to a pay range built around market median pay levels.

The pay management policy reflects the current approach to pay and rewards introduced by the strategy, and clarifies how pay will be benchmarked and managed. This includes annual pay reviews, and other increases to reflect the development of skills and knowledge.

The Nomination and Remuneration Committee determines the remuneration of the Executive team and recommends to the Board the remuneration of the Chief Executive, in line with the pay management policy. Executive appointments are subject to fair and open competition, with salary levels determined by benchmarking and set at advertising stage. As the CEO's salary was set as a developmental salary, this has been reviewed for 2025 to take into account the evolving nature of the role and market benchmarking.

The remuneration of the higher paid employees are published in the financial section of the annual report.





# Trustees' report

Board of Trustees on 30 April 2025		Delegated Board Committees		Operating Subsidiaries Boards
Trustees	Year of appointment	Audit, Risk and Compliance	Nomination and Remuneration	
Lesley Titcomb CBE (Chair of the Board)	2019		Member	
Sue Acton	2023		Member	
Mike Ashley	2023	Member		
Nick Caplan	2019	Chair		
Helen Dean CBE	2019		Chair	
Liz Harding	2023		Member	
Yvonne MacDermid OBE	2021			Director
Janet Pope	2024	Member		
Chris Stern (Senior Independent Director)	2016	Member	Member	
Chris Wood	2021		Member	

# Trustees

## Lesley Titcomb CBE

Lesley joined the StepChange Board in 2019 and was appointed Chair in May 2024. She is also a member of the Nomination and Remuneration Committee.

Lesley is Chair of the Market Harborough Building Society and is an independent Non-Executive director of Pay.UK. She recently stood down as an independent Non-Executive Director and Audit Committee Chair at the National Bank of Kuwait (International) plc. She is also a Governor of the University of Hertfordshire where she chairs the People and Culture Committee and the Vice-Chancellor's Remuneration Committee. She was previously Chief Executive of The Pensions Regulator.

Lesley has worked in many different roles in financial services regulation since 1992 and before joining The Pensions Regulator was Chief Operating Officer and a Board member of the Financial Conduct Authority from 2010 to 2015. She is also a qualified Chartered Accountant.

## Sue Acton

Sue joined the Board in 2023. She is a member of the Nomination and Remuneration Committee. She is a freelance consultant, drawing on the rich experience of an unusual career path. Her focus is customer vulnerability and financial services, as well as gambling related harm.

After graduating from Oxford with a degree in Experimental Psychology, Sue joined Barclays. She held senior roles in operations, marketing, and diversity and inclusion before leaving over ten years later. A period of entrepreneurial and third sector activity followed. Then, after overcoming some personal challenges, Sue returned to banking as part of the vulnerable customer team at Monzo.

Recent experience of working directly with people in difficult situations, combined with her own lived experience of financial difficulty, means Sue brings a unique perspective to her work.

Sue lives in Warwickshire. She is part-way through an MSc in Psychology and would like to study for a PhD, ideally whilst exploring the UK and beyond in a campervan.

## Mike Ashley

Mike joined the Board in 2023. He is a member of the Audit, Risk and Compliance Committee. Until early 2023, he was a Non-Executive Director and Chair of the Audit Committee of Barclays Plc, a role he had taken on following retirement from KPMG in September 2013.

At KPMG he had spent most of his career as an audit partner focused primarily on the banking sector but latterly was also responsible for KPMG's own risk management and was the firm's designated Ethics Partner.

He is currently a Trustee at the Charities Aid Foundation and at The Scout Association and has previously held Board member roles at the Cabinet Office and the Charity Commission.



### Nick Caplan

Nick joined the Board in 2019. He is Chair of the Audit, Risk and Compliance Committee. Nick brings technology, strategy and operational experience from a broad range of sectors. He has worked in technology and financial services for much of his career and has co-founded a number of companies in both the fintech and data/technology areas.

Nick is a Director of Vitality Life and Health, Chair of AND Digital, and Thatcham Research. Significant prior roles included Chair of Faster Payments, a key part of the UK's payments infrastructure;; Chair of MyCSP a public sector pensions administrator and an executive director of Logica, a major IT services company.

### Helen Dean CBE

Helen joined the StepChange Board in 2019 and is Chair of the Nomination and Remuneration Committee, and the Board Champion for Equality, Diversity and Inclusion.

Helen is one of the architects of auto enrolment, having started her career at the Department for Work and Pensions where she developed the policy and legislation for the pension reforms that led to auto enrolment and the establishment of Nest; she was CEO of Nest from 2015 to 2024.

Helen cares deeply about delivering great outcomes for savers through sustainable and responsible investment, connecting with the new cohort of savers generated by auto enrolment and about promoting diversity across our industry. She is a mentor to younger pensions and non-pensions professionals, offering guidance and coaching. Throughout her career Helen has maintained a passionate interest in addressing financial inequalities and promoting financial resilience across society.



Helen is Chair of the Standard Life Master Trust, a Governor of the Pensions Policy Institute (PPI) and Chair of the Governance Committee for Your Island Pension, the automatic enrolment pension which will be introduced by the States of Guernsey in 2024. She is also a Non-Executive Director of the Scottish Government. Helen was awarded a CBE in the 2021 New Year Honours list for her services to pension saving.

### Liz Harding

Liz joined the Board in July 2023. She is a member of the Nomination and Remuneration Committee. She brings lived experience to the Board as a previous beneficiary of the charity's life changing services and a true passion for the cause.

She is a people management specialist and freelance consultant supporting organisations through periods of transformative change and growth, with experience as a Charity CEO and senior leader across a variety of sectors.

Liz has an understanding and appreciation of the importance of meeting an individual's needs, ensuring clients and consumers remain at the heart of decision making.

**Yvonne MacDermid OBE**

Yvonne joined the StepChange Board in 2021. She is also a Non-Executive Director of the charity's two trading subsidiaries, Consumer Credit Counselling Services (Equity Release) Ltd and Consumer Credit Counselling Services Voluntary Arrangements Ltd.

She has been involved in credit and debt matters for over 36 years and stood down in 2021 after almost 24 years as Chief Executive of Money Advice Scotland. Yvonne is passionate about the provision of debt advice and financial education and treating customers fairly. Given the current economic and cost of living crisis, she is particularly concerned about how we ensure vulnerable consumers are not left out in the cold. Yvonne is currently leading the Independent Review of Scottish statutory debt solutions.

Yvonne is a Non-Executive Board member and Director sitting on three Boards from across the public, private and voluntary sectors, including the Credit Services Association and its subsidiary. She is also Board Director of Pollok Credit Union.

In 2002 Yvonne received the OBE for services to disadvantaged communities, and in 2018 she was awarded the inaugural "Women in Credit" Lifetime Achievement Award.

**Janet Pope**

Janet joined the Board in January 2024. She is a member of the Audit, Risk and Compliance Committee. She joined Lloyds Banking Group in 2008 to run the savings business and from 2012 to 2023 was Chief of Staff and Chief Sustainability Officer, a Group Executive Committee role.

She was previously Chief Executive at Alliance Trust Savings, prior to which she was EVP Global Strategy at Visa International.

Janet spent 10 years at Standard Chartered Bank where she held a variety of roles including Retail Banking MD for Africa and Non-Executive directorships at Standard Chartered Bank Zimbabwe, Kenya, Zambia, and Botswana.

Janet has extensive Non-Executive experience in government departments, charities, and the private sector. She is currently Chair of the Charities Aid Foundation Bank, a member of the Yorkshire Building Society Board and chair of its Environment and Social Purpose Committee, a member of the Shared Ownership Council Board, and Trustee of Camden School for Girls.

**Chris Stern**

Chris Stern, FCCA FCMI, was appointed to the Board in 2016. He is the Senior Independent Director at StepChange and is a member of the Audit, Risk and Compliance Committee, and the Nomination and Remuneration Committee. He has significant Financial Services and Customer Service experience gained across a range of roles and sectors in both senior Executive and Non-Executive roles. In addition to his role at StepChange, he holds a number of Trustee positions with the youth charity YMCA and is on the Boards of National YMCA England and Wales, and St Paul's Group.



Chris previously held a number of senior Executive and Non-Executive positions within the Centrica Group. These include Chair of British Gas Insurance and British Gas Finance Ltd (a regulated Consumer Credit provider) and NED of British Gas Services (a regulated Financial Service intermediary) and Finance Director roles within the Financial Services, Customer and Retail Services, and Automotive sectors.

