

Company Registration No 2757055
Registered Charity No 1016630

Foundation for Credit Counselling
(A Company Limited by Guarantee)

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended

31 December 2011

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Registered Charity No 1016630

Foundation for Credit Counselling
(A Company Limited by Guarantee)

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended

31 December 2011

Foundation for Credit Counselling

OFFICERS AND PROFESSIONAL ADVISERS

TRUSTEES

Lord Stevenson (Chairman)
J J Burton
D J Phelan
G J Mulcahy
S Taverne
M Fairey
D Coates

CHIEF EXECUTIVE OFFICER

G Bell

SECRETARY

M J Lynch

REGISTERED OFFICE

Wade House
Merrion Centre
Leeds
LS2 8NG

AUDITOR

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

BANKERS

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

SOLICITORS

Wrigleys Solicitors LLP
19 Cookridge Street
Leeds
LS2 3AG

Foundation for Credit Counselling

CHAIRMANS' STATEMENT

Around 1,000 people per day contacted the charity through its free helpline during the year and CCCS actively managed 120,000 debt management plans, repaying £312m to lenders. Clients on repayment plans as well as those recommended to other solutions require high levels of support, particularly in these testing times as households struggle with rising costs at a time of stagnating incomes. In 2011, our client support teams dealt with over a million client contacts by phone and by post. Relations with creditors remain mutually supportive – last year just over half of all referrals to our service came from creditors.

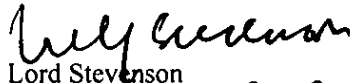
We are continuing to work to build a network of strategic partners with like-minded organisations, similar to the one we developed last year with Citizens Advice and which is still on going.

During the last year, the board developed a strategic plan aimed at ensuring our service is improved and developed for current and future needs. As part of that plan, we are introducing a new brand and will be supporting that and all our activities with a sustained publicity campaign.

The Money Advice Service (which is funded by the FSA) has been tasked with putting the provision of debt advice on a sustainable footing. We welcome that, provided it does not interfere with our existing model, which we strongly believe delivers a good service.

All our experience at the heart of this sector shows that there is a real and pressing need to make a step change in the ability of the system to reach the increasing number of people that need debt advice and support. We know that far too many people are unaware of the free services that are available, that they have difficulty in distinguishing them from those offered by commercial fee-chargers; and we also know that too many people put off contacting the organisations that could help them for far too long – in many cases for more than a year.

We are very grateful to our trustees and excellent management and staff for the contribution they make to ensure that we continue reach all those who need our help.


Lord Stevenson
Date 10 July 2012

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

year ended 31 December 2011

The Trustees, who are the Council of Management, present their report and accounts for the year ended 31 December 2011.

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

REFERENCE AND ADMINISTRATION

NAME AND REGISTRATION

Foundation for Credit Counselling is a company limited by guarantee (number 2757055) and a registered charity (number 1016630) The charity is more widely known as the Consumer Credit Counselling Service

REGISTERED AND PRINCIPAL OFFICE

Wade House, Merrion Centre, Leeds, LS2 8NG

COUNCIL OF MANAGEMENT AND THEIR INTERESTS

The following members of the Council of Management have held office since 1 January 2011

Lord Stevenson
J J Burton
D J Phelan
G J Mulcahy
S Taverne
D Coates
M Fairey
S Lewis (appointed 10 July 2012)

These individuals constitute Directors of the company for the purposes of the Companies Act 2006 and are the charity's trustees

G Mulcahy and S Taverne will retire at the next annual general meeting and offer themselves for re-election S Lewis was appointed on 10 July 2012 and will also retire at the next annual general meeting S Lewis also offers herself for re-election

SENIOR STAFF

G Bell – Chief Executive Officer
S Nicholson – Chief Financial Officer
F Megaw – Chief Operating Officer
D Corinaldi – Director of External Affairs

PRINCIPAL ADVISORS

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

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

year ended 31 December 2011

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The governing document of the Foundation for Credit Counselling is its Memorandum and Articles of Association. Under those Articles, the members of the Board of Trustees are empowered at any time to appoint any person to be a member of the Board, but any member so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re-election.

TRUSTEE SELECTION, RECRUITMENT AND INDUCTION

SELECTION AND RECRUITMENT

The following is an extract from the procedures applicable to the recruiting of all new trustees, however contacted, but does not form part of the process of re-election of a retiring trustee. The re-election process is defined in the Memorandum and Articles of Association.

1. A recommending trustee considers candidates by assessing personal profiles against the skills, experience and attributes above and considering the disqualification factors. The trustee should then agree with the chairman to proceed with the candidature procedure.
2. With the chairman's agreement, the recommending trustee must notify all other trustees at, or between, FCC meetings.
3. The candidate(s) will be invited to attend one or more FCC board meetings as an observer to allow knowledge to be gained on both sides.
4. At the following or subsequent FCC board meeting (as appropriate), the trustees will consider the candidate(s) against the requirements of the charity and elect as appropriate.
5. The chairman will convey the decision of the board of trustees to the candidate(s).
6. The candidate will be requested to sign the Declaration of Confirmation to act as a trustee.
7. The company secretary will register the newly elected person as a trustee of the charity.

