

Company Registration No. 02757055
Registered Charity No. 1016630

Foundation for Credit Counselling
(A Company Limited by Guarantee)
CONSOLIDATED FINANCIAL STATEMENTS
for the year ended
31 December 2014

Foundation for Credit Counselling

OFFICERS AND PROFESSIONAL ADVISERS

TRUSTEES

Lord Wilf Stevenson (Chairman) (resigned 31 March 2015)
D J Phelan (resigned 17 June 2014)
Sir Geoffrey Mulcahy
S Taverner
D Coates
S Lewis
O Thoresen
D Walker Palmour
K Panday (resigned 9 December 2014)
Rt. Hon. Alun Michael (appointed 17 June 2014)
Dame S Leather (appointed 14 October 2014)
J Fingleton (appointed 10 March 2015)

CHIEF EXECUTIVE OFFICER

M O'Connor

SECRETARY

M J Lynch (resigned 31 October 2014)
R J Bradford (appointed 31 October 2014)

REGISTERED OFFICE

Wade House
Merrion Centre
Leeds
LS2 8NG

AUDITOR

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

BANKERS

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

SOLICITORS

Wrigleys Solicitors LLP
19 Cookridge Street
Leeds
LS2 3AG

Foundation for Credit Counselling

CHAIRMAN'S STATEMENT

2014 was another successful year for the Charity. We helped more people.

- Nearly 600,000 people contacted us, up from 508,000 in the previous year.
- More than 300,000 received a full debt service advice session, up from 263,000.
- By the end of the year we were helping over 175,000 clients pay more than £350million off their debts using debt solutions supported by the Charity, compared with 150,000 and £338million the previous year.
- And a further 6,900 (2013 5,500) were put on a journey to becoming debt free via an insolvency solution.

The growth is due to the successful implementation of the three year strategy adopted by the Board in October 2014 to grow by investing some of our reserves. It is encouraging that in addition to helping more people, the net outgoing resources reduced significantly since last year (2014;£2.049m. 2013;£3.808m) even after transferring an exceptional amount of £1.055m to a trust account in accordance with best accounting practice and explained in note 4 to the accounts.

The Strategy enables us to respond to emerging issues faced by people with problem debt. We are seeing falling levels of debts relating to consumer credit products, reflecting supply and demand conditions since the financial crisis. But despite economic growth, we are seeing continued pressure on household incomes, rising levels of arrears on priority expenditure – rent, mortgage, utility bills etc – and growth in debts with sub-prime lenders. As well as advising individuals on how to tackle their debts, we use our clients' experiences and stories to help shape policy, regulation and practices to protect people when they are vulnerable. We analyse our own extensive data to understand the changing external environment and identify where policy or practice change is required. Such evidence and intelligence helps to build our case to influence change.

The Charity has recently seen a number of changes to our Board of Trustees. Lord Stevenson stepped down from the Board on 31st March 2015, after five years as Chairman. I would like to take this opportunity to thank him for his hard work and dedication to the charity. Under his Chairmanship the Charity experienced significant growth and greatly increased its influence and reach.

From 1st July 2015 Sir Hector Sants will take on the role of Chairman. Sir Hector joins the Board at a challenging and exciting time. His experience in the financial services sector, along with his work with the Archbishop of Canterbury's Task Force on Credit Unions and the Financial Sector, are an ideal combination in terms of helping StepChange Debt Charity achieve its vision of a society free from problem debt. Dame Suzi Leather joined the board in 2014 followed by John Fingleton in 2015. We were very sad to hear of the death of Danny Phelan who contributed so much to StepChange and other good causes.

Ensuring that our clients are treated fairly is at the heart of what we do and we welcome the stronger regulation the FCA will bring to the consumer credit and debt management arena. Tougher, more proactive regulation will improve how lending and borrowing works, and ultimately reduce the amount of lending which results in problem debt. We have campaigned hard for strong controls over short-term, high-cost credit, and support the FCA's price cap. We continue to work with the FCA to reduce consumer detriment in other markets, such as in 'rent to own', credit broking and around unsolicited marketing of credit to vulnerable people.

We published our 'Life on the Edge' paper during the year, in conjunction with a research paper documenting the £8.3 billion cost to society of problem debt in the UK. This was followed by our 'Action Plan on Problem Debt', which called for greater breathing space in regard to the freezing of interest and charges for those people struggling with their debt burden. It also introduced the concept of low level savings for those repaying their debts, to act as cover for emergencies. It is pleasing to report that these measures have been taken up by a number of key influencers and decision makers at both lender organisations and within Westminster.