Chris is a qualified accountant and a Lay Minister within the Church of England.

### Chris Wood

Chris joined the Board in 2021. He is a member of the Nomination and Remuneration Committee. He has significant Financial Services, Lending and Payments experience, and is a qualified chartered accountant.

Chris is a seasoned executive with over three decades of experience running scale businesses within the payments industry. For the last three years, he has successfully led the Worldpay SMB business in the UK and Ireland. Prior to joining Worldpay, Chris held senior leadership roles at Barclays and Barclaycard, where he oversaw large-scale operations across the UK, Europe, and North America. He began his career as a consultant at Accenture, where he specialised in financial services and comms/hi-tech, working with clients across Europe, North America, and Australasia.

### Other Officers:

### Catherine Smith – Company Secretary

Catherine joined the charity in February 2024 as the Legal Counsel and Company Secretary. Catherine was previously Head of Governance, Compliance and Risk at Leeds Hospitals Charity, and has also worked in the education sector, holding roles in governance, project management, process improvement and strategic planning. Catherine has previously been a charity Trustee, is a member of the Chartered Governance Institute, and has recently completed a Masters in Corporate Governance.



# Executive

## Vikki Brownridge – Chief Executive

Prior to Vikki's role of CEO which she took up in May 2023, she led the charity's operational teams who provide debt advice and ongoing solution service provision for our clients across a number of sites and all jurisdictions in the UK.

She has worked at the charity since 2005 and has held several senior leadership positions including Head of Debt Advice where she was instrumental in the launch of the sector's first online debt advice service, and Director of Client Experience where she was responsible for the charity's strategic relationships and funding. Over the years Vikki has also played an active role in shaping and defining the sector working alongside the Money and Pensions Service and other debt advice charities.

Vikki is also a Trustee of Frank Parkinson Yorkshire Trust, a local Leeds based charity that provides alms houses for residents over the age of 65, and a Board member at the Money Advice Liaison Group.

Earlier in her career Vikki held leadership positions within outsourced providers and financial services organisations.



## Gail Arkle – Chief Growth Officer

Gail joined the charity in 2019 as Head of Insight, Strategy and Business Development, and was promoted to the Executive Team in 2021 as Director of Client Experience. Following a restructure of the Executive Team in 2023, Gail assumed the role of Chief Growth Officer in January 2024, leading the Growth and Innovation directorate.

In her role of Chief Growth Officer, Gail has accountability for insight and strategy, strategic partnerships, business development, bid management, commercial and innovation teams in delivering the long-term growth aspirations of the charity. The work of the Growth and Innovation directorate is key to securing debt advice referrals from our 1,500 strong partnership network and associated funding to cover the costs of all service provision. In line with the charity's five-year strategy, the directorate is also responsible for the evolution of our services and solutions to meet changing client needs and to deliver long term good client outcomes.

With over 25 years' experience, including 18 years working in leadership roles in the third sector and public services outsourcing sector, she has successfully led marketing and commercial teams in the delivery of strategies to future proof organisations, realising corporate objectives and also delivering against annual key performance metrics. Most notably, in leadership roles securing high value funding for the delivery of essential social and societal services.

Gail is a Fellow of the Chartered Institute of Marketing ('FCIM'), and in her spare time oversees the financial performance of ArkleBoyce Architects Ltd, ensuring the ongoing growth of the practice.

### **Richard Britten – Chief Finance Officer**

Richard joined the charity in 2018 bringing strategic, commercial, and financial leadership experience gained across several commercial organisations. This experience helps to ensure that StepChange can deliver on its charitable objectives whilst also being commercially focused and efficient in the provision of its services.

He is also responsible for the oversight of the charity's regulatory finance function ensuring that client money is handled and protected in accordance with the FCA's guidance.

Richard brings a wealth of experience gained in senior financial roles within regulated financial services at Mitchell Farrar Group and Provident Financial plc, as well as broad commercial finance roles gained internationally with Enterprise Oil plc. Richard is a Chartered Accountant having qualified at EY in London.

### **Charlotte Chambers – Chief Technology and Information Officer**

Charlotte joined the charity as Chief Technology and Information Officer, accountable for all of Digital and Change Services across the group.

The work Digital and Change Services deliver is key to underpinning the longer-term strategic outcomes of StepChange as well as the current services and products we supply to clients and creditors. Charlotte is accountable for delivering the digital strategy and longer-term digital transformation for the group as well as the IT operations and support services.

Charlotte has over 25 years' experience working in technology and change roles, working across multiple sectors, including 10+ years in the retail sector. Charlotte is passionate about supporting future talent through coaching and mentoring and led the Women in Technology programme at Asda.

Charlotte still lives in the North East with her family and has recently volunteered to be a mentor for The Girls Network, whose mission is to inspire and empower girls from the least advantaged communities.

### **Martin Clift – Chief Operating Officer**

Martin joined the charity in September 2024 as Chief Operating Officer. He leads the charity's client facing operations department, which covers all our debt advice and client support services. He is responsible for the charity's physical estate and facilities, accountable for health and safety and sustainability.

In addition, he is the Executive Sponsor for our digital transformation and back office optimisation programmes. He also now leads StepChange's two operating subsidiaries – Consumer Credit Counselling Services (Equity Release) Ltd and Consumer Credit Counselling Services Voluntary Arrangements Ltd. They offer mortgage and equity release advice and products and insolvency solutions for those struggling with their finances. He is passionate about ensuring good client outcomes enabled by digital first services backed by trusted experts, for all who access StepChange's services.

Previously Martin has worked in financial services for many years, across a number of roles, most notably leading mortgage operations for a large retail bank, where he led a number of significant transformation programmes, positively impacting both customer experience and organisational efficiency.

Martin lives in Nottingham and is a keen walker, cyclist and follower of Sheffield United and England cricket.



### Richard Lane – Chief Client Officer

Richard joined the charity in 2018 as Director of External Affairs, and took up the role of Chief Client Officer in 2024. He leads the charity's External Affairs and Product and Marketing departments, which covers our marketing, policy, campaigning, and communications functions, as well as the design of all of StepChange's products and services to meet evolving client need.

He is passionate about putting the voice of our clients at the heart of everything we do and ensuring good client outcomes for those access StepChange's services.

Between 2020 – 2024 Richard also led StepChange's two operating subsidiaries – StepChange Financial Solutions and StepChange Voluntary Arrangements – that offer mortgage and equity release advice and products and insolvency solutions for those struggling with their finances.

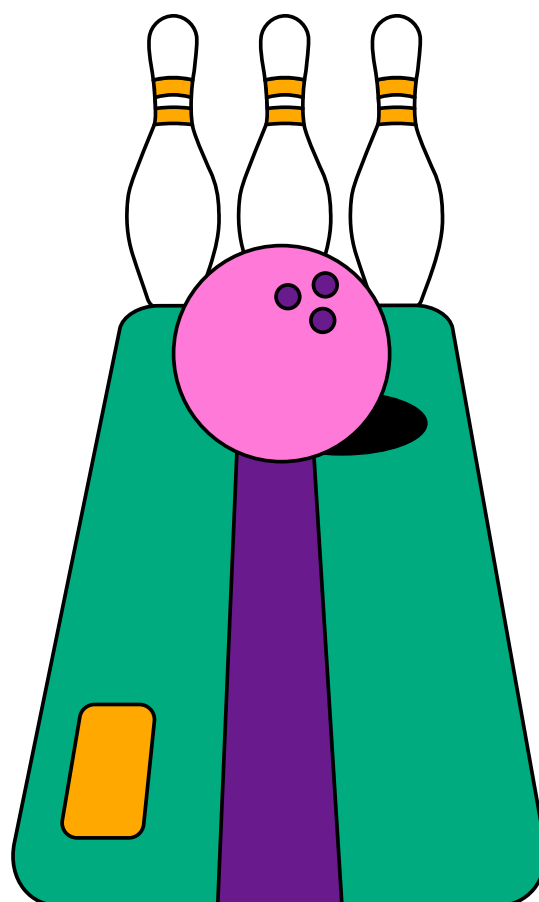
Richard has worked across the charity sector in a number of roles, notably leading the communications and campaigns teams at the national disability charity, Scope, and working on campaigns and public affairs at the LGBT charity Stonewall.

Richard lives in London and is a keen cyclist, ParkRunner and, in his spare time, is a Trustee of the Sheila McKechnie Foundation.

