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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 2012

COMPANIES HOUSE

TUESDAY



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COMPANIES HOUSE

Foundation for Credit Counselling

OFFICERS AND PROFESSIONAL ADVISERS

TRUSTEES

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

CHIEF EXECUTIVE OFFICER

G Bell

SECRETARY

M J Lynch

REGISTERED OFFICE

Wade House
Merrion Centre
Leeds
LS2 8NG

AUDITOR

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

BANKERS

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

SOLICITORS

Wrigleys Solicitors LLP
19 Cookridge Street
Leeds
LS2 3AG

Foundation for Credit Counselling

CHAIRMAN'S STATEMENT

Following the completion of a thorough and far reaching strategic review, we have committed considerable resources and effort to ensuring that we are able to help more people with their debt problems. The most visible aspect of this work which involved everyone in the charity was our change of trading name to StepChange Debt Charity in November. The adoption of a new, more consumer-friendly, brand is part of a longer-term strategy to make our services better known, not only with a view to reaching the increasing number of households which are struggling financially but also to enable us to represent better their interests to government and other stakeholders, including lenders.

During the year, we appointed our first ever marketing director and started to advertise our service, both online and in national newspapers with plans for a more expansive campaign, including television, in the first quarter of 2013 and beyond. In parallel we commenced a programme of stakeholder engagement with government, politicians, consumer representatives, think-tanks and the media. We are also starting to build strategic partnerships with third party organisations whose clients are likely to be affected by debt problems, such as major charities, housing associations and other advice agencies including Citizens' Advice.

Our efforts are starting to bear fruit. In 2012 the number of people who contacted us increased (for the first time since 2009) by 11 percent and we helped more than 129,000 people to repay £327 million to lenders. Lenders continue to be the single most important source of referrals, accounting for half of our clients, but 12 percent were referred by other partner organisations, reflecting the importance of working with them to reach more people with a wider range of needs. Debt is rarely a problem in isolation, as it is often triggered by other issues such as ill-health, employment difficulties, or failing relationships. We still need to get across to people that the earlier they seek help, the easier it will be to advise them how to solve their debt problems – but the advertising campaigns and our greater visibility show that we can get that message out to people, and get them to act before their problems become a crisis.

We continue to review and refine our services to meet client need. We now employ over 1,000 staff, the vast majority of them directly supporting clients. Our helplines open on a Saturday, and we introduced a new settlement service to help clients in a position to make one-off payments. While Debt Management Plans remain a key element in our work, we also do exemplary work providing other debt relief solutions including DROs, IVAs, and in Equity Release. Our work in Scotland and Wales continues to develop, and our partnership with Limavady Community Development Initiative ensures that people living in Northern Ireland have access to our services.

Big changes loom ahead for debt advice and management. From April 2013, a new regulatory regime will start being rolled out by the Financial Control Authority while the role of the Money Advice Service in debt advice is evolving. It is our intention to ensure the interests of the over-indebted are upheld and properly considered in the creation of policy going forward.

Finally, rebranding a charity such as ours makes enormous demands on staff at every level. I am grateful for all the hard work on display every day throughout the charity over the last 12 months and for the wholehearted belief that we can - and will - help more people. I am also grateful to our Trustees for their unwavering support during this transition year, and for sharing the vision for and belief in all that the charity is achieving.



Lord Wilf Stevenson

Date 4 July 2013

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

year ended 31 December 2012

The Trustees, who are the Council of Management, present their report and accounts for the year ended 31 December 2012

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

REFERENCE AND ADMINISTRATION

NAME AND REGISTRATION

Foundation for Credit Counselling is a company limited by guarantee (number 2757055) and a registered charity (number 1016630) The charity was previously more widely known as the Consumer Credit Counselling Service but in November 2012 re-branded itself 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 2012

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

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

J J Burton and M Fairey will retire at the next Annual General Meeting

D Coates will retire by rotation at the next Annual General Meeting and, being eligible, offers himself 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
A Somers – Director of Business Development

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

year ended 31 December 2012

PRINCIPAL ADVISORS

Auditor - 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 12 October 2012. 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

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

INDUCTION

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

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

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

INDEMNITY PROVISION

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

ORGANISATION 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 six times a year in order to discuss performance, policy and strategic planning. In addition Audit Committee and Remuneration Committee meetings are held twice a year.

