

DEBT ADVICE FOUNDATION

England & Wales · Charity number 1148498

Details

Status Registered

Legal form Charitable company

Company number [08039416](#)

Registered 2012-08-09

Register [View on the Charity Commission register](#)

Contact

Address 1 Anchor Court
Commercial Road
Darwen
Blackburn
BB3 0DB

Phone 01254778404

Email info@debtadvicefoundation.org

Website <http://www.debtadvicefoundation.org/>

Activities

Objects: THE PREVENTION OR RELIEF OF POVERTY FOR THE PUBLIC BENEFIT AND WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING, THIS MAY INCLUDE:1. THE PROVISION OF FREE IMPARTIAL AND APPROPRIATE ADVICE TO PEOPLE WITH UNAFFORDABLE DEBT;2. TO HELP PEOPLE WITH DEBT PROBLEMS TO GAIN ACCESS TO APPROPRIATE SOLUTIONS THAT WILL HELP THEM;3. TO PROMOTE EDUCATION, FOR THE PUBLIC BENEFIT, IN FINANCIAL CAPABILITY AND MONEY MANAGEMENT SO AS TO REDUCE THE LIKELIHOOD OF DEBT MISUSE;4. TO UNDERTAKE OR FUND RESEARCH TO UNDERSTAND WHY PROBLEM DEBT HAPPENS AND ITS EFFECT ON INDIVIDUALS, FAMILIES AND THE WIDER UNITED KINGDOM ECONOMY AND TO DISSEMINATE THE USEFUL RESULTS.

Activities: Working towards the prevention and cure of unmanageable consumer debt, through helping those that are in need of advice and support, together with engaging with the next generation of credit users to foster a more responsible attitude towards borrowing and saving.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, The Prevention Or Relief Of Poverty
- **Who:** The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£411,894	£499,619	-	-
2024-08-31	£453,940	£519,161	-	-
2023-08-31	£490,751	£495,062	-	-
2022-08-31	£460,959	£500,308	-	-
2021-08-31	£501,555	£489,947	£118,488	12
2020-08-31	£581,890	£542,437	£106,880	13

Trustees

Name	Role	Appointed
Kathryn Maclellan		2026-05-14
PETER SARGENT		2015-05-14
Susan Margaret Ireland		2017-09-06

Accounts

Company Registration No. 08039416 (England and Wales)

Charity No: 1148498



DEBT ADVICE FOUNDATION

REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2025

**DEBT ADVICE FOUNDATION
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FOR THE YEAR ENDED 31 AUGUST 2025**

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**DEBT ADVICE FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2025**

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2025. The Trustees confirm that the Annual Report and financial statements of the company comply with current statutory requirements, the requirements of the company's governing document and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

REFERENCE AND ADMINISTRATIVE DETAILS

Name of charity

Debt Advice Foundation

Registered company number

08039416 (England and Wales)

Registered charity number

1148498

Registered office & operational address

1 Anchor Court
Commercial Road
Darwen
Blackburn
BB3 0DB

Company Secretary & Chief Executive Officer

David Rodger

Trustees & Company Directors

Dennis Benson (Chair)
Jeffrey Moore
Peter Sargent
Susan Ireland

Independent Examiners

Peaks & Valleys Business Enhancement Ltd
1st Floor, Block C
The Wharf
Manchester Road
Burnley
BB11 1JG

Bankers

Royal Bank of Scotland
St Ann Square Branch
St Ann Street
Manchester
M60 2SS

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Debt Advice Foundation is a charitable company limited by guarantee, number 08039416, governed by its Memorandum and Articles of Association dated 20 April 2012. It registered as a charity, number 1148498, with the Charities Commission, on the 9 August 2012.

Organisational structure including the appointment and training of trustees

Debt Advice Foundation is governed by its Trustee Board / Board of Directors which is responsible for setting the strategic direction of the organisation and the policy of the charity. The Trustees carry the ultimate responsibility for the conduct of Debt Advice Foundation and for ensuring that the charity satisfies its legal and contractual obligations. Trustees meet as a minimum twice a year and delegate the day to day operation of the organisation to David Rodger, the Chief Executive Officer. The Trustee Board is independent from management.