### Alex Pitcher – Chief Risk Officer

Alex joined the charity in 2023 as Chief Risk Officer and is responsible for ensuring that threats to achieving StepChange's strategy are well-managed and that we deliver good outcomes for all of the clients that we serve. He leads our risk management, governance, legal, data protection and regulatory compliance functions.

Prior to joining StepChange, Alex built his risk, compliance and audit experience in various roles at TransUnion, Yorkshire Building Society, PwC and NatWest. He is also chair of Trustees at C3 Life Church and a Trustee of Oasis Community Housing.



# Charitable purposes and the public benefit

---

**Trustees confirm that they have had regard to the Charity Commission's guidance on public benefit in reporting on the charity's objectives and achievements (on pages 8 to 9), in its planning activities, when exercising their powers and duties, including when setting policies and priorities for the year ahead.**

The Board reviews the charity's strategic aims and objectives each year to ensure they remain focused on its charitable purposes. The charitable purposes are also reviewed periodically alongside the external environment in which the charity

operates, to make sure that StepChange and its purposes stay relevant and valid.

These charitable purposes, according to definitions within the Charities Act 2011 and set out in the charity's Articles of Association are (i) the prevention or relief of poverty amongst persons who are in debt, and (ii) 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.

## Section 172(1) Statement

---

**The Trustees, as company directors of StepChange, must act in accordance with a set of general duties as detailed in Section 172 of the Companies Act 2006, which sets out their duty to promote the success of the company, and in doing so have regard to;**

### **a. Consequences of any decision in the long term**

Trustees developed StepChange's priorities (page 9 of this report) as part of a long-term strategy to eradicate problem debt in the UK, which supports fulfilment of our charitable purposes. The needs of our clients and those of our other key stakeholders form the bedrock of our strategic plans. Trustees routinely review the external landscape, including the political environment, and seek and evaluate feedback from our various stakeholders, to ensure that our plans are adapted, as necessary, to meet changing circumstances. Trustees keep under review the charity's principal risks and opportunities, consider emerging risks and ensure that our plans are adapted in response as

appropriate. More information on our risks can be found on pages 14 to 17 of this report.

### **b. The interests of the charity's colleagues**

Our people are absolutely crucial to our success. Our Trustees and Executive consider the interests of our colleagues, ensuring that through regular colleague engagement there is a strong understanding of their needs and that these are considered as part of the charity's strategic priorities. Our record colleague engagement survey results, which confirmed we are in the upper quartile of several hundreds of firms surveyed nationally, and the positive findings in our externally led culture audit, demonstrate our strong focus on our colleagues.

Our decision-making processes consider the impact of potential decisions on our colleagues. For example, all colleagues whose roles can be performed from home were consulted to inform our hybrid working policy. We regularly consult with our Joint Consultative Committee that is formed from elected colleague representatives

on key aspects of the charity's operation. For example, we discussed our annual pay review proposals at an early stage with them before confirming our approach and sought their feedback on the development of the new five-year strategy.

Our employee strategy reflects concerns raised by colleagues. We listen to the needs of our colleagues and respond; for instance, we implemented a range of solutions to support wellbeing, stress management and financial management and made these available to all our colleagues, alongside access to our Employee Assistance Programme.

### **c. Fostering the charity's business relationships with clients, suppliers and others**

Our charity exists for public benefit, central to that is fostering strong relationships with our clients, engaging them to ensure we understand and meet their needs. Our client insights from market research, surveys, focus groups and listening sessions with the Executive drives our understanding of how our different client groups receive our services, helping us build a detailed picture of the value we provide and where we can continue to improve. We have developed strong relationships with key suppliers who support our technical infrastructure, to develop mutually beneficial relationships that support the technical advancement of our services to benefit our clients. We ensure that our day-to-day business interactions with all suppliers are conducted in a professional, fair and respectful manner.

### **d. Impact of the charity's operations on the community and the environment**

We recognise our responsibilities to our communities, stakeholders, wider society and environment, and ensure our interactions align with our charitable purposes, values and resources and reflect our responsibility to provide public benefit. This includes our

recognition of the urgent need to address climate change and our commitment to promote sustainability and reduce our environmental impact. Our key priorities include a continual improvement of our environmental performance across all aspects of our operations through minimising carbon emissions, integrating environmental considerations into our decision-making processes, educating and engaging our people about environmental issues and sustainable practices, and complying with all relevant environmental legislation.

### **e. Maintaining a reputation for high standards of business conduct**

As a charity, we ensure that our values, leadership and culture underpin the delivery of our charitable purposes, whilst also contributing to maintaining public trust in the wider charity sector.

We have in place a range of policies that promote corporate responsibility and ethical behaviour which include conflicts of interests, bullying and harassment, whistleblowing and our code of conduct. We use our organisational values in our recruitment and training for colleagues and Trustees and our induction of new suppliers to ensure these are understood and maintained. Our procurement and ethical policies and procedures ensure that our values are also part of our selection of partners and suppliers.

### **f. Acting fairly between members of the charity**

At StepChange our legal structure means our Trustees are the sole members of the Charity, which exists to fulfil its charitable purposes and not for the interests of members. Therefore, this element of the section 172 statement does not apply.



# Streamlined Energy and Carbon Reporting ('SECR')

We report our carbon emissions by adhering to the Greenhouse Gas Protocol, which incorporates the Scope 2 market-based emissions methodology. We report carbon dioxide emissions resulting from energy use in our buildings and colleague business travel. For 2024, we have reported 0 tCO<sub>2</sub>e emissions for Scope 1, with 0 kilowatt-hours (kWh) of energy consumed. This is because the organisation does not own any company vehicles and does not burn fossil fuels onsite, resulting in no direct emissions from owned or controlled sources.

Due to the complexity of data collection for the baseline reporting year, we included only land-based business travel under Scope 3. However, we will develop a methodology to capture data on air, rail, and bus travel as well as hotel stays, ensuring a more comprehensive assessment for the next reporting year. Employee commuting emissions for 2024 were derived from an online survey that gathered information on commuting habits, including the modes of transport used, the type of fuel for personal vehicles, and the types of public transport utilised. We have calculated these results on an FTE basis to get to a comparison figure for 2023. The same methodology was used to derive a comparison figure for Purchased Goods & Services.

With fewer FTE and reduced office accommodation to run in 2024 our gross emissions have reduced in 2024 compared to 2023.

UK Greenhouse gas emissions and energy use data for the period 1 January 2023 to 31 December 2023	2024	2023
Energy consumption used to calculate emissions (kWh)	1,479,734	1,371,164
<b>Scope 1 emissions in metric tonnes CO<sub>2</sub>e</b>	▼	▼
Vehicles on company lease	0	11.99
<b>Scope 2 emissions in metric tonnes CO<sub>2</sub>e</b>	▼	▼
Purchased electricity	153.95	104.99
Gas consumption	0	152.20
<b>Total Scope 2</b>	153.95	257.19
<b>Scope 3 emissions in metric tonnes CO<sub>2</sub>e</b>	▼	▼
Purchased Good & Services	1,137.68	1,175.70
Business travel in colleague owned vehicles	26.83	14.13
Employee Commuting	765.51	791.09
<b>Total gross emissions in metric tonnes CO<sub>2</sub>e</b>	<b>2,083.97</b>	<b>2,238.11</b>
<b>Intensity ratio Tonnes CO<sub>2</sub>e per FTE</b>	<b>1.83</b>	<b>1.90</b>
FTE	1,137	1,175

## Energy savings opportunity scheme ('ESOS')

---

The Energy Savings Opportunity Scheme (ESOS) is a mandatory program aimed at identifying cost-effective energy-saving measures to improve efficiency and reduce carbon emissions. To comply with national energy and carbon reduction regulations we submitted our phase two ESOS report to the Environment Agency in August 2024 and our phase three action plan in February 2025.

Organisations, including non-profits, qualify for ESOS if they employ over 250 people, have an annual turnover exceeding £44 million, or an annual balance sheet over £38 million. As we qualify, we conduct an energy audit covering at least 90% of our total energy usage. ESOS audits are required every four years, with the next deadline in December 2027.

Identifying energy-saving opportunities can lead to significant cost reductions and enhance overall energy management and operational efficiency. At StepChange, we embrace ESOS not just for compliance but as an opportunity to improve our operations.



# Reference and administrative details

## Company name

Foundation for Credit Counselling is a company limited by guarantee. It trades under the brand name of StepChange Debt Charity.