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

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

year ended 31 December 2012

PARTNERS

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

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

RISK REVIEW

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

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

OBJECTIVES AND ACTIVITIES

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

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

The 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 2012

- 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 counselling 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 2012

ACHIEVEMENTS AND PERFORMANCE

CHARITABLE ACTIVITIES

The charity's aims for 2012 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 2011 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 the quality of service.

In total the charity was contacted by over 411,000 people seeking to resolve their debt problems – or around a 1,100 people a day. This represents an increase of 11% on 2011.

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 1,190,043 (2011 1,163,288) calls including 264,153 (2011 229,013) Helpline calls,
- The charity also handled over 40,000 (2011 36,000) calls to its specialist helplines dealing with welfare benefits, mortgage counselling, bankruptcy and debt relief orders,
- Advisors provided over 115,000 (2011 108,000) in depth debt advice sessions,
- Over 85,000 (2011 80,000) people were advised via Debt Remedy the charity's online counselling facility,
- 29,099 (2011 27,793) new Debt Management Plans (DMPs) were created,
- CCCS VA Ltd created 812 (2011 922) new Individual Voluntary Arrangements (IVAs) with an average debt relief of 72% (2011 71%) per client
- CCCS ER Ltd assisted in 237 (2011 120) applications releasing £9.5 million (2011 £5.3 million) of equity release funding

EFFICIENCY, EFFECTIVENESS AND QUALITY

Telephone advice

Over 14% (2011 17%) of Helpline callers were "warm transferred" straight to advisors

Client aftercare

Client aftercare continued to deal with a high volume of calls, 760,070 (2011 765,207), demonstrating the charity's commitment to providing ongoing care for clients on Debt Management Plans (DMP's). In total the Correspondence, Customer Service and Client Support teams dealt with over 900,000 contacts by letter and phone.

Operational departments

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

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

year ended 31 December 2012

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 2013 30 employees will receive the diploma and there are 44 new entrants from across the charity. The DMDA has full accreditation from Ofqual thus enhancing the merits of debt advice as a recognised profession.

Database

The charity will have operated for 20 years in January 2013. The knowledge and statistics gained over this period enable the charity to adjust its services to the changing realities of client's circumstances leading to a more effective service. 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 nearly 20% were directed by their family and friends. Many others came through the internet via the charity's web site and links from other sites.

NEW SERVICES

- The charity's online debt advice facility, Debt Remedy, now includes a section aimed at assisting self-employed clients. This was introduced in March and is expected to help up to an additional 8,000 clients per year.
- Debt Remedy also now includes a call back facility for first time clients who decide they would like to speak to an advisor. The process is automated and the client is able to book a convenient time and number.
- In December clients with one debt will have the opportunity to begin a Debt Management Plan (DMP). Previously only clients with several debts were able to commence a DMP. This service will now be available to many more potential beneficiaries.

GROWING LEVELS OF INDEBTEDNESS

- FCC has almost 130,000 (2011 120,000) clients benefiting from debt management plans. The repayment ethic promoted by the charity resulted in £327 million (2011 £312 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 £2,399,825. Unrestricted income rose by 6% resulting in increased reserves of £27.2 million (2011 £24.7 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

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

year ended 31 December 2012

at eight months of projected expenditure and the surplus will be directed towards the 2013 advertising campaign

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 Audit Committee. In 2012 the policy of investing the majority of surplus liquid funds in a staggered mix of fixed term deposits met current requirements. With minimal risk an average return of 2.7% (2011: 2.5%) was achieved and considered acceptable.

FUTURE PLANS

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

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

With reference to the 2011 Annual Report and Accounts a comprehensive re-branding, the first since the charity began operating in 1993, took place throughout the year culminating in the launch of "StepChange Debt Charity" in November. The new name replaces "Consumer Credit Counselling Service". A comprehensive and nationwide television advertising campaign in support of the rebrand will be televised throughout 2013 to enable many more people in financial difficulty to be aware of the services provided by the charity.

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".