The directors of the company are also charity Trustees for the purposes of charity law and under the company's Articles are known as members. Under the requirements of the Memorandum and Articles of Association there shall be at least 3 Trustees at any one time. All future Trustees shall be appointed by a majority vote of the existing Trustees. One third (or the number nearest one third) of the Trustees must retire each year at the conclusion of the AGM. A retiring Trustee may be reappointed. Decisions relating to the charity are determined by a majority of votes of the trustees present at the meeting.

A scheme of delegation sets out what authority has been delegated by the board to committees and executive members of the organisation. The scheme of delegation ensures an appropriate level of delegation from the board so that there is effective and timely input into decision-making. It also ensures that Trustees are able to fulfil their legal and constitutional duties, through levers which enable them to delegate, monitor and if necessary, withdraw the delegated authority.

The training and induction provided for new trustees will depend on their experience. Where necessary, an induction will provide training on charity, legal and financial matters.

Risk management

The Trustees recognise that any major risks to which the charity is exposed need to be reviewed and systems put in place to mitigate those risks, and a risk register has been established and is updated at least annually.

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure that appropriate controls are in place to provide reasonable assurance against fraud and error. The Trustees have implemented processes which evaluate the risks associated with the key areas within the operation of the charity. These include regular review of key risks through Trustees meetings and the monitoring of the processes utilised to manage those risks.

OBJECTIVES AND ACTIVITIES

Mission

At the heart of the charity's philosophy is the prevention and resolution of problem debt.

Whilst our primary focus is on helping those that are in need of advice and support today, we strongly believe that engaging with the next generation of credit users to foster a more responsible attitude towards borrowing and saving is key to tackling the burgeoning levels of UK personal debt.

Aims, objectives, strategies and activities

Debt Advice Foundation is a national debt education and advice charity based in Darwen, Lancashire.

Debt Advice Foundation's primary objects are:

The prevention or relief of poverty for the public benefit and, without prejudice to the generality of the foregoing, this may include:

- the provision of free, impartial and appropriate debt advice to people with unaffordable debt.
- to help people with debt problems to gain access to appropriate solutions that will help them.
- to promote education, for the public benefit, in financial capability and money management so as to reduce the likelihood of debt misuse.
- to undertake or fund research to understand why problem debt happens and its effect on individuals, families and the wider United Kingdom economy and to disseminate useful results.

Debt Advice Foundation seeks to carry out its objects through its free telephone debt counselling service and through DebtAware, its pioneering money management education programme for schoolchildren.

Public benefit

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

ACHIEVEMENT AND PERFORMANCE

The following represents a review of the accounting period and demonstrates how activities benefited the public. The activities undertaken relate to the charity's stated purposes and objectives.

Background

According to Financial Conduct Authority (FCA) Financial Lives 2024 Survey, 18% of the UK adult population, equating to around 9.5m people, is currently over-indebted. According to the research, unemployed households, low-income households, renters and people from ethnic minority communities are all significantly more likely to fall into the category of being over-indebted.

Over the same period, only 1.7m households contacted a debt advice agency for help with a debt problem, highlighting the challenge faced by the sector to plan for future increases in service demand.

Debt Advice Foundation is a registered national debt advice and education charity (1148498).

The charity is authorised and regulated by the Financial Conduct Authority (692492).

**DEBT ADVICE FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2025**

Debt Advice & Solutions

Debt Advice Foundation carries out its debt advice work through its free telephone debt counselling service and through free, downloadable budgeting and creditor negotiation tools that are available on its website (www.debtadvicefoundation.org).

The charity's free telephone helpline is open Monday to Friday, 8am to 6pm.

Debt Advice Foundation holds the Advice Services Alliance Advice Quality Standard (AQS) and is listed by Money and Pensions Service as an accredited, free provider of debt advice on its website.

