

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 2010



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

AUDITORS

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

Wngleys Solicitors LLP
19 Cookridge Street
Leeds
LS2 3AG

Foundation for Credit Counselling

CHAIRMANS' STATEMENT

2010 marked a significant change for the Foundation for Credit Counselling, as the founding chairman, Malcolm Hurlston, stood down at the end of the year. We are delighted that Malcolm, who did so much to establish the principles of the charity under which we continue to operate, continues his interest in our work as honorary President of CCCS.

Chris Leslie also resigned from the board following his election to Parliament and his appointment to the Front Bench.

2010 was a year of solid achievement for the Foundation. Demand for debt advice remained high throughout the year, albeit slightly down from the record highs of 2009 but changes to helplines and counselling systems introduced the previous year left us well able to cope. Over £289m was repaid to lenders by 113,000 CCCS clients. Despite this, an increasing proportion of our clients lack the means to repay their debts and have to be offered other solutions.

Such clients are largely the victims of circumstances outside their control and we cannot ignore the significant economic and political changes which have taken place externally. These changes are not only impacting on our clients but on the future availability of free debt advice. Therefore, we are particularly pleased that we ended the year with the announcement of a new strategic partnership with Citizens Advice, one of the country's most trusted consumer brands. Over the next 12 months we will be rolling out a pilot scheme, under which we administer the debt repayment plans for some 80 Citizens Advice Bureaux in England and Wales. This is an excellent example of two charities working together for the greater good.

Our aim is for our services to accommodate the spectrum of client need, needs which are subject to change often outside our clients' control. To this end, we ran a nine month pilot to test the viability of a token payments scheme whereby clients suffering from a short-term shock such as sudden job loss can pay £1 per month per creditor for a period of six months, allowing them a breathing space to sort out what are likely to be temporary difficulties.

The installation of a new telephone system facilitated the immediate transfer of 40 percent of callers for a full counselling session, enabling us to reduce some of the anxiety and stress associated with debt problems. We sought to address similar issues for our online clients with the introduction of a new "Wellbeing Service" at the end of the year, enabling us to offer those suffering from mild depression online cognitive behavioural therapy. Clients with more severe conditions are urged to contact their GPs.

When it comes to debt, mental capacity is often confused with mental wellbeing although the two conditions are very different. In acknowledgment of this, we established an advocacy service at our Eastbourne centre specifically to assist those clients who require additional and more personal support than the majority. Clients likely to benefit from such additional help are identified at the helpline stage and referred to one of three specially trained counsellors. We were particularly pleased that the timing of this initiative put us in good shape to help creditors to respond to new guidance issued by the OFT early in 2011 about recognising and dealing with precisely these customers.

The Foundation's board along with chief executive, Gordon Bell and his executive team remain committed to the principle of free debt advice and to the provision of an excellent service. We believe, moreover, that if we are to reach all those who need our service, it is not enough to stand still and rest on our laurels. To this end the charity is undertaking its first ever strategic review in the first half of 2011 with a view to deciding its priorities and direction in a changing world.

Lord Stevenson
5 July 2011

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

The Trustees present their report and accounts for the year ended 31 December 2010

These consolidated accounts are for Foundation for Credit Counselling (FCC), its trading subsidiaries, Consumer Credit Counselling Service Voluntary Arrangements Limited (CCCSVA Ltd) and Consumer Credit Counselling Service Equity Release Limited (CCCSER Ltd) and two charities under common control, Consumer Credit Counselling Service (Scotland) and Credit Action

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

BOARD OF TRUSTEES AND THEIR INTERESTS

The following members of the Board of Trustees have held office since 1 January 2010

M Hurlston (resigned 14 December 2010)
Lord Stevenson (appointed 14 December 2010)
J J Burton
C M Leslie (resigned 14 December 2010)
D J Phelan
G J Mulcahy
S Taverne
D Coates
M Fairey

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

Lord Stevenson, S Taverne and D Phelan will retire at the next annual general meeting and offer themselves for re-election

SENIOR STAFF

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

PRINCIPAL ADVISORS

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

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

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.