Foundation for Credit Counselling

REPORT OF THE BOARD OF TRUSTEES

year ended 31 December 2012

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

DONATIONS

During the year the group made charitable donations of £20,513

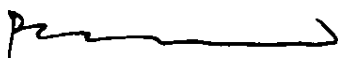
AUDITOR

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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 auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor

By order of the Council of Management



Lord Stevenson
Chairman

Date 4 July 2013

Foundation for Credit Counselling

STATEMENT OF TRUSTEES' RESPONSIBILITIES

year ended 31 December 2012

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 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 accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

INDEPENDENT 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 2012 on pages 14 to 32. 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 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2012 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

Baker Tilly UK Audit LLP

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

Date *22 July 2013.*

Foundation for Credit Counselling
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
year ended 31 December 2012

	<i>Notes</i>	Total funds 2012 £	Total funds 2011 £
INCOMING RESOURCES			
Incoming resources from generated funds			
Voluntary income			
- Donations		-	1,760
Investment income	1	537,652	405,915
Incoming resources from charitable activities			
- Counselling and debt management contributions		31,976,469	30,282,250
- Insolvency service		2,856,819	2,669,942
- Equity Release		178,284	87,810
Other income	2	139,051	169,041
		<hr/>	<hr/>
TOTAL INCOMING RESOURCES		35,688,275	33,616,718
		<hr/>	<hr/>
RESOURCES EXPENDED			
Charitable activities			
- Counselling costs		23,017,247	21,353,094
- Debt management costs		4,117,208	3,897,263
- Insolvency service		2,238,390	1,816,415
- Equity release services		207,940	148,024
- Promotion of services to beneficiaries		3,300,253	1,453,583
- Financial education		86,005	-
Governance		254,824	248,719
Other resources expended		20,513	10,793
		<hr/>	<hr/>
TOTAL RESOURCES EXPENDED	4	33,242,380	28,927,891
		<hr/>	<hr/>
NET INCOMING RESOURCES FOR THE YEAR BEFORE TAXATION	3	2,445,895	4,688,827
Taxation on non charitable trading subsidiaries' ordinary activities	7	(46,070)	(222,772)
		<hr/>	<hr/>
NET INCOMING RESOURCES FOR THE YEAR BEFORE TRANSFERS		2,399,825	4,466,055
Loss on common control of Credit Action		-	(197,668)
		<hr/>	<hr/>
NET INCOMING RESOURCES FOR THE YEAR		2,399,825	4,268,387
BALANCE BROUGHT FORWARD AT 1 JANUARY		24,791,220	20,522,833
		<hr/>	<hr/>
BALANCE CARRIED FORWARD AT 31 DECEMBER	16	27,191,045	24,791,220
		<hr/>	<hr/>

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

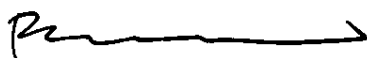
The notes on pages 18 to 32 form part of these financial statements

Foundation for Credit Counselling
 CONSOLIDATED BALANCE SHEET
 31 December 2012

Company Registration No 2757055
 Registered Charity No 1016630

	<i>Notes</i>	2012 £	2011 £
FIXED ASSETS			
Tangible assets	8	1,818,856	1,911,622
		<u>1,818,856</u>	<u>1,911,622</u>
CURRENT ASSETS			
Debtors	10	6,394,192	5,260,159
Cash at bank and in hand		21,654,544	20,001,887
		<u>28,048,736</u>	<u>25,262,046</u>
CREDITORS Amounts falling due within one year	12	(2,648,092)	(2,382,448)
		<u>25,400,644</u>	<u>22,879,598</u>
NET CURRENT ASSETS			
PROVISIONS FOR LIABILITIES	13	(28,455)	-
		<u>27,191,045</u>	<u>24,791,220</u>
NET ASSETS			
REPRESENTED BY			
General funds	16	27,191,045	24,791,220
		<u>27,191,045</u>	<u>24,791,220</u>
TOTAL FUNDS		<u>27,191,045</u>	<u>24,791,220</u>

The financial statements on pages 14 to 32 were approved by the board of trustees and authorised for issue on 4 July 2013 and are signed on its behalf by