INDUCTION

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

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

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

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

year ended 31 December 2011

This material will prepare the trustee for the active part of the induction where meetings are arranged with the chairman, a trustee “mentor”, the charity’s company secretary and its executive to discuss the charity and its governance, introducing further key documents about the charity and its future. During this time there will also be opportunities for the trustee to visit the various operations.

The “induction pack” provides a personal induction checklist for the trustee and the induction will be at the convenience of the trustee.

ORGANISATIONAL STRUCTURE

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

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

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

PARTNERS

FCC works closely with many partners to achieve its objectives of delivering credit counselling and education.

- The Limavady Community Development Initiative is an independent charity which receives a number of callers from the CCCS help line to give them counselling. All Northern Ireland callers are directed to the Limavady CDI.
- FCC supports another charity, Credit Action, who offer a range of resources, tools and training to help individuals handle their money effectively in order to prevent them from getting into financial difficulty.
- FCC also provides a debt repayment facility to the charity National Debtline.
- A pilot scheme with the Citizens Advice Bureau is ongoing and has enabled more beneficiaries to reach our service as well as providing further funding to both charities.
- Details of other partnerships may be obtained on the charity’s web site www.cccs.co.uk.

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

year ended 31 December 2011

RISK REVIEW

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

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

OBJECTIVES AND ACTIVITIES

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

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

- the provision of advice to assist such persons to re-schedule and re-finance their borrowings,
- the provision of financial education to enable such persons to manage their finances more effectively,
- the establishment and support of counselling services to which such persons may resort for advice on debt matters generally,
- the establishment of an insolvency practice to which such persons may resort as an alternative solution to debt problems, and
- the establishment or support of such other services or products for the public benefit to assist in the relief of poverty

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

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

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

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

year ended 31 December 2011

PRINCIPAL ACTIVITIES

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

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

ACHIEVEMENTS AND PERFORMANCE

CHARITABLE ACTIVITIES

The charity's aims for 2011 were to continue providing core services to as many individuals and families as possible, whilst introducing further services to better meet the new and emerging needs of its beneficiaries With reference to the 2010 Annual Report and Accounts the trustees believed the demand for services would remain high and that the charity was able to meet this demand without adversely affecting quality Although demand for debt advice in 2011 was very substantial there was a decrease in calls to the Helpline compared to the previous year However this was in tandem with an increase in warm transfers (a Helpline caller sent straight to Counselling) and an increase in online counselling activity

In total the charity was contacted by over 369,000 people seeking to resolve their debt problems – or around 1,000 people a day

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

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

year ended 31 December 2011

SERVICES PROVIDED

- The charity handled 1.2 million (2010 1.2 million) calls including over 229,000 (2010 287,000) Helpline calls,
- The charity also handled over 36,000 (2010 31,000) calls to its specialist helplines dealing with welfare benefits, mortgage counselling, bankruptcy and debt relief orders,
- Counsellors advised over 108,000 (2010 120,000) people through an in depth counselling session,
- Over 80,000 (2010 65,000) people were counselled via CCCS Debt Remedy the charity's online counselling facility,
- Almost 28,000 (2010 28,000) new Debt Management Plans (DMPs) were created,
- CCCS VA Ltd created 922 (2010 829) new Individual Voluntary Arrangements (IVAs) with an average debt relief of 71% (2010 67%) per client, and
- In the first 18 months of operation CCCS ER Ltd assisted in over 120 applications releasing £5.3 million of equity release funding

EFFICIENCY, EFFECTIVENESS AND QUALITY

Telephone counselling

Nearly 17% (2010 9%) of Helpline callers were "warm transferred" straight to Counselling

Client aftercare

Client aftercare continued to deal with a high volume of calls, 829,346 (2010 818,679), demonstrating the charity's commitment to providing ongoing care for clients on Debt Management Plans (DMP's). In total the Correspondence, Customer Service and Client Support teams dealt with 1.1 million contacts by letter and phone

Operational departments

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

ICM qualifications

The charity's training team continue to work in partnership with the Institute of Credit Management in promoting the Diploma in Money and Debt Advice (DMDA) both internally and nationally. In March 2012 34 employees will receive the diploma and there are 29 new entrants from across the charity. The DMDA has full accreditation from Ofqual thus enhancing the merits of debt advice as a recognised profession

CCCS Voluntary Arrangements Ltd

In October Jackie Westerman, the CCCS VA Insolvency Practitioner, was named joint winner of the Insolvency Practitioner of the year award 2011 in the Personal category. The award was presented at the Insolvency and Rescue awards held at the Lancaster Hotel in London

CCCS Equity Release Ltd

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

year ended 31 December 2011

In December "Which?" posed as potential equity release clients and conducted 22 visits with advisors who are qualified to recommend equity release. CCCS ER were the only organisation to pass all the tests.