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

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"

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

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 provides a debt repayment facility to the charity National Debtline and a support team exists in Newcastle to deal directly with debt counselling referrals from the Community Legal Advice service

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

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 objects for which the Company is established are the relief of poverty amongst persons who are in debt (particularly in the United Kingdom) by -

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

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

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, CCCSVA Ltd, is that of Insolvency Services
- The principal activity of the charity's trading subsidiary, CCCSER Ltd, is that of equity release advice and the arranging of equity release plans
- CCCS Scotland has the same principal activities as FCC above
- The principal activity of Credit Action is to offer a range of resources, tools and training to help everyone handle their money effectively in order to prevent people from getting into financial difficulties

ACHIEVEMENTS AND PERFORMANCE

CHARITABLE ACTIVITIES

The charity's aims for 2010 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 2009 Annual Report and Accounts the trustees believed the demand for services would increase and that the charity was able to meet this demand without adversely affecting quality.

However, although demand for debt advice was very substantial, there was a decrease of 14% in calls to the helpline compared to the previous year The demand for the charity's other services remained approximately the same

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

SERVICES PROVIDED

- The charity handled over 1.2 million (2009 1.3 million) calls including over 287,000 (2009 335,000) Helpline calls,
- The charity also handled over 31,000 (2009 27,000) calls to its specialist helplines dealing with welfare benefits, mortgage counselling, bankruptcy and debt relief orders,
- Counsellors advised over 120,000 (2009 120,000) people through an in depth counselling session,
- Over 65,000 (2009 67,000) people were counselled via CCCS Debt Remedy the charity's online counselling facility,
- Over 28,000 (2009 28,000) new Debt Management Plans (DMPs) were created,
- Over 800 (2009 500) new Individual Voluntary Arrangements (IVAs) were created with an average debt relief of 67% per client

EFFICIENCY, EFFECTIVENESS AND QUALITY

- *Telephone counselling*

Continuing improvements to the counselling system (TCS) coupled with the installation of a new telephone system throughout the organisation have led to a more efficient service to beneficiaries either directly or indirectly. The transfer of callers from the Helpline to Counselling increased from 38% to 40% and immediate transfers to counsellors were possible for 1 in 4 clients. The new telephone system also contains more reliable technology, scope for growth and better reporting capabilities.

- *Client aftercare*

Client aftercare continued to deal with a high volume of calls (818,679), demonstrating the charity's commitment to providing ongoing care for clients on Debt Management Plans (DMPs). In total the Correspondence, Customer Service and Client Support teams dealt with more than 1 million contacts by e-mail, 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 management report conveys the latest information to the monthly senior management meetings.

- *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 both internally and nationally. In March 2011 41 employees will receive the diploma and there are 50 new entrants from across the charity. Full accreditation has been received from Ofqual thus enhancing the merits of debt advice as a recognised profession.

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

REFERRALS

Over 60% of all referrals came to the charity on the recommendation of their lenders and nearly 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

- A debt advocacy team was launched in December based at the Eastbourne counselling centre. The team will provide assistance to clients who are unable to complete a standard appointment for various reasons e.g. mental health issues, health problems, old age and learning or literacy problems. Extra time will be taken to assist with completing forms and liaising with creditors and other relevant organisations.
- Following feedback from client workshops new debt counselling booklets were issued during the year. This has led to clearer and more concise information which in turn has reduced the number of inbound calls to the Counselling and Web Support teams enabling more time for other beneficiaries. Similarly the DMP Welcome pack has been re-designed and updated.
- Clients coming to the charity are older year on year, the average is now 42, and those aged 55 to 59 are the most indebted. With this in mind a new advice booklet "Approaching Retirement" has been produced aimed specifically at this group. Booklets are available by post, e-mail or via the internet and there are possible referrals to Age UK and Tax help for older people (TOPS).
- The World Health Organisation, the Mental Health Foundation and the Royal College of GP's are foremost among those who recognise the link between debt and depression. With assistance from the Australian National University (ANU), who have produced a similar service in Australia, CCCS has created an online cognitive behavioural therapy service (CBT) suitable for the UK. A voluntary series of 16 medical questions, endorsed by the above organisations, signpost clients to further assistance ranging from a "Wellbeing" booklet to recommending GP referral. The service was launched in December, in the presence of medical professionals, government officials and social services. The service is only available online.