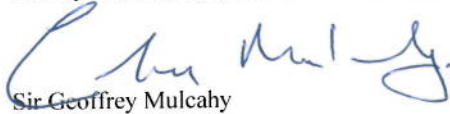
Foundation for Credit Counselling

CHAIRMAN'S STATEMENT

Last year lenders accounted for 47% of our telephone referrals; they referred over 141,000 customers to us, an annual increase of 11%. We continue to work closely and creatively with them to help their customers and more and more lenders are now "hot-keying" distressed customers directly to us. We are working hard to ensure that practices of forbearance, exemplified by many financial lenders, can be developed across other creditor markets in the coming months to allow households precious time to recover.

FCA regulation will bring great change within the consumer credit and debt advice sector and we will be available to help anyone who may find themselves impacted by this change. We will work closely with the new government to ensure the plight of those over-burdened with debt are at the heart of government thinking and that the momentum gained from our 'Action Plan on Debt' is maintained.

Finally, on behalf of the Board I would like to thank all the staff at StepChange Debt Charity for their hard work and dedication to the Charity throughout another busy year, which has contributed significantly to the successes we have enjoyed. Thanks also to the trustees on both the main Board and in our Scottish Charity for their support in our efforts to help people deal with their problem debts.



Sir Geoffrey Mulcahy

Date: 09/06/2015

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

year ended 31 December 2014

The Trustees, who are the Council of Management, present their report and accounts for the year ended 31 December 2014.

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 Scottish registered 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 trades as StepChange Debt Charity.

REGISTERED AND PRINCIPAL OFFICE

Wade House, Merrion Centre, Leeds, LS2 8NG

COUNCIL OF MANAGEMENT AND THEIR INTERESTS

The following members of the Council of Management have held office since 1 January 2014:

Lord Wilf Stevenson (resigned 31 March 2015)

D J Phelan (resigned 17 June 2014)

Sir Geoffrey Mulcahy

S Taverne

D Coates

S Lewis

O Thoresen

D Walker Paimour

K Panday (resigned 9 December 2014)

Rt. Hon. Alun Michael (appointed 17 June 2014)

Dame S Leather (appointed 14 October 2014)

J Fingleton (appointed 10 March 2015)

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

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

year ended 31 December 2014

SENIOR STAFF

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

PRINCIPAL ADVISORS

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

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

TRUSTEE SELECTION, RECRUITMENT AND INDUCTION

SELECTION AND RECRUITMENT

SELECTION

When vacancies arise, a review of the competences and expertise required on the board in relation to the strategic plan is carried out; Trustees may be recruited through open advertisement or use of an Executive Search firm. Suitable candidates are interviewed by a the Nomination Committee and appointed by the Board. New trustees are elected for a term of three years which may be extended by a further three years. A trustee may in exceptional circumstances be appointed for a third three year term where the Board determine that it is in the best interest of the Company.

INDUCTION

The induction of a new trustee is facilitated by the Company Secretary.

Trustees 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 provided by including the Charity Commission's booklets, "The Hallmarks of an Effective Charity" and "The Effective Trustee" and the Good Governance Code for the Voluntary and Community Sector.

INDEMNITY PROVISION

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

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

year ended 31 December 2014

ORGANISATIONAL STRUCTURE

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

The Board meets a minimum of four times a year in order to discuss performance, policy and strategic planning. In addition the Audit Committee, Remuneration Committee and Nomination Committee meetings are held throughout the year as required.

The charity's executives and relevant senior management may attend Board and Committee meetings by invitation.

RISK REVIEW

A continuous risk management process has been established and is in the process of being refined. Key elements of the process include :-

- 1 Maintenance of a detailed risk register.
- 2 Regular review of risks by Senior Management, the Executive Team, the Audit Committee and the Board of Trustees.
- 3 the establishment of systems, policies and procedures designed to minimise those risks identified.
- 4 the implementation of policies and procedures designed to minimise any potential impact on the charity should any of the risks materialise.

OBJECTIVES AND ACTIVITIES

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

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

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

- . the provision of advice to assist such persons to re-schedule and re-finance their borrowings;
- . the provision of financial education to enable such persons to manage their finances more effectively;
- . the establishment and support of counselling services to which such persons may resort for advice on debt matters generally;
- . the establishment of an insolvency practice to which such persons may resort as an alternative solution to debt problems;

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

year ended 31 December 2014

- . the establishment or support of such other services or products for the public benefit to assist in the relief of poverty.
- . to advance the education of the public in general (and particularly amongst persons in debt or at risk of falling into debt) on the subject of financial budgeting, financial products and financial services.