Lord Stevenson
 Chairman

The notes on pages 18 to 32 form part of these financial statements

Foundation for Credit Counselling
BALANCE SHEET
31 December 2012

Company Registration No 2757055
Registered Charity No 1016630

	<i>Notes</i>	2012 £	2011 £
FIXED ASSETS			
Tangible assets	8	1,683,639	1,792,462
Investments	9	5,001	5,001
		<u>1,688,640</u>	<u>1,797,463</u>
CURRENT ASSETS			
Debtors due within one year	10	6,428,246	4,551,297
Debtors due after more than one year	10	400,000	1,371,485
Cash at bank and in hand		21,549,063	19,776,497
		<u>28,377,309</u>	<u>25,699,279</u>
CREDITORS Amounts falling due within one year	12	(2,508,569)	(2,285,001)
		<u>25,868,740</u>	<u>23,414,278</u>
NET CURRENT ASSETS		<u>27,557,380</u>	<u>25,211,741</u>
NET ASSETS REPRESENTED		<u>27,557,380</u>	<u>25,211,741</u>
General funds	16	27,557,380	25,211,741
TOTAL FUNDS		<u>27,557,380</u>	<u>25,211,741</u>

The notes on pages 18 to 32 form part of these financial statements

Foundation for Credit Counselling
CONSOLIDATED CASH FLOW STATEMENT
year ended 31 December 2012

	<i>Notes</i>	2012 £	2011 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	18	2,110,761	5,004,608
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		537,652	405,915
CAPITAL EXPENDITURE			
Purchase of fixed assets		(995,756)	(1,017,420)
ACQUISITIONS AND DISPOSALS	19	-	(373,985)
		<hr/>	<hr/>
INCREASE IN CASH	20	1,652,657	4,019,118
		<hr/> <hr/>	<hr/> <hr/>

Foundation for Credit Counselling

ACCOUNTING POLICIES

year ended 31 December 2012

The company has adopted the following principal accounting policies which should be read in conjunction with the financial statements set out on pages 14 to 32

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 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 2012 were £33,047,570 (2011 - £30,914,310). After expenditure of £30,701,931 (2011 - £26,950,707) a net surplus of £2,345,639 (2011 - £3,963,603) 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 2012

RESOURCES EXPENDED

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

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

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

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

TANGIBLE FIXED ASSETS

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

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

LEASING

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

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 substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

PENSIONS

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

ONEROUS LEASE

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

UNRESTRICTED FUNDS

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

Foundation for Credit Counselling
 NOTES TO THE FINANCIAL STATEMENTS
 year ended 31 December 2012

1	INVESTMENT INCOME	2012 £	2011 £
	Bank interest	537,652	405,915
		<u> </u>	<u> </u>
2	OTHER INCOME	2012 £	2011 £
	Income from mortgage advisors and insolvency practitioners	17,634	37,800
	Income from training courses	-	12,969
	Income from overseas charitable activity	-	7,078
	Other	121,417	111,194
		<u> </u>	<u> </u>
		139,051	169,041
		<u> </u>	<u> </u>
3	NET INCOMING RESOURCES BEFORE TAXATION	2012 £	2011 £
	This is stated after charging		
	Directors' remuneration	-	-
	Depreciation of tangible assets	1,088,522	1,058,676
	Operating lease rentals		
	Land & buildings	1,176,077	1,048,923
	Principal auditor's remuneration		
	Audit	29,500	31,925
	Non audit services	5,580	2,500
	Internal audit	23,505	19,429
		<u> </u>	<u> </u>

Foundation for Credit Counselling
 NOTES TO THE FINANCIAL STATEMENTS
 year ended 31 December 2012

4 RESOURCES EXPENDED

a) Analysis of total resources expended

	<i>Staff costs</i>	<i>Other direct costs</i>	<i>Support costs</i>	<i>Total 2012</i>	<i>Total 2011</i>
	£	£	£	£	£
Unrestricted funds					
Counselling costs	11,480,914	221,051	11,315,282	23,017,247	21,353,094
Debt management costs	2,011,061	946,521	1,159,626	4,117,208	3,897,263
Insolvency service	415,742	1,822,648	-	2,238,390	1,816,415
Equity release services	169,823	38,117	-	207,940	148,024
Promotion of services to beneficiaries	1,483,560	1,431,090	385,603	3,300,253	1,453,583
Financial education	-	86,005	-	86,005	-
	<u>15,561,100</u>	<u>4,545,432</u>	<u>12,860,511</u>	<u>32,967,043</u>	<u>28,679,172</u>
Governance	83,348	158,987	12,489	254,824	248,719
Other resources expended	-	20,513	-	20,513	10,793
Total charitable expenditure	<u>15,644,448</u>	<u>4,724,932</u>	<u>12,873,000</u>	<u>33,242,380</u>	<u>28,927,891</u>