REFERRALS

Over 55% of all referrals came to the charity on the recommendation of their lenders and over 20% were directed by their family and friends. Many others came through the internet via the charity's web site www.cccs.co.uk and links from other sites.

NEW SERVICES

- Following feedback from DMP clients a Settlement Service was introduced in November. Where clients are able to access an unexpected lump sum of money to pay towards their debts e.g. from friends, family or inheritance, the new service will support them by organising the settlement offer on their behalf.
- In February 2012 Helpline and Counselling offered their services for the first time on a Saturday morning. This initiative was started following research showing 74% of clients felt opening on Saturday would improve the service.

GROWING LEVELS OF INDEBTEDNESS

- FCC has over 120,000 (2010 113,000) clients benefiting from debt management plans. The repayment ethic promoted by the charity resulted in £312 million (2010 £289 million) being repaid to creditors. With the burden of collecting these debts removed from lenders they will be supportive to our clients as long as over indebtedness exists in our society.

FINANCIAL REVIEW

The overall financial results for the year show net incoming resources of £4,268,387. Unrestricted income rose by 1% resulting in increased reserves of £24.8 million (2010 £20.5 million) enabling future development and growth while maintaining high standards of service to clients and creditors.

RESERVES POLICY

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

FUNDING

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

INVESTMENT PERFORMANCE

The charity's investment policy is subject to an annual review by the trustee audit committee. In 2011 the policy of investing the majority of surplus liquid funds in a staggered mix of fixed term deposits met

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

year ended 31 December 2011

current requirements With minimal risk an average return of 2.5% (2010 2.5%) was achieved and considered acceptable

FUTURE PLANS

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

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

With reference to the 2010 Annual Report and Accounts a full scale strategic review was undertaken during the year. The trustees concluded a comprehensive re-branding is necessary to fully promote the charity's services, bring the charity to the attention of more beneficiaries and to compete more ably with fee charging agencies.

Preparation for the re-branding, the first since the charity began operating in 1993, will take place throughout 2012 but will have positive consequences for all concerned well beyond this year.

DISABLED EMPLOYEES

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

EMPLOYEE INVOLVEMENT

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

This is achieved through passing on information at regular team briefs and one-to-one reviews, via designated departmental employees or through the monthly newsletter "Broadcast".

There is also an employee consultative group of elected representatives to aid the communication of key information to all employees and to improve the flow of information from employees to the charity's senior management.

The charity organised an annual conference in October attended by all employees.

Foundation for Credit Counselling
REPORT OF THE BOARD OF TRUSTEES
year ended 31 December 2011

DONATIONS

During the year the group made charitable donations of £10,793

AUDITOR

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

By order of the Board of Trustees



Lord Stevenson (Trustee)

Date 10 July 2012

Foundation for Credit Counselling

STATEMENT OF TRUSTEES' RESPONSIBILITIES

year ended 31 December 2011

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and 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 Charities SORP,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

We have audited the group and parent charity financial statements of Foundation for Credit Counselling ("the financial statements") for the year ended 31 December 2011 on pages 15 to 34. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

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

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2011 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- the parent charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us, or
 - the parent charitable company financial statements are not in agreement with the accounting records and returns, or
 - certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Baker Tilly UK Audit LLP

CLAIRE LEECE (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
2 Whitehall Quay
Leeds
LS1 4HG

Date

Foundation for Credit Counselling
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
year ended 31 December 2011

	<i>Notes</i>	Unrestricted Funds £	Restricted funds £	Total funds 2011 £	Total funds 2010 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income					
- Donations		1,760	-	1,760	125,149
- Grants		-	-	-	403,098
Investment income	1	405,915	-	405,915	237,807
Incoming resources from charitable activities					
Counselling and debt management contributions					
		30,282,250	-	30,282,250	28,629,070
Insolvency service		2,669,942	-	2,669,942	2,426,569
Equity Release		87,810	-	87,810	26,404
Other income	2	169,041	-	169,041	274,993
TOTAL INCOMING RESOURCES		33,616,718	-	33,616,718	32,123,090
RESOURCES EXPENDED					
Charitable activities					
Counselling costs		21,353,094	-	21,353,094	20,166,594
Debt management costs		3,897,263	-	3,897,263	2,976,502
Insolvency service		1,816,415	-	1,816,415	1,556,647
Equity release services		148,024	-	148,024	184,318
Promotion of services to beneficiaries		1,453,583	-	1,453,583	1,279,770
Financial education		-	-	-	461,261
Governance		248,719	-	248,719	171,223
Other		10,793	-	10,793	204,993
TOTAL RESOURCES EXPENDED	4	28,927,891	-	28,927,891	27,001,308
NET INCOMING RESOURCES FOR THE YEAR BEFORE TAXATION					
Taxation on non charitable trading subsidiaries' ordinary activities	7	(222,772)	-	(222,772)	268,842
NET INCOMING RESOURCES FOR THE YEAR BEFORE TRANSFERS		4,466,055	-	4,466,055	5,390,624
Loss on common control of Credit Action	9	(62,197)	(135,471)	(197,668)	-
NET INCOMING RESOURCES FOR THE YEAR		4,403,858	(135,471)	4,268,387	5,390,624
BALANCE BROUGHT FORWARD AT 1 JANUARY 2011					
		20,387,362	135,471	20,522,833	15,132,209
BALANCE CARRIED FORWARD AT 31 DECEMBER 2011					
		24,791,220	-	24,791,220	20,522,833