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

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

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

PRINCIPAL ACTIVITIES

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

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

Foundation for Credit Counselling
REPORT OF THE BOARD OF TRUSTEES
year ended 31 December 2014

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

CHARITABLE ACTIVITIES

The charity's aims for 2014 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 2013 Annual Report and Accounts the trustees believed the demand for services would continue to increase significantly in 2014. However with appropriate planning and recruitment the charity would be able to meet this demand without adversely affecting the quality of service.

In total the charity was contacted by over 577,000 people seeking to resolve their debt problems – or around a 1,500 people a day. This represents an increase of 14% on 2013.

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

SERVICES PROVIDED

- . The charity handled over 1 million calls including 321,133 (2013: 270,165) Helpline calls;
- . Advisors assisted over 170,000 (2013: 142,000) people through an in depth advice session;
- . Over 140,000 (2013: 120,000) people were advised via Debt Remedy the charity's online advice facility;
- . 49,246 (2013: 38,878) new Debt Management Plans (DMPs) were created;
- . CCCS VA Ltd created 1,074 (2013: 1,011) new Individual Voluntary Arrangements (IVAs) with an average debt relief of 73% (2013: 73%) per client.
- . CCCS ER Ltd assisted in 516 (2013: 328) applications releasing £23.6 million (2013: £12.7 million) of equity release funding.

EFFICIENCY, EFFECTIVENESS AND QUALITY

Telephone advice

Over 28% (2013: 19%) of Helpline callers were "warm transferred" straight to debt advisors

Client aftercare

Client aftercare continued to deal with a high volume of calls, over 800,000 year on year, demonstrating the charity's commitment to providing ongoing care for clients on DMP's.

Operational departments

All operational departments operate ongoing quality standards reviews to ensure services to beneficiaries are consistent, measured and of a high standard. Monthly management reports convey the latest information to senior management and trustees.

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

year ended 31 December 2014

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 2015 34 employees will receive the diploma and there are 26 new entrants from across the charity. The DMDA has full accreditation from Offqual thus enhancing the merits of debt advice as a recognised profession.

Database

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

REFERRALS

Nearly 50% of all referrals came to the charity on the recommendation of their lenders and over 13% were directed by their family and friends. Many others came through the internet via the charity's web site www.stepchange.org and links from other sites.

ONLINE SERVICES

Demand for advice is growing especially rapidly on the internet and the charity's data demonstrates that consumers are accessing debt advice in different ways online. In 2014 48,027 people used their mobile phone to access the charity's online debt advice tool Debt Remedy. This is a 37% increase on 2013.

There has also been a rapid growth in the number of people visiting the charity website for information on debt and debt solutions. In 2014 there were almost 3 million visits to the website, a 76% increase since 2012. Over 20,000 people also used the charity's "60 second debt tracker".

GROWTH

FCC has over 177,000 (2013: 149,000) clients benefiting from debt management plans. The charity supported its clients in repaying £364 million (2013: £338 million) of their debts and put in place insolvency solutions which should lead to a further £80 million of debt being written off.

FINANCIAL REVIEW

The overall financial results for the year show net outgoing resources of £2,049,099. Unrestricted income rose by 6.4% resulting in reserves of £21.3 million (2013: £23.4 million) enabling future development and growth while maintaining high standards of service to clients and creditors.

RESERVES POLICY

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

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

year ended 31 December 2014

FUNDING

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

INVESTMENT PERFORMANCE

The charity's investment policy is subject to an annual review by the trustee audit committee. In 2014 the policy of investing the majority of surplus liquid funds in a staggered mix of fixed term deposits met current requirements. With minimal risk an average return of 1.4% (2013: 2.8%) 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 is expected to increase. The trustees are aware of this and the need to manage the demand without affecting the quality of services to beneficiaries. The trustees and management are also aware of the ever changing nature of consumer debt problems and the need to be adaptable to beneficiaries needs. Therefore appropriate new services will be provided whenever possible.

A comprehensive and nationwide television advertising campaign took place throughout 2013 to enable many more people in financial difficulty to be aware of the services provided by the charity. Demand for the charity's services increased and carefully managed recruitment ensured the quality of services provided did not diminish either for current or new beneficiaries. The charity consolidated on this position with further advertising in 2014, although not to the same extent, and advertising will continue in 2015.

From 1st April 2014 the Financial Conduct Authority (FCA) took over regulation of the consumer credit counselling sector from the OFT. As one of the main providers of free debt advice and debt management solutions we have an interim authorisation from FCA and are working closely with them prior to our application for full authorisation which is due between 1st December 2015 and 28th February 2016.

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.