Foundation for Credit Counselling
NOTES TO THE FINANCIAL STATEMENTS
year ended 31 December 2012

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 2012</i> £	<i>Total 2011</i> £
Staff costs	5,460,188	559,028	186,141	-	6,205,357	5,677,169
Training and recruitment	342,539	35,271	11,678	-	389,488	325,769
Travel and subsistence	228,766	24,393	7,800	7,144	268,103	265,911
Premises	2,037,200	210,104	69,449	-	2,316,753	2,374,109
Communications and IT	1,304,026	133,764	44,455	-	1,482,245	1,255,502
Printing and postage	568,877	58,183	19,395	327	646,782	518,537
Consultancy and professional	480,183	47,501	16,224	5,018	548,926	862,111
Depreciation	893,503	91,382	30,461	-	1,015,346	944,166
Total support costs	11,315,282	1,159,626	385,603	12,489	12,873,000	12,223,274

c) Analysis of governance costs

	<i>Total 2012</i> £	<i>Total 2011</i> £
Audit and accountancy fees	50,396	40,807
Internal audit fees	21,014	19,429
Legal and professional fees	87,577	88,394
Apportionment of staff and support costs	95,837	100,089
	254,824	248,719

Foundation for Credit Counselling
NOTES TO THE FINANCIAL STATEMENTS
year ended 31 December 2012

5	EMPLOYEES	2012 No	2011 No
	The average monthly number of persons employed by the group during the year was		
	Promotion of services to beneficiaries	21	13
	Counselling	560	497
	Debt Management	51	50
	Insolvency Services	72	58
	Client services and administrative support	239	238
		-----	-----
		943	856
		=====	=====
		2012	2011
		£	£
	Staff costs for above persons		
	Wages and salaries	19,686,033	17,135,347
	Social security costs	1,825,576	1,591,712
	Other pension costs	434,765	388,410
		-----	-----
		21,946,374	19,115,469
		=====	=====

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

	2012 No	2011 No
£70,001 - £80,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£120,001 - £130,000	2	-
£130,001 - £140,000	1	1
£170,001 - £180,000	1	1
	-----	-----
Total	6	4
	=====	=====

A total of 5 (2011 - 4) 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 2012

6 TRUSTEES

None of the Trustees (or any persons connected with them) received any remuneration during the year. 2 of the Trustees were reimbursed for out of pocket expenses (2011 - 2 Trustees) totalling £4,408 (2011 - £3,554)

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 £17,490 (2011 - £15,021)

7 TAXATION

As a charity the company is exempt from tax on income falling within Part II of the Corporation Tax Act 2010 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

	2012	2011
	£	£
Deferred tax		
Deferred tax on trading losses	46,070	222,772

No provision has been made for the deferred tax asset of £76,406 (2011 - £63,984) in Consumer Credit Counselling Service (Equity Release) Limited due to the uncertainty that exists over the recoverability of the asset

8 TANGIBLE FIXED ASSETS CONSOLIDATED

	<i>Fixtures, fittings and equipment</i>
	£
Cost	
At 1 January 2012	6,511,508
Additions	995,756
Disposals	(622,824)
At 31 December 2012	6,884,440
Depreciation	
At 1 January 2012	4,599,886
Charge for the year	1,088,522
Disposals	(622,824)
At 31 December 2012	5,065,584
Net book value	
At 31 December 2012	1,818,856
At 31 December 2011	1,911,622

Foundation for Credit Counselling
 NOTES TO THE FINANCIAL STATEMENTS
 year ended 31 December 2012

8	TANGIBLE FIXED ASSETS <i>(continued)</i>		
	<i>COMPANY</i>	<i>Fixtures, fittings and equipment</i>	
		£	
	Cost		
	At 1 January 2012	5,653,984	
	Additions	906,523	
	Disposal	(622,824)	

	At 31 December 2012	5,937,683	

	Depreciation		
	At 1 January 2012	3,861,522	
	Charge for the year	1,015,346	
	Disposal	(622,824)	