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

The notes on pages 19 to 34 form part of these financial statements

Foundation for Credit Counselling
CONSOLIDATED BALANCE SHEET
31 December 2011

Company Registration No 2757055
Registered Charity No 1016630

	<i>Notes</i>	2011 £	2010 £
FIXED ASSETS			
Tangible assets	8	1,911,622	1,954,368
		<u>1,911,622</u>	<u>1,954,368</u>
CURRENT ASSETS			
Stock		-	13,460
Debtors	10	5,260,159	4,788,508
Cash at bank and in hand		20,001,887	15,982,769
		<u>25,262,046</u>	<u>20,784,737</u>
CREDITORS Amounts falling due within one year	12	(2,382,448)	(2,216,272)
		<u>22,879,598</u>	<u>18,568,465</u>
NET CURRENT ASSETS			
		<u>24,791,220</u>	<u>20,522,833</u>
NET ASSETS			
REPRESENTED BY			
General funds	16	24,791,220	20,387,362
		<u>24,791,220</u>	<u>20,387,362</u>
TOTAL UNRESTRICTED FUNDS			
Restricted funds	17	-	135,471
		<u>24,791,220</u>	<u>20,522,833</u>
TOTAL FUNDS			
		<u><u>24,791,220</u></u>	<u><u>20,522,833</u></u>

The financial statements on pages 15 to 34 were approved by the board of trustees and authorised for issue on 10 July 2012 and are signed on its behalf by



Lord Stevenson
Chairman

The notes on pages 19 to 34 form part of these financial statements

Foundation for Credit Counselling

BALANCE SHEET

31 December 2011

	<i>Notes</i>	2011 £	2010 £
FIXED ASSETS			
Tangible assets	8	1,792,462	1,814,994
Investments	9	5,001	5,001
		<hr/>	<hr/>
		1,797,463	1,819,995
		<hr/>	<hr/>
CURRENT ASSETS			
Debtors due within one year	10	4,551,297	3,921,969
Debtors due after more than one year	10	1,371,485	1,990,041
Cash at bank and in hand		19,776,497	15,447,933
		<hr/>	<hr/>
		25,699,279	21,359,943
		<hr/>	<hr/>
CREDITORS Amounts falling due within one year	12	(2,285,001)	(1,931,800)
		<hr/>	<hr/>
NET CURRENT ASSETS		23,414,278	19,428,143
		<hr/>	<hr/>
NET ASSETS		25,211,741	21,248,138
REPRESENTED		<hr/>	<hr/>
General funds	16	25,211,741	21,248,138
		<hr/>	<hr/>
TOTAL UNRESTRICTED FUNDS		25,211,741	21,248,138
Restricted funds		-	-
		<hr/>	<hr/>
TOTAL FUNDS		25,211,741	21,248,138
		<hr/>	<hr/>

The notes on pages 19 to 34 form part of these financial statements

Foundation for Credit Counselling
CONSOLIDATED CASH FLOW STATEMENT
year ended 31 December 2011

	<i>Notes</i>	2011 £	2010 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	19	5,004,608	6,178,218
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		405,915	237,807
CAPITAL EXPENDITURE			
Purchase of fixed assets		(1,017,420)	(1,395,025)
ACQUISITIONS AND DISPOSALS		(373,985)	-
INCREASE IN CASH		<u>4,019,118</u>	<u>5,021,000</u>

STATEMENT OF CHANGES IN RESOURCES APPLIED FOR FIXED ASSETS FOR CHARITY USE

	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Net movement in funds for the year	4,403,858	(135,471)	4,268,387	5,390,624
Resources used for net acquisition of tangible fixed assets	(1,017,420)	-	(1,017,420)	(1,395,025)
NET MOVEMENT IN FUNDS AVAILABLE FOR FUTURE ACTIVITIES	<u>3,386,438</u>	<u>(135,471)</u>	<u>3,250,967</u>	<u>3,995,599</u>

Foundation for Credit Counselling

ACCOUNTING POLICIES

year ended 31 December 2011

The company has adopted the following principal accounting policies which should be read in conjunction with the financial statements set out on pages 15 to 34

BASIS OF ACCOUNTING

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

GOING CONCERN

The financial statements have been prepared on the going concern basis which assumes that the company will continue in operation for the foreseeable future. Details of company activities, risk review procedures, financial performance, reserves and funding are noted on pages 6 to 10 of these financial statements. The company has strong financial resources invested with minimal risk and no borrowed funding.