The charity is a member of AdviceUK, the UK's largest support network for free, independent advice centres and is a registered supporter of the All-Party Parliamentary Group on Debt and Personal Finance.

Debt Advice Foundation's free, impartial telephone advice service is available to anyone worried about debt.

Education

Debt Advice Foundation's financial education work is delivered by DebtAware (www.debtaware.org), the education arm of the charity.

DebtAware is a pioneering financial capability education programme, which seeks to embed the knowledge, understanding and behaviours that will enable children to manage their finances with confidence in the years to come.

The charity currently has over 8,000 children enrolled on the programme from over 100 schools in England.

Debt Advice Foundation is a registered supporter of the All-Party Parliamentary Group on Financial Education for Young People.

HOW OUR ACTIVITIES DELIVER PUBLIC BENEFIT

Debt advice & solutions

With inflation remaining well above the Bank of England's 2% target, further squeezing household disposable incomes, the charity was tasked with delivering a service that was able to meet the needs of a broad range of service users including those that required debt advice and help with creditor enforcement as well as, increasingly, households with deficit budgets that are compromising on basic health and welfare needs.

The charity's in-house welfare benefits entitlement checking service continued to prove invaluable the growing number of households with deficit budgets, whilst the charity's digital advice platform facilitated expanded provision for the digitally confident whilst removing potential barriers to access for hearing-impaired service-users.

As a supporter of the campaign to abolish the Persons at Risk of Violence (PARV) order fee, the charity was pleased to learn that in November, new rules came into effect, which meant vulnerable people involved in debt proceedings no longer had to pay to have their personal details removed from the Insolvency Register.

During the accounting period, the charity managed 5,789 cases with over £16.7m of unsecured debt, an increase in caseload of 7% on the previous year. 52% of callers presented with a deficit budget, which means they didn't have sufficient income to cover their essential household expenditure.

47% of callers were referred either by Money and Pensions Service or by other partner organisations such as local authorities, consumer advocate websites and charities. 50% of callers found out about the charity's helpline via internet searches with the remaining 3% derived from other sources.

**DEBT ADVICE FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2025**

The number one specified cause of financial difficulty in the period was loss of job (33%).

Over 8% of cases managed by the charity's helpline advisers required a managed debt solution intervention (Administration Order, Debt Relief Order, Bankruptcy, Individual Voluntary Arrangement, Free Debt Management Plan). Of the non-solution enquiries (single issue contacts), disputed liabilities (4%), funding requests (3%), current insolvency cases (3%) and legal issues (3%) represented the most common caller concerns. Additionally, 3% of cases were entered into Breathing Space and a further 6% of cases had a full welfare benefits entitlement session.

In terms of how people contacted the charity, 92% of service users called our telephone helpline with 8% originating online.

61% of callers to the helpline were identified as vulnerable and 48% had a disability.

With regard to caller demographics, 73% of clients were aged between 25 and 54, whilst 66% of clients were single and 57% of clients were female.

In terms of measuring service quality, 100% of callers to the charity's helpline provided feedback that they were satisfied or very satisfied with the service whilst 100% stated they would recommend the charity to others.

Education

The charity provided financial capability education lessons to over 8,000 children from 100 schools, across the North West of England in the period. This included 3 new schools that joined the programme in September.

The charity presented the inaugural Dennis Benson Education Award to Sacred Heart Primary School, Hindley Green. The award, which is named in honour of the charity's long-serving Chair, is presented to the school that has demonstrated outstanding performance and commitment to the programme during the school year.

During the year, the charity worked with a number of partner organisations including Bolton Council, which continued to fund the delivery of the DebtAware programme to primary schools across the Bolton area.

In terms of measuring success, 94% of schoolchildren interviewed graded the enjoyment of the lessons as very good or excellent, whilst 100% of teachers agreed that the programme was important to their pupils and that they would recommend DebtAware to other schools.