## Registered and Principal Office

123 Albion Street, Leeds LS2 8ER

## Important numbers

Company number: 02757055 in England and Wales. Charity numbers: 1016630 in England and Wales, and SC046263 in Scotland. FCA number 729047.

## Constitution

The governing document of the charity is its Memorandum and Articles of Association. The charitable purposes for which the charity was established are:

- The prevention or relief of poverty amongst persons who are in debt.
- 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.

## Professional advisors

### Chartered accountants and statutory auditors

PKF Littlejohn LLP  
15 Westferry Circus  
London E14 4HD

### Internal auditors

Grant Thornton UK LLP  
No 1 Whitehall Riverside  
Leeds LS1 4BN

### Legal advisors

Wrigleys Solicitors LLP  
17–21 Cookridge Street  
Leeds LS2 3AG

Gateley  
29 East Parade  
Leeds LS1 5PS

### External auditors

A resolution for the reappointment of PKF Littlejohn LLP as auditors for the charity for the 2024 financial year was granted at the Board meeting of 23 April 2024.





# Statement of Trustees' responsibilities

**The Trustees (who are also directors of Foundation of 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 regulation.**

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019).
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the 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.

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Provision of Information to Auditors

So far as each of the Trustees is aware at the time this report is approved:

- (a) So far as the Trustee is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) They have taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Trustees' Report and Strategic Report were signed on behalf of the Trustees by:



**Lesley Titcomb CBE**  
Chair of Trustees

16 May 2025







# Independent Auditor's report

---

## Opinion

We have audited the financial statements of Foundation for Credit Counselling (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Consolidated and Parent Charitable Company Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2024, and of the group's and parent charitable company's incoming resources and application of resources, including the group's and parent charitable company's income 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 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.

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 group's or parent 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 other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Trustees' annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report included within the trustees' report have 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 strategic report and the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- Adequate and proper 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 trustees remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the group and parent charitable company 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 group and parent charitable company 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**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made under or having effect thereunder.

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent charitable company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, sector research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent charitable company in this regard to be those arising from Companies Act 2006, Charities Act 2011, Charities Accounts (Scotland) Regulations 2006, Financial Conduct Authority's ("FCA") regulations, Anti-Bribery and Corruption Legislation and UK Tax Legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent charitable company with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes, review of legal and regulatory correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there is potential for management bias in the timing and recognition of Fair Share income, income from grants, donations and timing of recognition of income from contracts. We addressed this through substantive sample testing of income back to source documents to ensure that income was recognised in accordance with the performance related conditions. We also independently inquired with management to confirm whether there are any disputes in relation to any income streams.
- We also identified potential for management bias in:
  - the judgements made around recoverability of debtors, which we addressed through examination of post year end cash received, review of correspondence with debtors and discussion of recoverability with management;

- the depreciation rate and amortisation rate applied to tangible and intangible fixed assets respectively, which we addressed by considering the useful economic life applied for the types of asset held, and re-performing the calculation to ensure it had been performed accurately in line with the stated method;
  - the assessment of the calculation and recoverability of the Fair Share contributions accrued income; and
  - the allocation of support costs across activities and income streams and considering whether assumptions are reasonable and appropriate.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities) This description forms part of our auditor's report.

## Use of our 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, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



## Alastair Duke (Senior Statutory Auditor)

For and on behalf of PKF Littlejohn LLP  
Statutory Auditor

16 May 2025

15 Westferry Circus  
Canary Wharf  
London E14 4HD

## Consolidated statement of financial activities

Year ended 31 December 2024

	Note(s)	Restricted funds 2024 £'000	Unrestricted funds 2024 £'000	Total funds 2024 £'000	Total funds 2023 £'000
<b>Income</b>	▼	▼	▼	▼	▼
Donations	2	–	17,820	17,820	11,870
Charitable activities	3	1,762	37,436	39,198	39,383
Other trading activities	4	–	2,866	2,866	3,131
Investments	5	–	249	249	260
Other	6	–	60	60	87
<b>Total income</b>		<b>1,762</b>	<b>58,431</b>	<b>60,193</b>	<b>54,731</b>
<b>Expenditure</b>	▼	▼	▼	▼	▼
Raising funds: other trading activities	7	–	2,372	2,372	2,761
Charitable activities	8,9	2,259	57,153	59,411	56,703
Other		–	–	–	2
<b>Total expenditure</b>		<b>2,259</b>	<b>59,525</b>	<b>61,783</b>	<b>59,466</b>
<b>Net income/ (expenditure) and net movement in funds for the year</b>		<b>(497)</b>	<b>(1,093)</b>	<b>(1,590)</b>	<b>(4,735)</b>
<b>Reconciliation of funds</b>	▼	▼	▼	▼	▼
Total funds at 1 January 2024		900	13,903	14,803	19,539
<b>Total funds at 31 December 2024</b>	<b>21,22</b>	<b>403</b>	<b>12,810</b>	<b>13,213</b>	<b>14,804</b>

# Charity statement of financial activities

Year ended 31 December 2024

	Note(s)	Restricted funds 2024 £'000	Unrestricted funds 2024 £'000	Total funds 2024 £'000	Total funds 2023 £'000
<b>Income</b>	✓	✓	✓	✓	✓
Donations	2	-	18,499	18,499	12,830
Charitable activities	3	1,762	37,437	39,199	39,383
Other trading activities	4	-	-	-	-
Investments	5	-	249	249	260
Other	6	-	60	60	87
<b>Total income</b>		<b>1,762</b>	<b>56,245</b>	<b>58,007</b>	<b>52,560</b>
<b>Expenditure</b>	✓	✓	✓	✓	✓
Raising funds: other trading activities	7	-	-	-	-
Charitable activities	8,9	2,259	57,152	59,411	56,704
Other		-	0	0	2
<b>Total expenditure</b>		<b>2,259</b>	<b>57,152</b>	<b>59,411</b>	<b>56,706</b>
<b>Net income/ (expenditure) and net movement in funds for the year</b>		<b>(497)</b>	<b>(908)</b>	<b>(1,405)</b>	<b>(4,146)</b>
<b>Reconciliation of funds</b>	✓	✓	✓	✓	✓
Total funds at 1 January 2024		900	13,392	14,292	18,438
<b>Total funds at 31 December 2024</b>	<b>21,22</b>	<b>403</b>	<b>12,485</b>	<b>12,888</b>	<b>14,292</b>

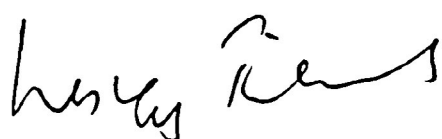


## Balance sheets

31 December 2024

	Note(s)	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
<b>Fixed assets</b>	✓	✓	✓	✓	✓
Intangible assets	14	-	-	-	-
Tangible assets	15	1,132	1,387	1,132	1,387
Investments	16	-	-	5	5
		<b>1,132</b>	<b>1,387</b>	<b>1,137</b>	<b>1,392</b>
<b>Current assets</b>	✓	✓	✓	✓	✓
Debtors	17	11,538	8,696	11,294	8,703
Cash and cash equivalents	18	5,232	9,492	5,051	8,872
		<b>16,770</b>	<b>18,188</b>	<b>16,345</b>	<b>17,575</b>
<b>Current liabilities</b>	✓	✓	✓	✓	✓
Creditors: amounts falling due within one year	19	(4,136)	(3,941)	(4,040)	(3,844)
<b>Net current assets</b>		<b>12,634</b>	<b>14,247</b>	<b>12,305</b>	<b>13,731</b>
Creditors: amounts falling due after one year	25	(554)	(831)	(554)	(831)
<b>Net assets</b>		<b>13,212</b>	<b>14,803</b>	<b>12,888</b>	<b>14,292</b>
<b>Total group funds</b>	✓	✓	✓	✓	✓
Unrestricted funds	21	12,809	13,903	12,485	13,392
Restricted funds	22	403	900	403	900
		<b>13,212</b>	<b>14,803</b>	<b>12,888</b>	<b>14,292</b>

The financial statements on pages 44 to 67 were approved and authorised for issue by the trustees and were signed on their behalf by



Lesley Titcomb CBE

Chair

16 May 2025

## Cash flow statements

Year ended 31 December 2024

	Note(s)	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
<b>Reconciliation of net income/(expenditure) to net cash flows from operating activities</b>	✓	✓	✓	✓	✓
Net movement in funds		(1,590)	(4,736)	(1,404)	(4,146)
(Interest income)		(249)	(260)	(249)	(260)
Depreciation and amortisation charge		505	2,182	505	2,182
Profit/(loss) on disposal of fixed assets		-	-	-	-
(Increase)/decrease in debtors		(2,814)	1,921	(2,591)	1,555
Increase/(decrease) in creditors		(112)	(1,406)	(82)	(1,330)
<b>Net cash generated from operating activities</b>		<b>(4,260)</b>	<b>(2,299)</b>	<b>(3,821)</b>	<b>(2,001)</b>
<b>Investing activities</b>	✓	✓	✓	✓	✓
Purchase of tangible and intangible fixed assets	15	(248)	(100)	(248)	(100)
Interest received		249	260	249	260
<b>Net cash provided used in investing activities</b>		<b>1</b>	<b>160</b>	<b>1</b>	<b>160</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(4,259)</b>	<b>(2,139)</b>	<b>(3,820)</b>	<b>(1,840)</b>
Cash and cash equivalents at 1 January		9,492	11,631	8,872	10,712
<b>Total cash and cash equivalents at 31 December</b>	<b>18</b>	<b>5,233</b>	<b>9,492</b>	<b>5,052</b>	<b>8,872</b>

# Notes to the financial statements

---

## Year ended 31 December 2024

### Accounting Policies

The principal accounting policies are summarised below.