GROWING LEVELS OF INDEBTEDNESS

- FCC has over 113,000 (2009 104,000) clients benefiting from debt management plans. The repayment ethic promoted by the charity resulted in £289 million (2009 £251 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 £5,390,624. Unrestricted income rose by 17% resulting in increased reserves of £20.5 million (2009 £15.1 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

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

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 on a recovery basis from the creditors i.e. a fair share contribution towards all advice, counselling and debt management administration. 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 2010 the policy of investing the majority of surplus liquid funds in overnight Treasury deposits and a staggered mix of fixed term deposits met current requirements. With minimal risk an average return of 2.5% (2009 4.5%) was achieved and considered acceptable.

FUTURE PLANS

The main aim of the charity is, as always, 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, as above, will be provided whenever possible.

The current plans for 2011 and beyond include -

Following feedback from DMP client surveys monthly statements will be re-designed and updated. Monthly e-mails will remind clients they have online access and aftercare departments will be able to view up to 5 months' history on screen. These enhancements will reduce queries, and the time used to resolve them, leaving more time for other beneficiaries. The new statements will be available from March onwards.

In 2010 almost half of our clients gave unemployment or reduced income as the reason for their debt problems. In response to this the charity wishes to provide enhanced information for clients facing redundancy. Updated information will be enhanced on the charity's website providing direction to helpful organisations. Updated communications will be issued as necessary.

The charity is to enter into a pilot scheme with the Citizens Advice Bureaux (CAB). One hundred of the Citizens Advice Bureau will refer individuals where a DMP is a suitable outcome. This agreement should enable more beneficiaries to reach our service and provide further funding to both charities. If successful the agreement may be extended to other bureaux.

A full scale strategic review of the charity, involving the trustees, senior management and independent external advice, will be undertaken in the first six months of 2011. The review will help determine if the charity is moving in the right direction and the trustees believe the review will permit them to consider CCCS's market share further, and, thereby extend the reach of CCCS to more beneficiaries.

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

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 organises an annual conference which logistically it would be impossible for all to attend. However, the information presented at the conference is passed on to all employees via a series of presentations.

DONATIONS

During the year the group made charitable donations of £4,993.

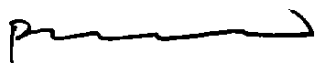
AUDITORS

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 has 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)

5 July 2011

Foundation for Credit Counselling

STATEMENT OF TRUSTEES' RESPONSIBILITIES

year ended 31 December 2010

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 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 Charitable Group ("the financial statements") for the year ended 31 December 2010 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 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.

We have been appointed auditors under the Companies Act 2006 and report in accordance with the Act. 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 2010 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 requirement of 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 charity 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 charity 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

Michael Jackson (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
2 Whitehall Quay
Leeds

LS1 4HG
8 August 2011

Foundation for Credit Counselling
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
year ended 31 December 2010

	Notes	Unrestricted Funds £	Restricted funds £	Total funds 2010 £	Total funds 2009 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income					
		125,149	-	125,149	184,722
		227,748	175,350	403,098	122,250
	1	237,807	-	237,807	288,312
Incoming resources from charitable activities					
Counselling and debt management contributions					
		28,629,070	-	28,629,070	24,629,836
		2,426,569	-	2,426,569	1,197,214
		26,404	-	26,404	-
	2	274,993	-	274,993	679,679
TOTAL INCOMING RESOURCES		31,947,740	175,350	32,123,090	27,102,013
RESOURCES EXPENDED					
Charitable activities					
		20,151,340	15,254	20,166,594	17,629,776
		2,976,502	-	2,976,502	3,503,086
		1,556,647	-	1,556,647	1,502,982
		184,318	-	184,318	54,196
		-	-	-	25,000
		1,279,770	-	1,279,770	814,087
		375,344	85,917	461,261	397,379
		171,223	-	171,223	212,368
		204,993	-	204,993	5,668
TOTAL RESOURCES EXPENDED	4	26,900,137	101,171	27,001,308	24,144,542
NET INCOMING RESOURCES FOR THE YEAR BEFORE TAXATION					
	3	5,047,603	74,179	5,121,782	2,957,471
Taxation on non charitable trading subsidiaries' ordinary activities					
	7	268,842	-	268,842	-
NET INCOMING RESOURCES FOR THE YEAR BEFORE TRANSFERS		5,316,445	74,179	5,390,624	2,957,471
TRANSFERS BETWEEN FUNDS					
		(37,004)	37,004	-	-
NET INCOMING RESOURCES FOR THE YEAR		5,279,441	111,183	5,390,624	2,957,471
BALANCE BROUGHT FORWARD AT 1 JANUARY 2010					
		15,107,921	24,288	15,132,209	12,174,738
BALANCE CARRIED FORWARD AT 31 DECEMBER 2010					
		20,387,362	135,471	20,522,833	15,132,209