Financial performance

Income derived from charitable activities in the year was £411,894, with an annual expenditure of £499,620, resulting in trading deficit of £87,275.

Post year trading is in line with expectations.

FUTURE PERIODS

Debt Advice & Solutions

Our strong leadership team and sector leading advice system ensures that the charity's telephone helpline is well placed to meet the changing nature of demand for debt advice services as the cost of living crisis continues to impact record numbers of households across the UK.

Following receipt of significant post-year donation funding, the coming months will also see an expansion of the charity's debt advice helpline with the recruitment of additional qualified advisers as well as the development of charity's digital tools, significantly bolstering capacity whilst offering service-users greater flexibility and reflecting broader shifts in how consumers seek support.

**DEBT ADVICE FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2025**

The charity will continue to work collaboratively with MaPS funded agencies to share insights and best practice within the sector to maximise positive service-user outcomes. This includes collaborative development of promising Artificial Intelligence technology.

Education

More than 100 schools and 8,000 schoolchildren are signed up to the Debt Aware financial education programme in the coming year.

With the cost of living crisis continuing to affect record numbers of households across the UK, the DebtAware programme will seek to help children understand how macro-economic factors directly impacts their family.

The charity is also looking to build on its successful partnership with Bolton Council, to expand delivery of the Debt Aware programme to more education authorities and reach more children.

The charity continues to be an active supporter of the All-Party Parliamentary Group on Financial Education for Young People.

FINANCIAL REVIEW

Reserves policy

The Trustees consider that the charity should hold sufficient reserves in order that it can, from time to time, make payments at short notice to beneficiaries.

Principal funding sources

The charity's primary source of funding is from the provision of debt advice. Both the Debt Advice Foundation's grant funding from Money and Pensions Service for the provision of debt advice services and National Lottery funding for its education activities remained relatively unchanged.

Investment policy and objectives

The Charity has no long term investments.

Financial position

During this year the Charity's incoming resources were £411,894 (2024 - £453,858). Of this £327,859 (2024 - £347,877) related to restricted activities.

The deficit of £87,726 (2024 – deficit £65,221) decreased reserves to (£78,119) (2024 - £9,606).

Funds in deficit

Funds were in deficit at the balance sheet date. Following securing significant funding of £0.5M in Jan 2026, funds were no longer in deficit with the Charity considered a going concern. Where restricted funds have been used to meet costs in relation to restricted funds awaiting drawdown, the amounts due back to unrestricted reserves have been shown as interfund creditors at the year end.

**DEBT ADVICE FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2025**

STATEMENT OF TRUSTEES' FINANCIAL RESPONSIBILITIES

The trustees (who are also directors of Debt Advice Foundation 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

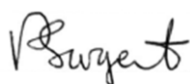
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the Board of Trustees



P Sargent
Trustee

18 May 2026

**DEBT ADVICE FOUNDATION
INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2025**

I report to the charity trustees on my examination of the accounts of the charitable company for the year ended 31 August 2025 which are set out on pages 9 to 20.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Richard Howarth ACA FCCA
For and on behalf of Peaks & Valleys Business Enhancement Ltd
1st Floor, Block C
The Wharf
Manchester Road
Burnley
BB11 1JG

18 May 2026

Year

DEBT ADVICE FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE
ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2025

Year ended 31 August 2025					ended 31 August 2024
	Notes	Unrestricted funds	Restricted funds	Total Funds	Total Funds
		£	£	£	£
INCOME FROM:					
Investments	2	-	-	-	82
Donations and legacies		-	-	-	-
Charitable activities	3	84,035	327,859	411,894	453,858
Total income					453,940
EXPENDITURE ON:					
Charitable activities	4	171,760	327,859	499,619	519,161
Total expenditure		171,760	-	499,619	519,161
Net income / (expenditure) for the year	6	(87,725)	-	(87,725)	(65,221)
RECONCILIATION OF FUNDS					
Total funds brought forward		9,606	-	9,606	74,827
Total funds carried forward		(78,119)	-	(78,119)	9,606

The accompanying notes form part of these financial statements.