#### a. Basis of preparation

The financial statements have been prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland, ("FRS 102"), the Charities Statement of Recommended Practice, Accounting and Reporting by Charities ("SORP") FRS 102, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention. In line with the Charities Accounts (Scotland) Regulations 2006 (as amended), both the consolidated results and the results for the parent charity have been included within the accounts.

The accounts have been prepared on the going concern basis. The company has strong financial resources invested with minimal risk and no borrowings. The charity projects increased expenditure on its Transformation Programme which will be reflected in an annual deficit but with reserves remaining above the minimum levels in the reserves policy. There are no material uncertainties about the charity's ability to continue. The substance of the accounting policies have been applied consistently throughout the accounts and the prior year.

The Foundation for Credit Counselling meets the definition of a public benefit entity under FRS 102. The charity exists for the benefit of the public through the provision of services to members of the public suffering with problem debt.

#### b. Group accounts

The consolidated accounts incorporate the results of the Foundation for Credit Counselling Limited ('the charity') and its subsidiary undertakings on a line-by-line basis. The consolidated entity is also referred to as 'the group'. The list of all the subsidiary undertakings is shown in note 16.

#### c. Incoming resources

All income is included when the charity is entitled to the income, the amount can be quantified, and receipt of the funds is probable. The receipt of fair share contributions is deemed probable when an existing disbursement creditor has indicated they are prepared to pay the request for the fair share contribution. For new relationships, amounts are not recognised until such time as an adequate payment history has been established with the creditor. Recognition commences following the receipt of the first two monthly payment requests. Commission income from mortgage advisors and insolvency practitioners is recognised upon the receipt of the notification of creditor approval of arrangements. Investment income is recognised on an accruals basis, using daily rate calculations for funds on deposit and average balance calculations for funds held in current accounts.

Income from grants is recognised on a case-by case basis. For the Money and Pension Service, Scottish Legal Aid Board, Scottish Ministers and Welsh Ministers grant agreements, income is recognised on submission of a monthly or quarterly grant claim in accordance with the specific terms of each agreement. Funding is not received until the submission of grant claims.

In all cases, grant income is treated as restricted funds, as the provision of grant funding is for specific purposes as described at note 22. Donations are recognised when the charity becomes unconditionally entitled to the funds. Insolvency service income comprises nominee fee and supervisory fee income. Nominee fees are recognised on acceptance of the appointment following a meeting of creditors and typically for the first five months of the arrangement. Supervisory fees are recognised over the period of the arrangement resulting from ongoing payments by clients. Equity release service income is recognised on notification of the completion of an equity release or mortgage case from third party lenders.

#### **d. Resources expended**

All expenditure is accounted for on an accruals basis. Direct costs, including attributable salaries, are allocated on an actual basis to the key strategic areas of activity. Support costs are the costs of functions which support more than one of the charity's activities and have been allocated to those activities on the basis of employee numbers. Governance costs are the costs associated with the governance arrangements of the group. These costs include external and internal audit, legal advice, insurance for Trustees, management costs preparing for and attending trustee meetings and the costs associated with constitutional and statutory requirements. Transformation costs are incremental costs expended to develop and execute a business-wide programme of change.

#### **e. Intangible fixed assets**

Intangible fixed assets represent the qualifying costs of development of software where such software is expected to deliver future economic benefits and the costs of development are separately identifiable and can be reliably measured. Other development expenditures which do not meet these criteria are recognised as an expense as incurred.

Intangible assets are stated at cost less amortisation. The amortisation is charged on a straight-line basis over the useful economic life which has been estimated as being 4 years.

#### **f. Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets 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: 14% – 33.3% on a straight-line basis.

#### **g. Investments**

Money market deposits, with maturity periods of more than three months, are current asset investments that are readily convertible into cash at, or close to, their carrying amount. Fixed asset investments are stated at cost in the company balance sheet.

#### **h. Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.



## **i. Financial instruments**

The charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments only. There are none which qualify as complex in nature. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

## **j. Leasing**

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

## **k. Taxation**

The charitable members of the group are exempt from income and corporation taxes on income and gains to the extent that they are applied for their charitable objects. The trading subsidiaries do not generally pay UK corporation tax because their policy is to distribute taxable profits to the charity as Gift Aid. 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.

## **l. 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.

## **m. Employee benefits**

The costs of short-term employee benefits are recognised as a cost within the Statement of Financial Activities. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

## **n. Funds**

Unrestricted funds are donations and other incoming resources for the objects of the charity without further specified purposes and are available as general funds. Restricted funds are funds that can only be used for specific restricted purposes set out by the donor within the objects of the charity. The Landlord Contribution as per note 21 has been deducted from the unrestricted funds to report the reserves net of Landlord contribution.

---

### **o. Judgements and key sources of estimation uncertainty**

In preparing the financial statements, the Trustees are required to make estimates and judgements. The matters below are considered to be the most important in understanding the judgements made and the uncertainties that could impact the amounts reported in the financial statements.

#### **Bad debt provision**

The provisioning for potential bad debts arising on outstanding far share payments requires judgement and is generally only considered for amounts outstanding for more than 60 days.

#### **Cost allocation**

Support costs are allocated to charitable activities. Judgement is required in determining and applying the cost drivers appropriate for each support activity.

**2. Donations**

	<b>Group unrestricted funds 2024</b> £'000	<b>Group unrestricted funds 2023</b> £'000	<b>Charity unrestricted funds 2024</b> £'000	<b>Charity unrestricted funds 2023</b> £'000
Donations from the utility sector	6,704	4,526	6,704	4,526
Other donations	11,116	7,344	11,795	8,304
	<b>17,820</b>	<b>11,870</b>	<b>18,499</b>	<b>12,830</b>

Included within the charity's other donations is £678,650 (2023: £959,075) received from its subsidiary undertakings through Gift Aid Donations.

**3. Income from charitable activities**

	<b>Restricted funds 2024</b> £'000	<b>Unrestricted funds 2024</b> £'000	<b>Total 2024</b> £'000	<b>Total 2023</b> £'000
<b>Group</b>	▼	▼	▼	▼
Debt advice and solutions	1,762	37,436	39,198	39,383
<b>Charity</b>	▼	▼	▼	▼
Debt advice and solutions	1,762	37,436	39,198	39,383
<b>Total income for 2023 was:</b>	▼	▼	▼	▼
Restricted				<b>3,249</b>
Unrestricted				<b>36,134</b>

**4. Income from other trading activities**

	<b>Group unrestricted funds 2024</b> £'000	<b>Group unrestricted funds 2023</b> £'000	<b>Charity unrestricted funds 2024</b> £'000	<b>Charity unrestricted funds 2023</b> £'000
Insolvency services	2,378	2,553	–	–
Equity release services	488	578	–	–
	<b>2,866</b>	<b>3,131</b>	<b>–</b>	<b>–</b>

## 5. Investment income

	<b>Group unrestricted funds 2024 £'000</b>	<b>Group unrestricted funds 2023 £'000</b>	<b>Charity unrestricted funds 2024 £'000</b>	<b>Charity unrestricted funds 2023 £'000</b>
Bank interest	249	260	249	260
Intercompany interest receivable	-	-	-	-
	<b>249</b>	<b>260</b>	<b>249</b>	<b>260</b>