Foundation for Credit Counselling
REPORT OF THE BOARD OF TRUSTEES
year ended 31 December 2014

EMPLOYEE INVOLVEMENT

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

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

DONATIONS

During the year the group made charitable donations of £20,195.

AUDITORS

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

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



Sir Geoffrey Mulcahy
Chairman

Date: 09/06/2015

Foundation for Credit Counselling

TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

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

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

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

In so far as the trustees are aware:

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

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

We have audited the group and parent charity financial statements of Foundation for Credit Counselling ("the financial statements") for the year ended 31 December 2014 on pages 15 to 33. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

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

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

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 2014 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 and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF
FOUNDATION FOR CREDIT COUNSELLING *(continued)*

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: 26/6/2015

Foundation for Credit Counselling
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
year ended 31 December 2014

	Notes	Restricted Funds 2014 £	Unrestricted Funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income:					
Investment income	1	-	339,562	339,562	506,391
Incoming resources from charitable activities:					
- Counselling and debt management contributions		-	34,995,662	34,995,662	32,899,063
- Insolvency service		-	3,635,821	3,635,821	3,351,930
- Equity Release		-	459,511	459,511	291,308
- Grant Income		90,533	-	90,533	-
Other income	2	-	250,721	250,721	226,073
TOTAL INCOMING RESOURCES		90,533	39,681,277	39,771,810	37,274,765
RESOURCES EXPENDED					
Charitable activities:					
- Counselling costs		90,533	25,651,211	25,741,744	26,405,239
- Debt management costs		-	6,824,888	6,824,888	4,887,610
- Insolvency service		-	2,942,389	2,942,389	2,711,608
- Equity release services		-	481,430	481,430	339,867
- Promotion of services to beneficiaries		-	4,512,410	4,512,410	6,262,223
- Financial education		-	-	-	137,554
- Monies paid to trust account	4	-	1,055,952	1,055,952	-
Governance		-	241,901	241,901	294,849
Other resources expended		-	20,195	20,195	44,021
TOTAL RESOURCES EXPENDED	4	90,533	41,730,376	41,820,909	41,082,971
NET OUTGOING RESOURCES FOR THE YEAR BEFORE TAXATION	3	-	(2,049,099)	(2,049,099)	(3,808,206)
Taxation on non-charitable trading subsidiaries' ordinary activities	7	-	-	-	-
NET OUTGOING RESOURCES FOR THE YEAR		-	(2,049,099)	(2,049,099)	(3,808,206)
BALANCE BROUGHT FORWARD AT 1 JANUARY		-	23,382,839	23,382,839	27,191,045
BALANCE CARRIED FORWARD AT 31 DECEMBER	15	-	21,333,740	21,333,740	23,382,839


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 33 form part of these financial statements

Foundation for Credit Counselling
CONSOLIDATED BALANCE SHEET
 31 December 2014

Company Registration No. 2757055
 Registered Charity No. 1016630

	<i>Notes</i>	2014 £	2013 <i>Restated</i> £
FIXED ASSETS			
Tangible assets	8	1,362,535	1,873,786
		<u>1,362,535</u>	<u>1,873,786</u>
CURRENT ASSETS			
Debtors	10	5,499,413	6,830,355
Investments	11	13,266,231	15,207,722
Cash at bank and in hand		4,148,960	2,548,728
		<u>22,914,604</u>	<u>24,586,805</u>
CREDITORS: Amounts falling due within one year	12	<u>(2,943,399)</u>	<u>(3,077,752)</u>
NET CURRENT ASSETS		<u>19,971,205</u>	<u>21,509,053</u>
NET ASSETS		<u>21,333,740</u>	<u>23,382,839</u>
REPRESENTED BY:			
General funds	15	21,333,740	23,382,839
Restricted funds	15	-	-
		<u>21,333,740</u>	<u>23,382,839</u>
TOTAL FUNDS		<u>21,333,740</u>	<u>23,382,839</u>

The financial statements on pages 15 to 33 were approved by the board of trustees and authorised for issue on 09/06/2015 and are signed on its behalf by:


 Sir Geoffrey Mulcahy
 Interim Chairman

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


Foundation for Credit Counselling

BALANCE SHEET
31 December 2014

Company Registration No. 2757055
Registered Charity No. 1016630

	<i>Notes</i>	2014 £	2013 <i>Restated</i> £
FIXED ASSETS			
Tangible assets	8	1,225,941	1,665,785
Investments	9	5,001	5,001
		<u>1,230,942</u>	<u>1,670,786</u>
CURRENT ASSETS			
Debtors due within one year	10	5,168,698	6,248,722
Debtors due after more than one year	10	400,000	400,000
Investments	11	13,266,231	15,207,722
Cash at bank and in hand		4,084,920	2,386,671
		<u>22,919,849</u>	<u>24,243,115</u>
CREDITORS: Amounts falling due within one year	12	(2,685,262)	(2,640,797)
		<u>20,234,587</u>	<u>21,602,318</u>
NET CURRENT ASSETS			
		<u>21,465,529</u>	<u>23,273,104</u>
NET ASSETS			
REPRESENTED BY:			
General funds	15	21,465,529	23,273,104
TOTAL FUNDS		<u>21,465,529</u>	<u>23,273,104</u>