	At 31 December 2012	4,254,044	

	Net book value		
	At 31 December 2012	1,683,639	
		=====	
	At 31 December 2011	1,792,462	
		=====	
9	FIXED ASSET INVESTMENTS	2012	2011
		£	£
	Subsidiary undertaking	5,001	5,001
		=====	=====

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

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

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

Foundation for Credit Counselling
 NOTES TO THE FINANCIAL STATEMENTS
 year ended 31 December 2012

9 FIXED ASSET INVESTMENTS *(continued)*

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

Consumer Credit Counselling Service Voluntary Arrangements Limited

	2012 £	2011 £
Turnover	2,856,819	2,669,942
Costs of sales	(1,432,218)	(1,149,348)
	<hr/>	<hr/>
Gross profit	1,424,601	1,520,594
Administrative expenses	(1,262,461)	(674,567)
	<hr/>	<hr/>
Operating profit	162,140	846,027
Interest payable	(8,853)	(38,393)
Taxation	(46,070)	(222,772)
	<hr/>	<hr/>
Profit for the financial year	107,217	584,862
	<hr/>	<hr/>
Assets	751,822	896,670
Liabilities	(814,118)	(1,066,183)
	<hr/>	<hr/>
Shareholder's deficit	(62,296)	(169,513)
	<hr/>	<hr/>

Foundation for Credit Counselling
 NOTES TO THE FINANCIAL STATEMENTS
 year ended 31 December 2012

9 FIXED ASSET INVESTMENTS *(continued)*

Consumer Credit Counselling Service (Equity Release) Limited

	2012 £	2011 £
Turnover	178,284	87,810
Costs of sales	(120,273)	(77,730)
	<hr/>	<hr/>
Gross profit	58,011	10,080
Administrative expenses	(99,960)	(81,521)
	<hr/>	<hr/>
Operating loss	(41,949)	(71,441)
Interest payable	(20,269)	(16,978)
Taxation	-	-
	<hr/>	<hr/>
Loss for the financial year	(62,218)	(88,419)
	<hr/> <hr/>	<hr/> <hr/>
Assets	44,731	132,903
Liabilities	(421,979)	(447,932)
	<hr/>	<hr/>
Shareholder's deficit	(377,248)	(315,029)
	<hr/> <hr/>	<hr/> <hr/>

Consumer Credit Counselling Service (Scotland)

	2012 £	2011 £
Total incoming resources	314,042	279,809
	<hr/>	<hr/>
Total resources expended	(351,453)	(273,800)
	<hr/>	<hr/>
Net (outgoing)/incoming resources	(37,411)	6,009
	<hr/> <hr/>	<hr/> <hr/>
Assets	72,554	72,626
Liabilities	(40,943)	(3,604)
	<hr/>	<hr/>
Unrestricted funds	31,611	69,022
	<hr/> <hr/>	<hr/> <hr/>

Foundation for Credit Counselling
 NOTES TO THE FINANCIAL STATEMENTS
 year ended 31 December 2012

10 DEBTORS

	Consolidated		Company	
	2012	2011	2012	2011
Due within one year	£	£	£	£
Trade debtors	4,893,487	3,888,564	4,333,114	3,307,622
Prepayments and accrued income	1,440,922	1,273,076	1,327,964	1,168,138
Other debtors	59,783	52,449	58,106	36,611
Deferred taxation (note 11)	-	46,070	-	-
Amounts owed by group undertakings	-	-	709,062	38,926
	<u>6,394,192</u>	<u>5,260,159</u>	<u>6,428,246</u>	<u>4,551,297</u>

	Consolidated		Company	
	2012	2011	2012	2011
Due after more than one year	£	£	£	£
Amounts owed by group undertaking	-	-	400,000	1,371,485
	<u>-</u>	<u>-</u>	<u>400,000</u>	<u>1,371,485</u>

Included in the above is a loan of £nil (2011 - £971,485) made to Consumer Credit Counselling Services Voluntary Arrangements Limited, a trading subsidiary of Foundation for Credit Counselling

Also included in the above is a loan of £400,000 (2011 - £400,000) made to Consumer Credit Counselling Service (Equity Release), a trading subsidiary of Foundation for Credit Counselling Interest is charged at a rate of 5% The loan has no fixed repayment date