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 2010

Company Registration No 2757055
 Registered Charity No 1016630

	<i>Notes</i>	2010 £	2009 £
FIXED ASSETS			
Tangible assets	8	1,954,368	1,387,828
		<u>1,954,368</u>	<u>1,387,828</u>
CURRENT ASSETS			
Stock		13,460	5,017
Debtors	10	4,788,508	4,771,944
Cash at bank and in hand		15,982,769	10,961,769
		<u>20,784,737</u>	<u>15,738,730</u>
CREDITORS Amounts falling due within one year	12	(2,216,272)	(1,994,349)
		<u>18,568,465</u>	<u>13,744,381</u>
NET CURRENT ASSETS		<u>18,568,465</u>	<u>13,744,381</u>
NET ASSETS		<u>20,522,833</u>	<u>15,132,209</u>
REPRESENTED BY			
General funds	16	20,387,362	15,107,921
		<u>20,387,362</u>	<u>15,107,921</u>
TOTAL UNRESTRICTED FUNDS		<u>20,387,362</u>	<u>15,107,921</u>
Restricted funds	17	135,471	24,288
		<u>20,522,833</u>	<u>15,132,209</u>
TOTAL FUNDS		<u>20,522,833</u>	<u>15,132,209</u>

The financial statements on pages 15 to 34 were approved by the board of trustees and authorised for issue on 5 July 2011 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 2010

	<i>Notes</i>	2010 £	2009 £
FIXED ASSETS			
Tangible assets	8	1,814,994	1,149,743
Investments	9	5,001	5,001
		<u>1,819,995</u>	<u>1,154,744</u>
CURRENT ASSETS			
Debtors due within one year	10	3,921,969	4,340,317
Debtors due after more than one year	10	1,990,041	2,441,187
Cash at bank and in hand		15,447,933	10,767,589
		<u>21,359,943</u>	<u>17,549,093</u>
CREDITORS Amounts falling due within one year	12	(1,931,800)	(1,856,239)
		<u>19,428,143</u>	<u>15,692,854</u>
NET CURRENT ASSETS			
		<u>19,428,143</u>	<u>15,692,854</u>
NET ASSETS		<u>21,248,138</u>	<u>16,847,598</u>
REPRESENTED			
General funds	16	21,248,138	16,847,598
		<u>21,248,138</u>	<u>16,847,598</u>
TOTAL UNRESTRICTED FUNDS		<u>21,248,138</u>	<u>16,847,598</u>
Restricted funds		-	-
		<u>-</u>	<u>-</u>
TOTAL FUNDS		<u>21,248,138</u>	<u>16,847,598</u>

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 2010

	<i>Notes</i>	2010 £	2009 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	19	6,178,218	3,035,745
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		237,807	288,312
CAPITAL EXPENDITURE			
Purchase of fixed assets		(1,395,025)	(1,121,217)
INCREASE IN CASH		<u>5,021,000</u>	<u>2,202,840</u>

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

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2010 £	Total 2009 £
Net movement in funds for the year	5,279,441	-	111,183	5,390,624	2,957,471
Resources used for net acquisition of tangible fixed assets	(1,395,025)	-	-	(1,395,025)	(1,121,217)
NET MOVEMENT IN FUNDS AVAILABLE FOR FUTURE ACTIVITIES	<u>3,884,416</u>	<u>-</u>	<u>111,183</u>	<u>3,995,599</u>	<u>1,836,254</u>