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

GROUP FINANCIAL STATEMENTS AND SUBSIDIARY COMPANIES

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

The incoming resources for the company during the year ended 31 December 2011 were £30,914,310 (2010 £29,156,414). After expenditure of £26,950,707 (2010 £24,755,874) a net surplus of £3,963,603 (2010 £4,400,540) was generated for Foundation for Credit Counselling, as an individual company.

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

INCOMING RESOURCES

Donations are credited as income in the accounting period in which they are received and include any relevant tax claim.

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

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

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

Foundation for Credit Counselling
 NOTES TO THE FINANCIAL STATEMENTS
 year ended 31 December 2011

1	INVESTMENT INCOME	2011 £	2010 £
	Bank interest	405,915	237,807
		<u> </u>	<u> </u>
2	OTHER INCOME	2011 £	2010 £
	Income from mortgage advisors and insolvency practitioners	37,800	56,364
	Income from training courses	12,969	18,879
	Government grants	-	21,000
	Income from overseas charitable activity	7,078	102,961
	Other	111,194	75,789
		<u> </u>	<u> </u>
		169,041	274,993
		<u> </u>	<u> </u>
3	NET INCOMING RESOURCES BEFORE TAXATION	2011 £	2010 £
	This is stated after charging		
	Directors remuneration	-	-
	Depreciation of tangible assets	1,058,676	828,085
	Loss on disposal	-	400
	Operating lease rentals	1,048,923	1,147,791
	Principal auditors' remuneration		
	Audit	31,925	28,000
	Internal audit	19,429	3,742
	Non audit services	2,500	5,734
	Other auditors remuneration	-	3,584
		<u> </u>	<u> </u>

Foundation for Credit Counselling
 NOTES TO THE FINANCIAL STATEMENTS
 year ended 31 December 2011

4 RESOURCES EXPENDED

a) Analysis of total resources expended

	<i>Staff costs</i>	<i>Other direct costs</i>	<i>Support costs</i>	<i>Total 2011</i>	<i>Total 2010</i>
Unrestricted funds	£	£	£	£	£
Counselling costs	9,852,346	630,386	10,870,362	21,353,094	20,151,340
Debt management costs	2,061,257	753,084	1,082,922	3,897,263	2,976,502
Insolvency service	376,656	1,439,759	-	1,816,415	1,556,647
Equity release services	133,025	14,999	-	148,024	184,318
Promotion of services to beneficiaries	909,695	301,643	242,245	1,453,583	1,279,770
Financial education	-	-	-	-	375,344
Governance	73,806	147,168	27,745	248,719	171,223
Other	-	10,793	-	10,793	204,993
Total unrestricted resources expended	13,406,785	3,297,832	12,223,274	28,927,891	26,900,137
				<i>Total 2011</i>	<i>Total 2010</i>
Restricted funds				£	£
Counselling costs				-	15,254
Financial education				-	85,917
Total restricted resources expended				-	101,171
Total resources expended				28,927,891	27,001,308

Foundation for Credit Counselling
NOTES TO THE FINANCIAL STATEMENTS
year ended 31 December 2011

4 RESOURCES EXPENDED (*continued*)

b) Analysis of support costs

Unrestricted funds	<i>Counselling costs</i> £	<i>Debt management costs</i> £	<i>Promotion of services to beneficiaries</i> £	<i>Governance</i> £	<i>Total 2011</i> £	<i>Total 2010</i> £
Staff costs	5,052,682	510,945	113,542	-	5,677,169	5,151,612
Training and recruitment	294,043	25,211	6,515	-	325,769	290,758
Travel and subsistence	233,389	20,483	5,245	6,794	265,911	201,750
Premises	2,112,960	213,671	47,478	-	2,374,109	2,251,234
Communications and IT	1,117,396	112,995	25,111	-	1,255,502	1,037,624
Printing and postage	461,217	46,641	10,363	316	518,537	507,424
Consultancy and professional	758,368	68,000	15,108	20,635	862,111	487,476
Depreciation	840,307	84,976	18,883	-	944,166	441,624
Total support costs	10,870,362	1,082,922	242,245	27,745	12,223,274	10,369,502

c) Analysis of governance costs

	<i>Total 2011</i> £	<i>Total 2010</i> £
Audit and accountancy fees	40,807	42,292
Internal audit fees	19,429	3,743
Legal and professional fees	88,394	44,168
Apportionment of staff and support costs	100,089	81,020
	248,719	171,223