## 6. Other income

	<b>Group unrestricted funds 2024 £'000</b>	<b>Group unrestricted funds 2023 £'000</b>	<b>Charity unrestricted funds 2024 £'000</b>	<b>Charity unrestricted funds 2023 £'000</b>
Commission income from mortgage advisors and insolvency practitioners	60	56	60	56
Other	-	31	-	31
	<b>60</b>	<b>87</b>	<b>60</b>	<b>87</b>

## 7. Expenditure on raising funds: other trading activities

	<b>Group unrestricted funds 2024 £'000</b>	<b>Group unrestricted funds 2023 £'000</b>	<b>Charity unrestricted funds 2024 £'000</b>	<b>Charity unrestricted funds 2023 £'000</b>
Insolvency services	1,738	1,874	-	-
Equity release services	634	887	-	-
	<b>2,372</b>	<b>2,761</b>	<b>-</b>	<b>-</b>



**8. Expenditure on charitable activities**

	<b>Direct costs 2024 £'000</b>	<b>Support &amp; governance costs 2024 £'000</b>	<b>Total 2024 £'000</b>	<b>Total 2023 £'000</b>
<b>Group unrestricted funds</b>	▼	▼	▼	▼
Debt advice	11,617	14,007	25,624	24,367
Client management	11,808	11,249	23,057	21,644
Promotion of charitable purpose	5,986	2,485	8,471	6,543
<b>Total</b>	<b>29,411</b>	<b>27,741</b>	<b>57,152</b>	<b>52,554</b>
<b>Group restricted funds</b>	▼	▼	▼	▼
Debt advice	1,750	354	2,104	3,964
Client management	–	–	–	–
Promotion of charitable purpose	128	27	155	185
<b>Total</b>	<b>1,878</b>	<b>381</b>	<b>2,259</b>	<b>4,149</b>
<b>Total expenditure on charitable activities</b>	<b>31,289</b>	<b>28,122</b>	<b>59,411</b>	<b>56,703</b>
<b>Charity unrestricted funds</b>	▼	▼	▼	▼
Debt advice	11,617	14,007	25,624	24,367
Client management	11,808	11,249	23,057	21,644
Promotion of charitable purpose	5,986	2,485	8,471	6,543
<b>Total</b>	<b>29,411</b>	<b>27,741</b>	<b>57,152</b>	<b>52,554</b>
<b>Charity restricted funds</b>	▼	▼	▼	▼
Debt advice	1,750	354	2,104	3,964
Client management	–	–	–	–
Promotion of charitable purpose	128	27	155	185
<b>Total</b>	<b>1,878</b>	<b>381</b>	<b>2,259</b>	<b>4,149</b>
<b>Total expenditure on charitable activities</b>	<b>31,289</b>	<b>28,122</b>	<b>59,411</b>	<b>56,703</b>

Debt advice costs are defined as the costs incurred in providing debt advice to new clients.

Client management costs are defined as the costs incurred in the management of clients who are provided with debt solutions with the charity.

Promotion of charitable purposes costs are defined as the costs incurred in the promotion of our services to key stakeholders including creditors, funders, clients, public sector bodies and governments.

## 9a. Analysis of support and governance costs on charitable activities

	Debt advice 2024 £'000	Client management 2024 £'000	Promotion of charitable purpose 2024 £'000	Total 2024 £'000	Total 2023 £'000
<b>Unrestricted funds</b>	▼	▼	▼	▼	▼
IT, digital & change	7,499	6,095	1,340	14,934	12,613
Corporate services	4,482	3,522	785	8,789	8,821
People services	1,762	1,425	314	3,501	3,596
Governance	264	207	46	517	425
<b>Total</b>	<b>14,007</b>	<b>11,249</b>	<b>2,485</b>	<b>27,741</b>	<b>25,455</b>
<b>Restricted funds</b>	▼	▼	▼	▼	▼
IT, digital & change	283	-	21	304	768
Corporate services	14	-	1	15	91
People services	57	-	5	62	43
<b>Total</b>	<b>354</b>	<b>-</b>	<b>27</b>	<b>381</b>	<b>902</b>
<b>Total support and governance costs</b>	<b>14,361</b>	<b>11,249</b>	<b>2,512</b>	<b>28,122</b>	<b>26,357</b>

The Support costs have been allocated to the charitable activities on the basis of employee numbers except for the amortisation of the Pulse system which has been allocated fully to debt advice costs. The functional area costs include directly attributable costs (e.g. staff costs, IT licensing costs, recruitment costs) and allocations of shared overhead costs (e.g. premises rentals) on the basis of employee numbers. Corporate Services costs comprise the costs of the Executive team, Finance, Risk and Compliance, plus the balance of central overheads which cannot be attributed to a single area. People Services costs comprise the Human Resources and Training teams. Governance costs comprise internal and external audit costs and the management cost of preparing for and attending Trustee board meetings.

## 9b. Major Project Costs

	Total 2024 £'000	Total 2023 £'000
<b>Projects</b>	▼	▼
Digital Transformation	4,630	1,312
	<b>4,630</b>	<b>1,312</b>

The total Digital Transformation costs for the year amounted to £4.63m (2023: £1.31m). This includes Back Office Optimization costs £3.40m (2023: £1.31m), Contact Centre costs £0.69m (2023: £0) and Digital Foundations costs of £0.54m (2023: £0). This cost is included in the expenses for charitable activities.

## 10. Auditor's remuneration

	<b>Total 2024</b> £'000	<b>Total 2023</b> £'000
<b>Fees payable to the charity's auditors (VAT inclusive)</b>	▼	▼
Audit of the financial statements (charity)	63	60
Audit of the financial statements (subsidiaries)	22	21
Other assurance services	36	35
Tax advisory services	35	4
	<b>156</b>	<b>120</b>

## 11. Operating Surplus

	<b>Total 2024</b> £'000	<b>Total 2023</b> £'000
<b>The surplus for the year is stated after charging:</b>	▼	▼
Depreciation	505	637
Amortisation	–	–

## 12. Employees

	<b>2024</b> No.	<b>2023</b> No.
<b>i) Average number of persons employed by the group</b>	▼	▼
Debt advice	454	473
Client management	356	359
Promotion of charitable purposes	79	63
Insolvency services	39	48
Equity release services	13	19
Support services	196	213
	<b>1,137</b>	<b>1,175</b>

The total average full time equivalent (FTE) numbers in 2024 were 1,074 (2023: 1,115).

	2024 £	2023 £
<b>ii) Staff costs</b>	<b>▼</b>	<b>▼</b>
Wages and salaries	34,686	34,053
Social security costs	3,591	3,356
Pension costs	2,757	2,686
Other payroll related benefits	233	195
	<b>41,267</b>	<b>40,290</b>

The remuneration of key management personnel (members of the Executive team) is £1,368,236 (2023: £1,286,763). The total remuneration of the Chief Executive Officer was £224,718 in 2024 of which £189,523 comprises basic salary (2023: total remuneration was £194,549 and basic salary £164,150). This remuneration was set on a developmental basis and subsequently reviewed at the start of 2025 with reference to market benchmarks in line with the charity's pay management approach. Employer pension contributions of £23,887 were made for the CEO (payment in 2023: £20,887).

**The remuneration of higher-paid staff, excluding pension contributions, fell within the following ranges:**

	2024 No.	2023 No.
£60,001 – £70,000	27	20
£70,001 – £80,000	8	3
£80,001 – £90,000	3	7
£90,001 – £100,000	7	5
£100,001 – £110,000	4	2
£110,001 – £120,000	1	1
£120,001 – £130,000	–	4
£130,001 – £140,000	2	–
£140,001 – £150,000	1	–
£150,001 – £160,000	2	–
£160,001 – £170,000	1	1
£170,001 – £180,000	–	–
£180,001 – £190,000	1	–
<b>Total</b>	<b>57</b>	<b>43</b>

Contributions were made to defined contribution schemes for a total of 54 (2023: 41) of higher-paid employees.

### 13. Trustees

Prior to the current Chair's appointment, a written order was approved by the Charity Commission for a "regulated alteration" to the Articles of Association to permit remuneration to the Chair of the Board and a special resolution to amend the Articles was passed in April 2019.

In line with this approval, the previous Chair of the Board of Trustees, John Griffith-Jones received remuneration of £4,000 (2023: £12,000) and the current Chair of the Board of Trustees, Lesley Titcomb received remuneration of £10,667 in the year (2023: £0). No additional benefits or pension contributions were paid.