Foundation for Credit Counselling

ACCOUNTING POLICIES

year ended 31 December 2010

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) and Credit Action, which are sister charities 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 2010 were £29,156,414 (2009 £25,612,668). After expenditure of £24,755,874 (2009 £22,165,357) a net surplus of £4,400,540 (2009 £3,447,311) 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

ACCOUNTING POLICIES

year ended 31 December 2010

RESOURCES EXPENDED

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

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

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

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

TANGIBLE FIXED ASSETS

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

Fixtures, fittings and equipment	20% - 33 3% straight line
----------------------------------	---------------------------

LEASING

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

STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

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 substantially 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

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

DESIGNATED FUNDS

Designated funds are general funds which have been earmarked for use for a particular purpose in the future

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 FINANCIAL STATEMENTS
 year ended 31 December 2010

1	INVESTMENT INCOME	2010 £	2009 £
	Bank interest	237,807	288,312
		<u> </u>	<u> </u>
2	OTHER INCOME	2010 £	2009 £
	Income from mortgage advisors and insolvency practitioners	56,364	182,221
	Income from training courses	18,879	71,070
	Government grants	21,000	250,000
	Income from overseas charitable activity	102,961	40,000
	Other	75,789	136,388
		<u> </u>	<u> </u>
		274,993	679,679
		<u> </u>	<u> </u>
3	NET INCOMING RESOURCES BEFORE TAXATION	2010 £	2009 £
	This is stated after charging		
	Depreciation of tangible assets	828,085	833,080
	Loss on disposal	400	-
	Operating lease rentals	1,147,791	1,130,989
	Principal auditors' remuneration		
	Audit	28,000	20,950
	Internal audit	3,742	12,891
	Non audit services	5,734	19,766
	Other auditors remuneration	3,584	3,510
		<u> </u>	<u> </u>

Foundation for Credit Counselling
 NOTES TO THE FINANCIAL STATEMENTS
 year ended 31 December 2010

4 RESOURCES EXPENDED

a) Analysis of total resources expended

	<i>Staff costs</i>	<i>Other direct costs</i>	<i>Support costs</i>	<i>Total 2010</i>	<i>Total 2009</i>
Unrestricted funds	£	£	£	£	£
Counselling costs	9,395,679	1,329,032	9,426,629	20,151,340	17,610,736
Debt management costs	2,004,118	247,254	725,130	2,976,502	3,503,086
Insolvency service	1,146,696	409,951	-	1,556,647	1,502,982
Equity release services	173,831	10,487	-	184,318	54,196
Grants	-	-	-	-	25,000
Promotion of services to beneficiaries	866,224	205,179	208,367	1,279,770	814,087
Financial education	281,877	93,467	-	375,344	361,122
Governance	65,078	96,769	9,376	171,223	212,368
Other	-	204,993	-	204,993	5,668
Total unrestricted resources expended	13,933,503	2,597,132	10,369,502	26,900,137	24,089,245
				<i>Total 2010</i>	<i>Total 2009</i>
Restricted funds				£	£
Counselling costs				15,254	19,040
Financial education				85,917	36,257
Total restricted resources expended				101,171	55,297
Total resources expended				27,001,308	24,144,542

Foundation for Credit Counselling
 NOTES TO THE FINANCIAL STATEMENTS
 year ended 31 December 2010

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 2010</i> £	<i>Total 2009</i> £
Staff costs	4,686,886	360,528	104,198	-	5,151,612	4,649,933
Training and recruitment	264,591	20,353	5,814	-	290,758	405,793
Travel and subsistence	179,810	13,834	3,952	4,154	201,750	216,399
Premises	2,048,622	157,587	45,025	-	2,251,234	2,014,068
Communications and IT	943,835	72,604	20,744	441	1,037,624	886,831
Printing and postage	461,294	35,485	10,138	507	507,424	417,309
Consultancy and professional	439,712	33,826	9,664	4,274	487,476	387,711
Depreciation	401,879	30,913	8,832	-	441,624	615,811
Total support costs	9,426,629	725,130	208,367	9,376	10,369,502	9,593,855

c) Analysis of governance costs

	<i>Total 2010</i> £	<i>Total 2009</i> £
Audit and accountancy fees	42,292	44,225
Internal audit fees	3,743	12,891
Legal and professional fees	44,168	78,484
Apportionment of staff and support costs	81,020	76,768
	171,223	212,368