Foundation for Credit Counselling
NOTES TO THE FINANCIAL STATEMENTS
year ended 31 December 2011

5	EMPLOYEES	2011	2010
		No	No
	The average monthly number of persons employed by the group during the year was		
	Promotion of services to beneficiaries	13	11
	Counselling	497	457
	Debt Management	50	36
	Insolvency Services	58	47
	Client services and administrative support	238	230
		<u> </u>	<u> </u>
		856	781
		<u> </u>	<u> </u>
		2011	2010
		£	£
	Staff costs for above persons		
	Wages and salaries	17,135,347	17,020,148
	Social security costs	1,591,712	1,556,732
	Other pension costs	388,410	343,532
		<u> </u>	<u> </u>
		19,115,469	18,920,412
		<u> </u>	<u> </u>

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

	2011	2010
	No	No
£70,001 - £80,000	1	1
£80,001 - £90,000	1	-
£110,001 - £120,000	-	1
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
£160,001 - £170,000	-	1
£170,001 - £180,000	1	-
	<u> </u>	<u> </u>
Total	4	4
	<u> </u>	<u> </u>

A total of 4 (2010 3) of these employees had retirement benefits accruing under a defined contribution pension scheme

Foundation for Credit Counselling
NOTES TO THE FINANCIAL STATEMENTS
year ended 31 December 2011

Foundation for Credit Counselling

NOTES TO THE FINANCIAL STATEMENTS

year ended 31 December 2011

6 TRUSTEES

None of the Trustees (or any persons connected with them) received any remuneration during the year. 2 of the Trustees were reimbursed for out of pocket expenses (2010: 2 Trustees) totalling £3,554 (2010: £10,727).

Indemnity insurance is taken out to cover losses arising from neglect or default by any charity Trustee, employee or officer. The costs of providing this insurance is £15,021 (2010: £9,588).

7 TAXATION

The charitable company is exempt from corporation tax on its charitable activities.

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

Analysis of charge in the year

	2011 £	2010 £
Deferred tax		
Deferred tax on trading losses	<u>222,772</u>	<u>(268,842)</u>

No provision has been made for the deferred tax asset of £63,984 (2010: £62,510) in Consumer Credit Counselling Service (Equity Release) Limited due to the uncertainty that exists over the recoverability of the asset.

8 TANGIBLE FIXED ASSETS CONSOLIDATED

	<i>Fixtures, fittings and equipment</i> £
Cost	
1 January 2011	6,341,436
Additions	1,017,420
Disposals	(224,523)
	<hr/>
At 31 December 2011	7,134,333
	<hr/>
Depreciation	
At 1 January 2011	4,387,068
Charge for the year	1,058,676
On disposals	(223,033)
	<hr/>
At 31 December 2011	5,222,711
	<hr/>
Net book value	
At 31 December 2011	1,911,622
	<hr/>
At 31 December 2010	1,954,368
	<hr/>

Foundation for Credit Counselling
 NOTES TO THE FINANCIAL STATEMENTS
 year ended 31 December 2011

8	TANGIBLE FIXED ASSETS <i>(continued)</i>		
	<i>COMPANY</i>	<i>Fixtures, fittings and equipment</i>	
		£	
	Cost		
	1 January 2011	5,563,550	
	Additions	921,634	
	Disposals	(208,375)	
		<hr/>	
	At 31 December 2011	6,276,809	
		<hr/>	
	Depreciation		
	At 1 January 2011	3,748,556	
	Charge for the year	944,166	
	Disposals	(208,375)	
		<hr/>	
	At 31 December 2011	4,484,347	
		<hr/>	
	Net book value		
	At 31 December 2011	1,792,462	
		<hr/>	
	At 31 December 2010	1,814,994	
		<hr/> <hr/>	
9	FIXED ASSET INVESTMENTS	2011	2010
		£	£
	Subsidiary undertaking	5,001	5,001
		<hr/>	<hr/>

The company has a 100% holding (1 share with nominal value of £1) in CCCSVA Ltd. The principal activity is the provision of insolvency services.

The company has a 100% holding (5,000 shares with nominal value of £5,000) in CCCS(ER) Ltd. The principal activity is the provision of equity release loan advice and referral services.

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

During 2010 Foundation for Credit Counselling operated through a sister charity, Credit Action. On 31 August 2011 the trustees of Credit Action changed and Foundation for Credit Counselling no longer had control. With effect from 1 January 2011 Credit Action is no longer included in the consolidation.