Foundation for Credit Counselling
NOTES TO THE FINANCIAL STATEMENTS
year ended 31 December 2012

11 DEFERRED TAXATION

The deferred taxation included in the balance sheet is as follows

	2012 £	2011 £
Included in debtors (note 10)	-	46,070

The movement in the deferred taxation account during the year was

	2012 £	2011 £
Balance brought forward	46,070	268,842
Profit and loss account movement arising during the year	(46,070)	(222,772)
Balance carried forward	-	46,070

12 CREDITORS Amounts falling due within one year

	Consolidated		Company	
	2012 £	2011 £	2012 £	2011 £
Trade creditors	624,683	469,420	619,846	453,728
Other taxes social security costs	548,389	39,216	548,389	39,216
Accruals and other creditors	1,475,020	1,873,812	1,340,334	1,792,057
	<u>2,648,092</u>	<u>2,382,448</u>	<u>2,508,569</u>	<u>2,285,001</u>

13 PROVISIONS FOR LIABILITIES

	Consolidated		Company	
	2012 £	2011 £	2012 £	2011 £
Provision for onerous lease	28,455	-	-	-
	<u>28,455</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

Foundation for Credit Counselling
NOTES TO THE FINANCIAL STATEMENTS
year ended 31 December 2012

14 GUARANTEE

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

15 OPERATING LEASE COMMITMENTS

At 31 December 2012 the group had annual commitments under non-cancellable operating leases as follows

	Land and Buildings	
	2012	2011
	£	£
Expiry date		
Within one year	122,748	-
Between one and five years	145,923	223,941
After five years	784,079	842,298
	<u>1,052,750</u>	<u>1,066,239</u>

16 MOVEMENTS IN GENERAL UNRESTRICTED FUNDS

	At 1 January 2012 £	Incoming Resources £	Outgoing Resources £	At 31 December 2012 £
CONSOLIDATED				
General unrestricted	<u>24,791,220</u>	<u>35,688,275</u>	<u>(33,288,450)</u>	<u>27,191,045</u>
COMPANY				
General unrestricted	<u>25,211,741</u>	<u>33,047,570</u>	<u>(30,701,931)</u>	<u>27,557,380</u>

Foundation for Credit Counselling

NOTES TO THE FINANCIAL STATEMENTS

year ended 31 December 2012

17 RELATED PARTY DISCLOSURES

Wrigleys Solicitors

Malcolm Lynch who is a partner of Wrigleys Solicitors LLP, is the company secretary of Foundation for Credit Counselling. During the year £53,570 (2011 - £77,042) was charged by Wrigleys Solicitors LLP. At the balance sheet date accruals included £7,343 (2011 - £21,822) in respect of these fees.

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

	2012 £	2011 £
Net incoming resources for the year	2,399,825	4,268,387
Taxation	46,070	222,772
Investment income	(537,652)	(405,915)
Depreciation charge	1,088,522	1,058,676
Loss on common control of Credit Action	-	197,668
Increase in debtors	(1,180,103)	(656,609)
Increase in creditors	294,099	319,629
	<hr/>	<hr/>
Net cash inflow from operating activities	2,110,761	5,004,608
	<hr/>	<hr/>

19 ACQUISITIONS AND DISPOSALS

	2012 £	2011 £
Net cash disposed with common control of Credit Action	-	(373,985)
	<hr/>	<hr/>
Net cash outflow from acquisitions and disposals	-	(373,985)
	<hr/>	<hr/>

20 RECONCILIATION OF NET CASH FLOW MOVEMENT IN CASH

	2012 £	2011 £
Increase in cash in the year	1,652,657	4,019,118
Net cash at 1 January 2012	20,001,887	15,982,769
	<hr/>	<hr/>
Net cash at 31 December 2012	21,654,544	20,001,887
	<hr/>	<hr/>

Foundation for Credit Counselling

NOTES TO THE FINANCIAL STATEMENTS

year ended 31 December 2012

21 ANALYSIS OF NET FUNDS

	At 1 January 2012 £	Cash inflow £	At 31 December 2012 £
Cash at bank and in hand	20,001,887	1,652,657	21,654,544

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 £434,765 (2011 - £388,410).