Foundation for Credit Counselling

NOTES TO THE FINANCIAL STATEMENTS

year ended 31 December 2010

5 EMPLOYEES	2010	2009
	No	No
The average monthly number of persons employed by the company during the year was		
Promotion of services to beneficiaries	11	9
Counselling	457	465
Debt Management	36	40
Insolvency Services	47	44
Client services and administrative support	230	222
	<u> </u>	<u> </u>
	781	780
	<u> </u>	<u> </u>
	2010	2009
	£	£
Staff costs for above persons		
Wages and salaries	17,020,148	15,511,826
Social security costs	1,556,732	1,395,051
Other pension costs	343,532	301,717
	<u> </u>	<u> </u>
	18,920,412	17,208,594
	<u> </u>	<u> </u>
	2010	2009
	No	No
The number of employees whose emoluments were in excess of £60,000 during the year, excluding pension contributions, fell within the following ranges		
£70,001 - £80,000	1	-
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
£120,001 - £130,000	1	1
£140,001 - £150,000	-	-
£150,001 - £160,000	-	1
£160,001 - £170,000	1	-
	<u> </u>	<u> </u>
Total emoluments	4	3
	<u> </u>	<u> </u>

Three (2009 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 2010

6 TRUSTEES

None of the Trustees (or any persons connected with them) received any remuneration during the year. Two of the Trustees were reimbursed for out of pocket expenses (2009: 3 Trustees) totalling £10,727 (2009: £7,032).

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 £9,588 (2009: £9,407).

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

	2010 £	2009 £
Deferred tax		
Deferred tax on trading losses	(268,842)	-

No provision was made for the deferred tax asset in 2009 due to the uncertainty that existed over its recoverability. The amount unprovided as at 31 December 2009 amounted to £377,683.

No provision has been made for the deferred tax asset of £62,510 (2009: £15,156) 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 2010	5,705,411
Additions	1,395,025
Disposals	(759,000)
	<hr/>
At 31 December 2010	6,341,436
	<hr/>
Depreciation	
At 1 January 2010	4,317,583
Charge for the year	828,085
On disposals	(758,600)
	<hr/>
At 31 December 2010	4,387,068
	<hr/>
Net book value	
At 31 December 2010	1,954,368
	<hr/>
At 31 December 2009	1,387,828
	<hr/>

Foundation for Credit Counselling

NOTES TO THE FINANCIAL STATEMENTS

year ended 31 December 2010

8	TANGIBLE FIXED ASSETS <i>(continued)</i>		
	<i>COMPANY</i>	<i>Fixtures, fittings and equipment</i>	
		£	
	Cost		
	1 January 2010	4,956,142	
	Additions	1,366,008	
	Disposals	(758,600)	

	At 31 December 2010	5,563,550	

	Depreciation		
	At 1 January 2010	3,806,399	
	Charge for the year	700,757	
	Disposals	(758,600)	

	At 31 December 2010	3,748,556	

	Net book value		
	At 31 December 2010	1,814,994	
		=====	
	At 31 December 2009	1,149,743	
		=====	
9	FIXED ASSET INVESTMENTS	2010	2009
		£	£
	Subsidiary undertaking	5,001	5,001
		=====	=====

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 sister charities, Consumer Credit Counselling Service (Scotland), (CCCS Scotland) and Credit Action (CA), charities which are under common control.