Foundation for Credit Counselling
NOTES TO THE FINANCIAL STATEMENTS
year ended 31 December 2011

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

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

Consumer Credit Counselling Voluntary Arrangements Limited

	2011 £	2010 £
Turnover	2,669,942	2,426,569
Costs of sales	(1,149,348)	(1,016,693)
	<hr/>	<hr/>
Gross profit	1,520,594	1,409,876
Administrative expenses	(674,567)	(547,455)
	<hr/>	<hr/>
Operating profit	846,027	862,421
Interest payable	(38,393)	(64,560)
Taxation	(222,772)	268,842
	<hr/>	<hr/>
Profit for the financial year	584,862	1,066,703
	<hr/> <hr/>	<hr/> <hr/>
Assets	896,670	1,119,562
Liabilities	(1,066,183)	(1,873,937)
	<hr/>	<hr/>
Shareholder's deficit	(169,513)	(754,375)
	<hr/> <hr/>	<hr/> <hr/>

Foundation for Credit Counselling
NOTES TO THE FINANCIAL STATEMENTS
year ended 31 December 2011

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

Consumer Credit Counselling Service (Equity Release) Limited

	2011 £	2010 £
Turnover	87,810	26,404
Costs of sales	(77,730)	(121,874)
	<u> </u>	<u> </u>
Gross profit/(loss)	10,080	(95,470)
Administrative expenses	(81,521)	(73,299)
	<u> </u>	<u> </u>
Operating loss	(71,441)	(168,769)
Interest payable	(16,978)	(8,645)
Taxation	-	-
	<u> </u>	<u> </u>
Loss for the financial year	(88,419)	(177,414)
	<u> </u>	<u> </u>
Assets	132,903	32,254
Liabilities	(447,932)	(258,864)
	<u> </u>	<u> </u>
Shareholder's deficit	(315,029)	(226,610)
	<u> </u>	<u> </u>

Consumer Credit Counselling Service (Scotland)

	2011 £	2010 £
Total incoming resources	60,027	1,059,750
	<u> </u>	<u> </u>
Total resources expended	(54,018)	(1,065,069)
	<u> </u>	<u> </u>
Net incoming/(outgoing) resources	6,009	(5,319)
	<u> </u>	<u> </u>
Assets	72,626	66,864
Liabilities	(3,604)	(3,851)
	<u> </u>	<u> </u>
Unrestricted funds	69,022	63,013
	<u> </u>	<u> </u>

Foundation for Credit Counselling
NOTES TO THE FINANCIAL STATEMENTS
year ended 31 December 2011

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

Credit Action

	2011 £	2010 £
Total incoming resources	-	586,880
Total resources expended	-	(475,765)
Net incoming resources	-	111,115
Assets	-	395,531
Liabilities	-	(197,861)
Restricted funds	-	135,471
Unrestricted funds	-	62,197

10 **DEBTORS**

	Consolidated		Company	
	2011 £	2010 £	2011 £	2010 £
Due within one year				
Trade debtors	3,888,564	3,370,838	3,307,622	2,884,726
Prepayments and accrued income	1,273,076	1,135,442	1,168,138	1,028,066
Other debtors	52,449	13,386	36,611	9,177
Deferred taxation (note 11)	46,070	268,842	-	-
Amounts owed by group undertakings	-	-	38,926	-
	5,260,159	4,788,508	4,551,297	3,921,969

Foundation for Credit Counselling
NOTES TO THE FINANCIAL STATEMENTS
year ended 31 December 2011

10 DEBTORS (*continued*)

	Consolidated		Company	
	2011	2010	2011	2010
Due after more than one year	£	£	£	£
Amounts owed by group undertaking	-	-	1,371,485	1,990,041

Included in the above is a loan of £971,485 (2010 £1,732,954) made to Consumer Credit Counselling Services Voluntary Arrangements Limited, a trading subsidiary of Foundation for Credit Counselling. Interest is charged at a rate of 3% above base rate. The loan is due to be repaid by 31 December 2014. Foundation for Credit Counselling has a first fixed and floating charge over all the assets and undertakings of Consumer Credit Counselling Service Voluntary Arrangements Limited in respect of this loan.

Also included in the above is a loan of £400,000 (2010 £257,087) made to Consumer Credit Counselling Service (Equity Release), a trading subsidiary of Foundation for Credit Counselling. Interest is charged at a rate of 5%. The loan has no fixed repayment date.