The financial statements on pages 15 to 33 were approved by the board of trustees and authorised for issue on 09/06/2015 and are signed on its behalf by:


Sir Geoffrey Mulcahy
Interim Chairman

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

Foundation for Credit Counselling
 CONSOLIDATED CASH FLOW STATEMENT
 year ended 31 December 2014

	<i>Notes</i>	2014 £	2013 <i>Restated</i> £
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	17	(542,910)	(3,370,495)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		576,178	558,198
CAPITAL EXPENDITURE			
Purchase of fixed assets		(374,527)	(1,085,797)
MANAGEMENT OF LIQUID RESOURCES			
Cash withdrawn from/(placed on) deposit		1,941,491	(2,109,358)
INCREASE/(DECREASE) IN CASH	18	<u>1,600,232</u>	<u>(6,007,452)</u>

Foundation for Credit Counselling

ACCOUNTING POLICIES

year ended 31 December 2014

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

BASIS OF ACCOUNTING

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

GOING CONCERN

The financial statements have been prepared on the going concern basis which assumes that the group will continue in operation for the foreseeable future. Details of company activities, risk review procedures, financial performance, reserves and funding are noted on pages 5 to 10 of these financial statements.

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

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

GROUP FINANCIAL STATEMENTS AND SUBSIDIARY COMPANIES

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

The incoming resources for the company during the year ended 31 December 2014 were £35,984,808 (2013 - £33,658,700). After expenditure of £37,792,383 (2013 - £37,942,976) a net deficit of £1,807,575 (2013 - deficit of £4,284,276) was generated for Foundation for Credit Counselling, as an individual company.

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

INCOMING RESOURCES

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

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

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

RESOURCES EXPENDED

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

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

Foundation for Credit Counselling

ACCOUNTING POLICIES

year ended 31 December 2014

RESOURCES EXPENDED *(continued)*

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

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

TANGIBLE FIXED ASSETS

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

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

INVESTMENTS

Long term investments are classified as fixed assets. Short term investments are classified as current assets.

Fixed asset investments are stated at cost in the company balance sheet.

Provision is made for any impairment in the value of fixed asset investments.

LEASING

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

DEFERRED TAXATION

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

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

PENSIONS

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

ONEROUS LEASE

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

UNRESTRICTED FUNDS

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

RESTRICTED FUNDS

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

Foundation for Credit Counselling
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 year ended 31 December 2014

<hr/>			
1	INVESTMENT INCOME	2014	2013
		£	£
	Bank interest	339,562	506,391
		<u> </u>	<u> </u>
2	OTHER INCOME	2014	2013
		£	£
	Income from mortgage advisors and insolvency practitioners	74,715	55,886
	Other	176,006	170,187
		<u> </u>	<u> </u>
		250,721	226,073
		<u> </u>	<u> </u>
3	NET OUTGOING RESOURCES BEFORE TAXATION	2014	2013
		£	£
	This is stated after charging:		
	Depreciation of tangible assets	885,778	1,030,867
	Operating lease rentals		
	Land & buildings	1,361,486	1,310,202
	Principal auditor's remuneration		
	Audit	31,600	30,450
	Non audit services	31,861	30,381
	Internal audit	21,985	24,262
		<u> </u>	<u> </u>

Foundation for Credit Counselling
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 year ended 31 December 2014

4 RESOURCES EXPENDED (continued)

The exceptional amount relates to amounts that have been historically transferred from the client Trust accounts into the Charity's bank account and recognised as income in the SOFA each year. This treatment has been the case in those instances where client funds are returned by creditors without sufficient information to identify the original client or where cheques have remained uncashed for a number of years. The amounts involved have not been significant on an annual basis but over time the cumulative effect has become significant. The Charity has included as an exceptional item within resources expended the sum of all amounts that have been transferred out of the Trust accounts and into the Charity's bank account and recognised as income since 2003. The Charity has always retained sufficient funds in its reserves to honour in full any substantiated claims that might be received from clients in respect of these monies but these sums should have been kept in a client Trust account. These monies have been placed in a client Trust account, outside of the Charity's reserves, since the year end. All such new monies identified going forward will be held in client Trust accounts and not recognised as income within the Charity.