None of the remaining Trustees (or any persons connected with them) received any remuneration during the year. Six of the Trustees were reimbursed for out of pocket expenses incurred in attending Trustee meetings totalling £3,374 (2023: Three Trustee reimbursed for expenses totalling £1,075)

Indemnity insurance is taken out to provide liability cover to protect any charity Trustee, employee or officer from claims arising against them as a result of an actual or alleged 'wrongful act' when performing the scope of their regular duties. The cost of providing this insurance is £18,765 (2023: £18,675).

### 14. Intangible assets

	Group £'000	Charity £'000
<b>Cost</b>	▼	▼
At 1 January 2024	8,236	8,236
Additions	–	–
<b>At 31 December 2024</b>	<b>8,236</b>	<b>8,236</b>
<b>Accumulated Amortisation</b>	▼	▼
At 1 January 2023	8,236	8,236
Charge for the year	–	–
<b>At 31 December 2023</b>	<b>8,236</b>	<b>8,236</b>
<b>Net book value</b>	▼	▼
<b>At 31 December 2024</b>	<b>–</b>	<b>–</b>
<b>At 31 December 2023</b>	<b>–</b>	<b>–</b>

All intangible assets relate to internal software development.



## 15. Tangible assets

	2024		2023	
	Group £'000	Charity £'000	Group £'000	Charity £'000
<b>Cost</b>	▼	▼	▼	▼
At 1 January	3,820	3,820	3,720	3,720
Additions	250	250	100	100
Disposals	-	-	-	-
<b>At 31 December</b>	<b>4,070</b>	<b>4,070</b>	<b>3,820</b>	<b>3,820</b>
<b>Accumulated Depreciation</b>	▼	▼	▼	▼
At 1 January	2,433	2,433	1,796	1,796
Charge for the year	505	505	637	637
Disposals	-	-	-	-
<b>At 31 December</b>	<b>2,938</b>	<b>2,938</b>	<b>2,433</b>	<b>2,433</b>
<b>Net book value</b>	▼	▼	▼	▼
<b>At 31 December 2024</b>	<b>1,132</b>	<b>1,132</b>	<b>1,387</b>	<b>1,387</b>
<b>At 31 December 2023</b>	<b>1,387</b>	<b>1,387</b>	<b>1,924</b>	<b>1,924</b>

All tangible assets are fixtures, fittings and equipment and Computers.  
The assets with zero net book value were written off in 2022.

## 16. Investments

Charity	2024 £	2023 £
<b>Subsidiary undertakings</b>	<b>5,001</b>	<b>5,001</b>

	Company number	Activities	2024 £	2023 £
<b>Subsidiary undertakings as at 31 December</b>	▼	▼	▼	▼
Consumer Credit Counselling Service (Voluntary Arrangements) Ltd	05659160	Insolvency services	1	1
Consumer Credit Counselling Service (Equity Release) Ltd	06741879	Advice for Equity Release and Mortgages	5,000	5,000
Debt Remedy Ltd	07869502	Dormant	-	-
StepChange Equity Release Ltd	08056301	Dormant	-	-
StepChange Financial Solutions Ltd	08561006	Dormant	-	-
StepChange Voluntary Arrangements Ltd	08056168	Dormant	-	-
			<b>5,001</b>	<b>5,001</b>

The registered office for all group companies is 123 Albion Street, Leeds, LS2 8ER.

Foundation for Credit Counselling held a 100% interest in all of the subsidiary undertakings. A summary of the results and balance sheet of the subsidiaries are given below:

	<b>2024</b> £'000	<b>2023</b> £'000
<b>Consumer Credit Counselling Service Voluntary Arrangements Limited</b>	▼	▼
Turnover	2,377	2,552
Cost of sales	(1,092)	(1,229)
Gross profit	1,285	1,323
Administrative expenses	(646)	(645)
<b>Profit for the financial year</b>	<b>639</b>	<b>678</b>
Assets	852	1,023
Liabilities	(213)	(345)
<b>Shareholders' funds</b>	<b>639</b>	<b>678</b>
<b>Consumer Credit Counselling Service (Equity Release) Limited</b>	▼	▼
Turnover	488	578
Cost of sales	(634)	(865)
Operating loss	(146)	(287)
Interest payable	-	-
<b>Loss for the financial year</b>	<b>(146)</b>	<b>(287)</b>
Assets	156	425
Liabilities	(465)	(588)
<b>Shareholders' funds</b>	<b>(309)</b>	<b>(163)</b>

In response to operating losses in 2023 and 2024, and continued difficult market conditions, a decision was taken by the Board of Trustees in April 2025 to close Consumer Credit Counselling Service (Equity Release) Limited to new business and to support the company in commencing an orderly wind-down of its affairs.

**17. Debtors**

	<b>Group 2024 £'000</b>	<b>Group 2023 £'000</b>	<b>Charity 2024 £'000</b>	<b>Charity 2023 £'000</b>
<b>Due within one year</b>	▼	▼	▼	▼
Trade debtors	7,053	4,501	6,327	3,702
Prepayments and accrued income	4,152	3,466	4,077	3,423
Other debtors	304	729	304	728
Amounts owed by group undertakings	–	–	286	650
	<b>11,509</b>	<b>8,696</b>	<b>10,994</b>	<b>8,503</b>
<b>Due after more than one year</b>	▼	▼	▼	▼
<b>Amounts owed by group undertaking</b>	–	–	<b>300</b>	<b>200</b>
<b>Total</b>	<b>11,509</b>	<b>8,696</b>	<b>11,294</b>	<b>8,703</b>

The amount owed by a group undertaking after more than one year is a loan of £300,000 (2023: £200,000) made to Consumer Credit Counselling Service (Equity Release), a trading subsidiary of Foundation for Credit Counselling. No interest was charged for 2024 to support CCCS (ER) during a loss making year. The loan is repayable on any date agreed in writing between the parties or within 30 days of receipt of a written request from the Lender (which the Lender agrees it will only serve on the Borrower if, in the reasonable opinion of the Lender, the Borrower has financial resources available to it to repay the Loan at that time). Subsequent to the decision to commence an orderly wind-down of CCCS (ER), loan repayments are expected to be made within the next 12 months.

**18. Cash and cash equivalents**

	<b>Group 2024 £'000</b>	<b>Group 2023 £'000</b>	<b>Charity 2024 £'000</b>	<b>Charity 2023 £'000</b>
<b>Cash and cash equivalents</b>	▼	▼	▼	▼
Cash balances	5,232	9,492	5,051	8,872
Bank deposits	–	–	–	–
<b>Total cash and cash equivalents</b>	<b>5,232</b>	<b>9,492</b>	<b>5,051</b>	<b>8,872</b>

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

	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
<b>Creditors: amounts falling due within one year</b>	✓	✓	✓	✓
Trade creditors	1,241	1,328	1,207	1,286
Other taxes and social security costs	785	903	801	918
Accruals and other creditors	2,081	1,710	2,032	1,640
	<b>4,107</b>	<b>3,941</b>	<b>4,040</b>	<b>3,844</b>

## 20. Operating lease commitments

	Land and buildings 2024 £'000	Other 2024 £'000	Total 2024 £'000	Total 2023 £'000
<b>The charity is committed to minimum lease payments under non-cancellable operating leases expiring:</b>	✓	✓	✓	✓
Within one year	1,742	17	1,759	1,876
Between one and five years	2,936	-	2,936	3,981
After five years	-	-	-	-
	<b>4,678</b>	<b>17</b>	<b>4,695</b>	<b>5,857</b>
<b>Net expenditure for the year before taxation is stated after charging</b>	✓	✓	✓	✓
Operating lease charges	1,539	114	1,653	1,747