Foundation for Credit Counselling
 NOTES TO THE FINANCIAL STATEMENTS
 year ended 31 December 2010

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

	2010	2009
	£	as restated £
Turnover	2,426,569	1,197,214
Costs of sales	(1,016,693)	(973,774)
	<hr/>	<hr/>
Gross profit	1,409,876	223,440
Administrative expenses	(547,455)	(542,749)
	<hr/>	<hr/>
Operating profit /(loss)	862,421	(319,309)
Interest payable	(64,560)	(73,980)
Taxation	268,842	-
	<hr/>	<hr/>
Profit / (Loss) for the financial year	1,066,703	(393,289)
	<hr/> <hr/>	<hr/> <hr/>
Assets	1,119,562	685,605
Liabilities	(1,873,937)	(2,506,683)
	<hr/>	<hr/>
Shareholder's deficit	(754,375)	(1,821,078)
	<hr/> <hr/>	<hr/> <hr/>

Foundation for Credit Counselling

NOTES TO THE FINANCIAL STATEMENTS

year ended 31 December 2010

9 FIXED ASSET INVESTMENTS *(continued)*

Consumer Credit Counselling Service (Equity Release) Limited

	2010 £	2009 £
Turnover	26,404	-
Costs of sales	(121,874)	-
	<hr/>	<hr/>
Gross profit	(95,470)	-
Administrative expenses	(73,299)	(54,196)
	<hr/>	<hr/>
Operating loss	(168,769)	(54,196)
Interest payable	(8,645)	-
Taxation	-	-
	<hr/>	<hr/>
Loss for the financial year	(177,414)	(54,196)
	<hr/>	<hr/>
Assets	32,254	5,400
Liabilities	(258,864)	(54,596)
	<hr/>	<hr/>
Shareholder's deficit	(226,610)	(49,196)
	<hr/>	<hr/>

Consumer Credit Counselling Service (Scotland)

	2010 £	2009 £
Total incoming resources	1,059,750	1,168,484
	<hr/>	<hr/>
Total resources expended	(1,065,069)	(1,174,578)
	<hr/>	<hr/>
Net (outgoing)/incoming resources	(5,319)	(6,094)
	<hr/>	<hr/>
Assets	66,864	73,109
Liabilities	(3,851)	(4,777)
	<hr/>	<hr/>
Unrestricted funds	63,013	68,332
	<hr/>	<hr/>

Foundation for Credit Counselling
 NOTES TO THE FINANCIAL STATEMENTS
 year ended 31 December 2010

9 FIXED ASSET INVESTMENTS *(continued)*

Credit Action

	2010 £	2009 £
Total incoming resources	586,880	366,111
Total resources expended	(475,765)	(376,971)
Net outgoing resources	111,115	(10,860)
Assets	395,531	104,795
Liabilities	(197,861)	(13,241)
Unrestricted funds	197,670	91,554

10 DEBTORS

	Consolidated		Company	
	2010 £	2009 £	2010 £	2009 £
Due within one year				
Trade debtors	3,370,838	3,867,303	2,884,726	3,499,419
Prepayments and accrued income	1,135,442	856,773	1,028,066	801,850
Other debtors	13,386	47,868	9,177	39,048
Deferred taxation (note 11)	268,842	-	-	-
	4,788,508	4,771,944	3,921,969	4,340,317

Foundation for Credit Counselling

NOTES TO THE FINANCIAL STATEMENTS

year ended 31 December 2010

10 DEBTORS (continued)

	Consolidated		Company	
	2010	2009	2010	2009
Due after more than one year	£	£	£	£
Amounts owed by group undertaking	-	-	1,990,041	2,441,187

Included in the above is a loan of £1,732,954 (2009 £2,386,602) 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 Services Voluntary Arrangements Limited in respect of this loan.

Also included in the above is a loan of £257,087 (2009 £54,585) 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

	2010	2009
	£	£
Included in debtors (note 7)	268,842	-

The movement in the deferred taxation account during the year was

	2010
	£
Profit and loss account movement arising during the year	268,842
Balance carried forward	268,842

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

	2010	2009
	£	£
Tax losses available	261,167	-
Depreciation in excess of capital allowances	7,675	-
Balance carried forward	268,842	-