b) Analysis of support costs

Unrestricted funds	Counselling costs £	Debt management costs £	Promotion of services to beneficiaries £	Governance £	Total 2014 £	Total 2013 £
Staff costs	5,842,689	1,081,881	287,987	-	7,212,557	6,871,017
Training and recruitment	207,000	38,334	10,221	-	255,555	395,523
Travel and subsistence	147,511	27,315	7,286	4,677	186,789	280,871
Premises	2,191,175	392,813	104,750	-	2,688,738	2,663,099
Communications and IT	1,264,444	234,156	62,441	-	1,561,041	1,798,515
Printing and postage	613,925	113,690	30,316	322	758,253	638,840
Consultancy and professional	513,807	69,822	18,621	8,725	610,975	561,240
Depreciation	645,597	119,534	31,876	-	797,007	983,728
Total support costs	11,426,148	2,077,545	553,498	13,724	14,070,915	14,192,833

Foundation for Credit Counselling
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 year ended 31 December 2014

4 RESOURCES EXPENDED *(continued)*

c) Analysis of governance costs

	Total 2014 £	Total 2013 £
Audit and accountancy fees	55,455	60,831
Internal audit fees	21,985	24,262
Legal and professional fees	62,035	99,196
Apportionment of staff and support costs	102,426	110,560
	<u>241,901</u>	<u>294,849</u>

5 EMPLOYEES

The average monthly number of persons employed by the group during the year was:

	2014 No.	2013 No.
Promotion of services to beneficiaries	38	25
Counselling	678	653
Debt Management	122	88
Insolvency Services	94	90
Client services and administrative support	255	243
	<u>1,187</u>	<u>1,099</u>
	2014 £	2013 £

Staff costs for above persons:

Wages and salaries	26,542,709	24,670,043
Social security costs	2,394,998	2,254,979
Other pension costs	947,175	655,307
	<u>29,884,882</u>	<u>27,580,329</u>

Foundation for Credit Counselling
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 year ended 31 December 2014

5 EMPLOYEES (*continued*)

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

	2014 No.	2013 No.
£60,001 - £70,000	4	4
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
£100,001 - £110,000	1	-
£120,001 - £130,000	1	1
£130,001 - £140,000	1	2
£140,001 - £150,000	1	-
£150,001 - £160,000	1	-
£170,001 - £180,000	-	1
	<u>10</u>	<u>9</u>
Total	<u>10</u>	<u>9</u>

A total of 10 (2013 - 9) of these employees had retirement benefits accruing under a defined contribution pension scheme.

6 TRUSTEES

None of the Trustees (or any persons connected with them) received any remuneration during the year. Four of the Trustees were reimbursed for out of pocket expenses totalling £5,097 (2013 - 6 Trustees reimbursed for expenses totalling £7,179).

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 £14,707 (2013 - £13,886).

7 TAXATION

As a charity the company is exempt from tax on income falling within Part II of the Corporation Tax Act 2010 and on gains falling within s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives. No tax charges have arisen in the charity. Taxation relates to deferred tax on losses in Consumer Credit Counselling Service Voluntary Arrangements Limited, the Charity's trading subsidiary.

Analysis of charge in the year

	2014 £	2013 £
Deferred tax:		
Deferred tax on trading losses	<u>-</u>	<u>-</u>

No provision has been made for the deferred tax asset of £102,877 (2013 - £92,861) in Consumer Credit Counselling Service (Equity Release) Limited due to the uncertainty that exists over the recoverability of the asset.

Foundation for Credit Counselling
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 year ended 31 December 2014

8	TANGIBLE FIXED ASSETS	<i>Fixtures, fittings and equipment</i>
	<i>CONSOLIDATED</i>	£
	Cost	
	At 1 January 2014	7,789,126
	Additions	374,527
	Disposals	(293,000)
		<hr/>
	At 31 December 2014	7,870,653
		<hr/>
	Depreciation	
	At 1 January 2014	5,915,340
	Charge for the year	885,778
	Disposals	(293,000)
		<hr/>
	At 31 December 2014	6,508,118
		<hr/>
	Net book value	
	At 31 December 2014	1,362,535
		<hr/> <hr/>
	At 31 December 2013	1,873,786
		<hr/> <hr/>
	<i>COMPANY</i>	<i>Fixtures, fittings and equipment</i>
		£
	Cost	
	At 1 January 2014	6,675,846
	Additions	357,162
	Disposal	(175,877)
		<hr/>
	At 31 December 2014	6,857,131
		<hr/>
	Depreciation	
	At 1 January 2014	5,010,061
	Charge for the year	797,006
	Disposal	(175,877)
		<hr/>
	At 31 December 2014	5,631,190
		<hr/>
	Net book value	
	At 31 December 2014	1,225,941
		<hr/> <hr/>
	At 31 December 2013	1,665,785
		<hr/> <hr/>