**21. Movements in unrestricted funds**

	<b>At 1 Jan 2024</b> £'000	<b>Incoming resources</b> £'000	<b>Outgoing resources</b> £'000	<b>At 31 Dec 2024</b> £'000
<b>Group</b>	▼	▼	▼	▼
Unrestricted reserves	13,903	58,431	(59,524)	12,810
Landlord contribution	1,109	(278)	-	831
<b>Reserves including landlord contribution</b>	<b>15,012</b>	<b>58,153</b>	<b>(59,524)</b>	<b>13,641</b>
<b>Charity</b>	▼	▼	▼	▼
Unrestricted reserves	13,392	56,245	(57,152)	12,484
Landlord contribution	1,109	(278)	-	831
<b>Reserves including landlord contribution</b>	<b>14,501</b>	<b>55,967</b>	<b>(57,152)</b>	<b>13,316</b>
<b>Previous Year</b>	<b>At 1 Jan 2023</b> £'000	<b>Incoming resources</b> £'000	<b>Outgoing resources</b> £'000	<b>At 31 Dec 2023</b> £'000
<b>Group</b>	▼	▼	▼	▼
Unrestricted reserves	17,739	51,482	(55,318)	13,903
Landlord Contribution	1,386	(277)	-	1,109
<b>Reserves including landlord contribution</b>	<b>19,125</b>	<b>51,205</b>	<b>(55,318)</b>	<b>15,012</b>
<b>Charity</b>				
Unrestricted reserves	16,638	49,311	(52,557)	13,392
Landlord Contribution	1,386	(277)	-	1,109
<b>Reserves including landlord contribution</b>	<b>18,024</b>	<b>49,034</b>	<b>(52,557)</b>	<b>14,501</b>

## 22. Movements in restricted funds

	At 1 Jan 2024 £'000	Incoming resources £'000	Outgoing resources £'000	At 31 Dec 2024 £'000
<b>Group and charity</b>	▼	▼	▼	▼
MaPS	-	-	-	-
Scottish Ministers	-	1,327	(1,327)	-
Welsh Ministers	-	-	-	-
Natwest	900	435	(932)	403
	<b>900</b>	<b>1,762</b>	<b>(2,259)</b>	<b>403</b>

	At 1 Jan 2023 £'000	Incoming resources £'000	Outgoing resources £'000	At 31 Dec 2023 £'000
<b>Group and charity</b>	▼	▼	▼	▼
MaPS	-	1,931	(1,931)	-
Scottish Ministers	-	1,308	(1,308)	-
Welsh Ministers	-	10	(10)	-
Natwest	1,800	-	(900)	900
	<b>1,800</b>	<b>3,249</b>	<b>(4,149)</b>	<b>900</b>

### MaPS Grant

FCC did not receive grant funding from the Money and Pension Service (MaPS) in 2024.

### Scottish Ministers

FCC received funding under two agreements from the Scottish Ministers. Firstly, for the provision of a telephone debt advice service to indebted individuals for a 1 year period from the 1st April 2019 and subsequently the provision of a specialist debt service with a particular focus on vulnerable clients for the period from 30th May 2019 to 31st March 2020. Both of these agreements were renewed up to 31st March 2024 and an additional agreement was also entered into to increase the support for vulnerable clients as well as building on knowledge and providing training to colleagues on certain key areas.

### Welsh Ministers

FCC received funding for the provision of a telephone debt advice to indebted individuals for a 1 year period from the 1st April 2019 from the Welsh Ministers. This agreement was not renewed in 2024.

### Natwest Grant

StepChange received an additional £435k grant from Natwest in 2024 to provide a national debt advice service for Natwest's business customers. This is a pilot, in which StepChange will provide debt advice and share customer outcomes data. This pilot project is due to continue until September 2025.

2024	MaPS	Scotland £'000	Wales £'000	Natwest £'000	Betway £'000	Total restricted £'000	Total unrestricted £'000	Total funds £'000
<b>Fixed Assets</b>	✓	✓	✓	✓	✓	✓	✓	✓
Intangible assets	-	-	-	-	-	-	-	-
Tangible assets	-	-	-	-	-	-	1,132	1,132
	-	-	-	-	-	-	1,132	1,132
<b>Current Assets</b>	✓	✓	✓	✓	✓	✓	✓	✓
Debtors	-	-	-	-	-	-	11,509	11,509
Cash at bank and in hand	-	-	-	403	-	403	4,829	5,232
	-	-	-	403	-	403	16,338	16,741
Creditors: Amounts falling due within one year	-	-	-	-	-	-	(4,107)	(4,107)
<b>Net Current Assets</b>	-	-	-	403	-	403	12,231	12,634
Creditors: amounts falling due after one year	-	-	-	-	-	-	(554)	(554)
<b>Net Assets</b>	-	-	-	403	-	403	12,810	13,213

The summary of the assets and liabilities for the total restricted funds, disclosed by contract and the total unrestricted funds at 31 December 2024 is shown above. Values are NIL except where shown.

2023	MaPS	Scotland £'000	Wales £'000	Natwest £'000	Betway £'000	Total restricted £'000	Total unrestricted £'000	Total funds £'000
<b>Fixed Assets</b>	✓	✓	✓	✓	✓	✓	✓	✓
Intangible assets	-	-	-	-	-	-	-	-
Tangible assets	-	-	-	-	-	-	1,387	1,387
	-	-	-	-	-	-	<b>1,387</b>	<b>1,387</b>
<b>Current Assets</b>	✓	✓	✓	✓	✓	✓	✓	✓
Debtors	-	-	-	-	-	-	8,696	8,696
Cash at bank and in hand	-	-	-	900	-	900	8,592	9,492
	-	-	-	<b>900</b>	-	<b>900</b>	<b>17,288</b>	<b>18,188</b>
Creditors: Amounts falling due within one year	-	-	-	-	-	-	(3,941)	(3,941)
<b>Net Current Assets</b>	-	-	-	<b>900</b>	-	<b>900</b>	<b>13,347</b>	<b>14,247</b>
Creditors: amounts falling due after one year	-	-	-	-	-	-	(831)	(831)
<b>Net Assets</b>	-	-	-	<b>900</b>	-	<b>900</b>	<b>13,903</b>	<b>14,803</b>

23. Related party disclosures

On a consolidated basis, there were no (2023: none) transactions undertaken with related parties during the year. The charity provided a loan of £300,000 (2023: £200,000) to Consumer Credit Counselling Service (Equity Release). The details are disclosed within note 17. One of StepChange's Trustees, Nick Caplan is also a Director at Vitality Health Limited. A total amount of £36,000 was paid to Vitality Health Limited by StepChange in the year 2024 for employee health services (2023: £36,000). There were no other related party transactions in either year.

24. 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 pension funds and amounted to £2,756,687 (2023: £2,686,098). At the year end the pension creditor amounted to £0 (2023: £0).

25. Creditors: amounts falling due after more than one year

	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
Creditors: amounts falling due after one year	▼	▼	▼	▼
Accruals and other creditors	554	831	554	831
	554	831	554	831





# Thank you to our supporters

Each of these organisations supported us financially in 2024, and many supported our policy work to improve the debt landscape. We would like to express our gratitude for their support, without which our work would not be possible.

Aberdein Considine & Co

Acument Mortgages

Affinity Water

Amber Energy

American Express

Anglian Water

Arrow Global

Barclays

Bristol and Wessex Water

British Gas

Cabot Credit Management

Capital One

Capital Resolve

CARS

Clarion Housing

ClearScore

Compare the Market

Computershare

The Co-operative Bank

C&R Software

Create Future

Creation Financial Services

Credit Style

Credit Suisse, the UBS group

Damart

E.ON Next

Elderbridge

Essex and Suffolk Water

Experian

Freeman Grattan Holdings

Go Debt

Green Energy

H&T Pawnbrokers

Home Retail Group

Hoopers Department Store

HSBC Bank

Ikano Bank

Intrum

JAJA Finance

Key Retirement Solutions

Klarna

Lantern

Leeds Building Society

Link Financial

Lloyds Banking Group

Loop Customer Management

Lowell Financial

Marston Group

Mazars

McCambridge Duffy

Money and Pensions Service

Moneybarn

Moneyline

Monzo Bank

Moondance Foundation

Moorcroft Debt Recovery

Morses Club





N Brown

Nationwide

NatWest

NewDay

Northumbrian Water

Novuna

OVO Energy

Paragon

Pega

PRA Group

Provide Community

Redcats

Royal Bank of Scotland

RSA Insurance Group

Sainsburys

Sainsburys Bank

Santander

Scottish Government

Scottish Power

Secure Trust Bank

Sesame Services

Shell Energy

Snap Finance

Specialist Motor Finance

SteadyPay Limited

StepChange Financial  
Solutions

StepChange Voluntary  
Arrangements

TBI Financial Services

Tech Mahindra

Tesco Bank

Thames Valley Housing

The Blyth Watson  
Charitable Trust

The Investment Association

The Very Group

Thesis

TSB

Ulster Bank

United Utilities

Utilita Energy

Vanquis

Virgin Money

Welsh Government

Welsh Water

Wescot

West Cumbria  
Community Money Advice

X-Lab

Yorkshire Bank

Zenith