11 DEFERRED TAXATION

The deferred taxation included in the balance sheet is as follows

	2011	2010
	£	£
Included in debtors (note 10)	46,070	268,842

The movement in the deferred taxation account during the year was

	2011	2010
	£	£
Balance brought forward	268,842	-
Profit and loss account movement arising during the year	(222,772)	268,842
Balance carried forward	46,070	268,842

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2011	2010
	£	£
Tax losses available	42,598	261,167
Depreciation in excess of capital allowances	3,472	7,675
Balance carried forward	46,070	268,842

Foundation for Credit Counselling
NOTES TO THE FINANCIAL STATEMENTS
year ended 31 December 2011

12 CREDITORS Amounts falling due within one year

	Consolidated		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade creditors	469,420	544,233	453,728	535,490
Other taxes social security costs	39,216	102,801	39,216	74,846
Accruals and other creditors	1,873,812	1,569,238	1,792,057	1,321,464
	<u>2,382,448</u>	<u>2,216,272</u>	<u>2,285,001</u>	<u>1,931,800</u>

13 GUARANTEE

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

14 OPERATING LEASE COMMITMENTS

At 31 December 2011 the group had annual commitments under non-cancellable operating leases as follows

	Land and Buildings	
	2011	2010
	£	£
Expiry date		
Within one year	-	33,227
Between one and five years	223,941	298,644
After five years	842,298	882,798
	<u>1,066,239</u>	<u>1,214,669</u>

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 2011	Restricted Funds 2011	Total Funds 2011
	£	£	£
CONSOLIDATED			
Tangible fixed assets	1,911,622	-	1,911,622
Current assets	25,262,046	-	25,262,046
Current liabilities	(2,382,448)	-	(2,382,448)
	<u>24,791,220</u>	<u>-</u>	<u>24,791,220</u>

Foundation for Credit Counselling
NOTES TO THE FINANCIAL STATEMENTS
year ended 31 December 2011

16 MOVEMENTS IN GENERAL UNRESTRICTED FUNDS

	At 1 January 2011 £	Incoming Resources £	Outgoing Resources £	At 31 December 2011 £
CONSOLIDATED				
General unrestricted	20,387,362	33,616,718	(29,212,860)	24,791,220
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	At 1 January 2011 £	Incoming Resources £	Outgoing Resources £	At 31 December 2011 £
COMPANY				
General unrestricted	21,248,138	30,914,310	(26,950,707)	25,211,741
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

17 MOVEMENTS IN RESTRICTED FUNDS

	At 1 January 2011 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 December 2011 £
CONSOLIDATED					
Restricted funds	135,471	-	(135,471)	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The restricted funds were made up of grants received from various companies and trust in respect of projects agreed with the funders. These projects may last for a few months, a couple of years, or in the case of one project, be on going for the foreseeable future. Restricted Funds are ring fenced and use solely for the purpose agreed between the funder and Credit Action.

Foundation for Credit Counselling

NOTES TO THE FINANCIAL STATEMENTS

year ended 31 December 2011

18 RELATED PARTY DISCLOSURES

Hurlstons Corporate Consultancy

Malcolm Hurlston is a director of Hurlstons Corporate Consultancy. During the year £nil (2010 £32,407) was charged for research, public relations and media relations. At the balance sheet date £nil (2010: £nil) was owed and included in trade creditors.

Wrigleys Solicitors

Malcolm Lynch who is a partner of Wrigleys Solicitors LLP, is the company secretary of Foundation for Credit Counselling. During the year £77,042 (2010 £46,434) was charged for solicitors fees. At the balance sheet date accruals included £21,822 (2010 £18,000) in respect of these fees.

19 RECONCILIATION OF NET INCOMING RESOURCES TO NET INFLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Net incoming resources for the year	4,268,387	5,390,624
Taxation	222,772	(268,542)
Investment income	(405,915)	(237,807)
Depreciation charge	1,058,676	828,085
Loss on disposal of fixed assets	-	400
Loss on disposal of subsidiary	197,668	-
(Increase)/ decrease in debtors	(656,609)	252,278
Increase in creditors	319,629	221,923
	<u>5,004,608</u>	<u>6,178,218</u>

20 ACQUISITIONS AND DISPOSALS

	2011 £	2010 £
Disposal of subsidiary	-	-
Net cash disposed with subsidiary	(373,985)	-
	<u>(373,985)</u>	<u>-</u>

Foundation for Credit Counselling
 NOTES TO THE FINANCIAL STATEMENTS
 year ended 31 December 2011

21 RECONCILIATION OF NET CASH FLOW MOVEMENT IN CASH

	2011 £	2010 £
Increase in cash in the year	4,019,118	5,021,000
Net cash at 1 January 2011	15,982,769	10,961,769
	<u> </u>	<u> </u>
Net cash at 31 December 2011	<u>20,001,887</u>	<u>15,982,769</u>

22 ANALYSIS OF NET FUNDS

	At 1 January 2011 £	Cash inflow £	At 31 December 2011 £
Cash at bank and in hand	15,982,769	4,019,118	20,001,887
	<u> </u>	<u> </u>	<u> </u>

23 PENSION COSTS

The charity operates defined contribution pension schemes. The assets of the schemes are held separately from those of the company, being invested with insurance companies as per the employee's instructions. The pension cost charge represents contributions payable by the charity to the funds and amounted to £388,410 (2010 £343,532)