Foundation for Credit Counselling
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
year ended 31 December 2014

9	FIXED ASSET INVESTMENTS	2014 £	2013 £
	Subsidiary undertakings	5,001	5,001

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

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

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

Foundation for Credit Counselling also has a 100% holding (1 share with normal value of £1) in each of the following dormant entities: Debt Remedy Limited; Stepchange Equity Release Limited; and Stepchange Voluntary Arrangements Limited.

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

Consumer Credit Counselling Service Voluntary Arrangements Limited

	2014 £	2013 <i>Restated</i> £
Turnover	3,256,921	3,206,930
Costs of sales	(1,926,661)	(1,827,189)
	<hr/>	<hr/>
Gross profit	1,330,261	1,379,741
Administrative expenses	(1,032,165)	(923,030)
	<hr/>	<hr/>
Operating profit	298,095	456,711
Taxation	-	-
	<hr/>	<hr/>
Profit for the financial year	298,095	456,711
	<hr/>	<hr/>
Assets	784,534	846,374
Liabilities	(472,941)	(389,662)
	<hr/>	<hr/>
Shareholder's funds	311,593	456,712
	<hr/>	<hr/>

Foundation for Credit Counselling
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 year ended 31 December 2014

9 FIXED ASSET INVESTMENTS *(continued)*

Consumer Credit Counselling Service (Equity Release) Limited

	2014 £	2013 £
Turnover	475,976	291,308
Operating Expenses	(495,409)	(353,673)
	<u> </u>	<u> </u>
Operating loss	(19,433)	(62,365)
Interest payable	(27,754)	(23,236)
	<u> </u>	<u> </u>
Loss for the financial year	(47,187)	(85,601)
	<u> </u>	<u> </u>
Assets	18,935	66,731
Liabilities	(528,971)	(529,580)
	<u> </u>	<u> </u>
Shareholder's deficit	(510,036)	(462,849)
	<u> </u>	<u> </u>

Consumer Credit Counselling Service (Scotland)

	2014 £	2013 £
Total incoming resources	541,538	552,785
	<u> </u>	<u> </u>
Total resources expended	(590,756)	(510,123)
	<u> </u>	<u> </u>
Net (outgoing)/incoming resources	(49,218)	42,662
	<u> </u>	<u> </u>
Assets	159,269	170,762
Liabilities	(87,614)	(49,889)
	<u> </u>	<u> </u>
Unrestricted funds	71,655	120,873
	<u> </u>	<u> </u>

Foundation for Credit Counselling
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
year ended 31 December 2014

10 DEBTORS

	Consolidated		Company	
	2014	2013	2014	2013
				<i>Restated</i>
	£	£	£	£
Due within one year:				
Trade debtors	4,252,528	5,059,962	3,589,976	4,439,235
Prepayments and accrued income	1,134,264	1,527,748	1,060,407	1,449,860
Other debtors	112,621	242,645	89,166	222,778
Amounts owed by group undertakings	-	-	429,149	136,849
	<u>5,499,413</u>	<u>6,830,355</u>	<u>5,168,698</u>	<u>6,248,722</u>

	Consolidated		Company	
	2014	2013	2014	2013
	£	£	£	£
Due after more than one year:				
Amounts owed by group undertaking	-	-	400,000	400,000
	<u>-</u>	<u>-</u>	<u>400,000</u>	<u>400,000</u>

Included in the above is a loan of £400,000 (2013 - £400,000) made to Consumer Credit Counselling Service (Equity Release), a trading subsidiary of Foundation for Credit Counselling. Interest is charged at a rate of 5%. The loan has no fixed repayment date.