Foundation for Credit Counselling

NOTES TO THE FINANCIAL STATEMENTS

year ended 31 December 2010

12 CREDITORS Amounts falling due within one year

	Consolidated		Company	
	2010	2009	2010	2009
	£	£	£	£
Trade creditors	544,233	462,812	535,490	453,546
Other taxes social security costs	102,801	455,557	74,846	444,546
Accruals and other creditors	1,569,238	1,075,980	1,321,464	958,147
	<u>2,216,272</u>	<u>1,994,349</u>	<u>1,931,800</u>	<u>1,856,239</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 2010 the group had annual commitments under non-cancellable operating leases as follows

	2010	Other	Land and Buildings	
			2009	2010
	£	£	£	£
Expiry date				
Within one year	-	-	33,227	-
Between one and five years	-	17,440	298,644	94,096
After five years	-	-	882,798	875,250
	<u>-</u>	<u>17,440</u>	<u>1,214,669</u>	<u>969,346</u>

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

CONSOLIDATED	Unrestricted funds	Designated funds	Restricted funds	Total funds
	2010	2010	2010	2010
	£	£	£	£
Tangible fixed assets	1,954,368	-	-	1,954,368
Current assets	20,517,266	-	267,471	20,784,737
Current liabilities	(2,084,272)	-	(132,000)	(2,216,272)
	<u>20,387,362</u>	<u>-</u>	<u>135,471</u>	<u>20,522,833</u>

Foundation for Credit Counselling

NOTES TO THE FINANCIAL STATEMENTS

year ended 31 December 2010

16 MOVEMENTS IN GENERAL UNRESTRICTED FUNDS

CONSOLIDATED	At 1 January 2010 £	Incoming Resources £	Outgoing resources £	Transfers £	At 31 December 2010 £
General unrestricted	15,107,921	31,747,740	(26,431,295)	(37,004)	20,387,362
COMPANY	At 1 January 2010 £	Incoming Resources £	Outgoing resources £	Transfers £	At 31 December 2010 £
General unrestricted	16,847,598	28,956,414	(24,555,874)	-	21,248,138

17 MOVEMENTS IN RESTRICTED FUNDS

CONSOLIDATED	At 1 January 2010 £	Incoming Resources £	Outgoing resources £	Transfers £	At 31 December 2010 £
Restricted funds	24,288	175,350	(101,171)	37,004	135,471

The restricted funds are 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.

The transfer from unrestricted funds is to cover overspend on these projects.

Foundation for Credit Counselling

NOTES TO THE FINANCIAL STATEMENTS

year ended 31 December 2010

18 RELATED PARTY DISCLOSURES

Hurlstons Corporate Consultancy

Malcolm Hurlston is a director of Hurlstons Corporate Consultancy. During the year £32,407 (2009 £110,748) was charged for research, public relations and media relations and £nil (2009 £86,250) for intellectual property rights. At the balance sheet date £nil (2009 £230) 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 £46,434 (2009 £87,716) was charged for solicitors fees. At the balance sheet date accruals included £18,000 (2009 £19,562) in respect of these fees.

19 RECONCILIATION OF OPERATING SURPLUS TO NET INFLOW FROM OPERATING ACTIVITIES

	2010 £	2009 £
Surplus for the year before taxation	5,121,782	2,957,471
Investment income	(237,807)	(288,312)
Depreciation charge	828,085	833,080
Loss on disposal of fixed assets	400	385
(Increase)/ decrease in debtors	252,278	(596,111)
Increase/(decrease) in creditors	221,923	130,653
Increase in stocks	(8,443)	(1,421)
	<hr/>	<hr/>
Net cash inflow from operating activities	6,178,218	3,035,745
	<hr/>	<hr/>

20 RECONCILIATION OF NET CASH FLOW MOVEMENT IN CASH

	2010 £	2009 £
Increase in cash in the year	5,021,000	2,202,840
Net cash at 1 January 2010	10,961,769	8,758,929
	<hr/>	<hr/>
Net cash at 31 December 2010	15,982,769	10,961,769
	<hr/>	<hr/>

Foundation for Credit Counselling

NOTES TO THE FINANCIAL STATEMENTS

year ended 31 December 2010

21 ANALYSIS OF NET FUNDS

	At 1 January 2010 £	Cash inflow £	At 31 December 2010 £
Cash at bank and in hand	10,961,769	5,021,000	15,982,769

22 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 £343,532 (2009: £301,717).