11 CURRENT ASSET INVESTMENTS

	Consolidated		Company	
	2014	2013	2014	2013
	£	<i>Restated</i> £	£	<i>Restated</i> £
Unlisted investments	13,266,231	15,207,722	13,266,231	15,207,722
	<u>13,266,231</u>	<u>15,207,722</u>	<u>13,266,231</u>	<u>15,207,722</u>

Foundation for Credit Counselling
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
year ended 31 December 2014

12 CREDITORS: Amounts falling due within one year

	Consolidated		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	395,466	629,203	375,514	385,417
Other taxes and social security costs	2,352	607,588	2,352	607,588
Accruals and other creditors	2,545,581	1,840,961	2,307,396	1,647,792
	<u>2,943,399</u>	<u>3,077,752</u>	<u>2,685,262</u>	<u>2,640,797</u>

13 GUARANTEE

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

14 OPERATING LEASE COMMITMENTS

At 31 December 2014 the group had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings	
	2014	2013
	£	£
Expiry date:		
Within one year	44,840	21,915
Between one and five years	167,000	211,840
After five years	1,101,129	1,080,429
	<u>1,312,969</u>	<u>1,314,184</u>

Foundation for Credit Counselling
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 year ended 31 December 2014

15 MOVEMENTS IN FUNDS

	At 1 January 2014 <i>Restated</i> £	Incoming Resources £	Outgoing Resources £	At 31 December 2014 £
CONSOLIDATED				
General unrestricted	23,382,839	39,681,277	(41,730,376)	21,333,740
Restricted	-	90,533	(90,533)	-
	<u>23,382,839</u>	<u>39,771,810</u>	<u>(41,820,909)</u>	<u>21,333,740</u>
COMPANY				
General unrestricted	23,273,104	35,984,808	(37,792,383)	21,465,529
	<u>23,273,104</u>	<u>35,984,808</u>	<u>(37,792,383)</u>	<u>21,465,529</u>

Foundation for Credit Counselling
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
year ended 31 December 2014

16 RELATED PARTY DISCLOSURES

Wrigleys Solicitors

Malcolm Lynch who is a partner of Wrigleys Solicitors LLP, was the company secretary of Foundation for Credit Counselling until 30 October 2014. Up to that date, £48,285 (2013 - £59,707) was charged by Wrigleys Solicitors LLP. At the balance sheet date accruals included £nil (2013 - £13,027) in respect of these fees.

17 RECONCILIATION OF NET OUTGOING RESOURCES TO NET OUTFLOW FROM OPERATING ACTIVITIES

	2014	2013
	£	£
Net outgoing resources for the year	(2,049,099)	(3,808,206)
Investment income	(339,562)	(506,391)
Depreciation charge	885,778	1,030,867
Monies repaid to trust account	1,055,952	-
Decrease/(increase) in debtors	1,094,326	(487,970)
(Decrease)/increase in creditors	(1,190,305)	401,205
	<u> </u>	<u> </u>
Net cash outflow from operating activities	(542,910)	(3,370,495)
	<u> </u>	<u> </u>

18 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN CASH

	2014	2013
	£	<i>Restated</i> £
Increase/(decrease) in cash in the year	1,600,232	(6,007,452)
Cash withdrawn added to/(from) liquid resources	(1,941,491)	2,109,358
	<u> </u>	<u> </u>
Change in net funds	(341,529)	(3,898,094)
Net cash at 1 January	17,756,450	21,654,544
	<u> </u>	<u> </u>
Net cash at 31 December	17,415,191	17,756,450
	<u> </u>	<u> </u>

Foundation for Credit Counselling
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 year ended 31 December 2014

19 ANALYSIS OF NET FUNDS

	At 1 January 2014 <i>Restated</i> £	Cash flow £	At 31 December 2014 £
Cash at bank and in hand	2,548,728	1,600,232	4,148,960
Current asset investments	15,207,722	(1,941,491)	13,266,231
	<u>17,756,450</u>	<u>(341,259)</u>	<u>17,415,191</u>

20 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 £947,175 (2013 - £655,307).

21 PRIOR PERIOD ADJUSTMENT

In the prior year, the entity's subsidiary Consumer Credit Counselling Services Voluntary Arrangements Limited donated its taxable profits to the parent charity, and accounted for this as an expense. Following the ICAEW Technical Release "Guidance on donation by a company to its parent charity" the accounting treatment has changed, and these donations of taxable profits are deemed to constitute distributions. As a result of this change, the timing of the distributions have changed as these only become payable when approved by the parent charity. The effect in the parent charity in the prior period is to increase the deficit by £443,214, from £3,778,764 to £4,221,978 and to decrease the amounts owed by the group by £505,512 from £642,361 to £136,849.

In the prior period amounts held on deposit accounts were included as cash at bank. Since these amounts are not readily available they would be more appropriately disclosed as current asset investments. As a result, the prior period financial statements have been restated to reflect this. Cash at bank on both the consolidated and parent company balance sheets has decreased by £15,207,722: from £17,594,393 to £2,386,671 in the parent company, and from £17,756,450 to £2,548,728 in the consolidated balance sheet. Current asset investments have increased by £15,207,722 from £nil to £15,207,722.