DEBT ADVICE FOUNDATION
BALANCE SHEET
AS AT 31 AUGUST 2025

	Notes	Unrestricted funds 2025 £	Restricted funds 2025 £	Total Funds 2025 £	Total Funds 2024 £
FIXED ASSETS					
Intangible assets	9	827	-	827	3,473
Tangible assets	10	20,224	-	20,224	27,181
		<u>21,051</u>	<u>-</u>	<u>21,051</u>	<u>30,654</u>
CURRENT ASSETS					
Debtors	11	34,859	-	34,859	59,928
Cash at bank and in hand		6,149	-	6,149	2,236
		<u>41,008</u>	<u>-</u>	<u>41,008</u>	<u>62,164</u>
LIABILITIES					
Amounts falling due within one year	12	(140,178)	-	(140,178)	(83,212)
NET CURRENT ASSETS		<u>(99,170)</u>	<u>-</u>	<u>(99,171)</u>	<u>(21,048)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(78,119)</u>	<u>-</u>	<u>(78,119)</u>	<u>9,606</u>
NET ASSETS		<u>(78,119)</u>	<u>-</u>	<u>(78,119)</u>	<u>9,606</u>
FUNDS OF THE CHARITY:	13				
Unrestricted funds:					
General funds				(78,119)	9,606
Restricted funds				-	-
TOTAL CHARITY FUNDS				<u>(78,119)</u>	<u>9,606</u>

**DEBT ADVICE FOUNDATION
BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025**

For the year ending 31 August 2025 the charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 August 2025 in accordance with Section 476 of the Companies Act 2006.

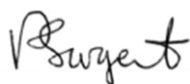
These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The trustees acknowledge their responsibilities for

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The financial statements were approved by the Board of Trustees on 18 May 2026 and were signed on its behalf by:



P Sargent
Trustee

Company Registration Number: 08039416

The accompanying notes form part of these financial statements.

DEBT ADVICE FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED 31 AUGUST 2025

	Notes	2025 £	2024 £
Cash flows from operating activities			
Net movement in funds		(87,724)	(65,222)
Adjustment to cash flows from non-cash items			
Depreciation		7,845	7,802
Amortisation		2,641	2,645
Investment Income	2	-	(82)
		(77,238)	(54,857)
Working capital adjustments			
Decrease/(increase) in debtors	11	25,068	(17,327)
(Decrease)/increase in creditors	12	56,968	17,625
Net cash flows from operating activities		4,798	(54,559)
Cash flows from investing activities			
Interest receivable and similar income	2	-	82
Purchase of intangible fixed assets	9		
Purchase of tangible fixed assets	10	(885)	(1,707)
Net cash flows from investing activities		(885)	(1,625)
Cash flows from financing activities			
Repayment of borrowing		-	-
Net cash flows from financing activities		-	-
Net increase in cash and cash equivalents	20	3,913	(56,184)
Cash and cash equivalents at 1 September		2,236	58,420
Cash and cash equivalents at 31 August		6,149	2,236

All of the cash flows are derived from continuing operations during the above two periods.

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are presented in sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Debt Advice Foundation meets the definition of a public entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

Preparation of the accounts on a going concern basis

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Income

All income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Bank interest is included in the income and expenditure account on receipt.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for particular purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Charitable expenditure comprises those costs incurred in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements for the charity and include accountant's fees and cost linked to the strategic management of the charity.

1. ACCOUNTING POLICIES (CONTINUED)

Taxation

The Charity is exempt from corporation tax on its charitable activities. Although the Charity is registered for VAT, it is not able to recover all input VAT incurred, and subsequent irrecoverable VAT is expensed to the Statement of Financial Activities.

Pensions

Employees of the charity are entitled to join a defined contribution money purchase scheme. The charity contribution is restricted to the contributions disclosed in note 8.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	20% straight line
Fixtures, fittings and equipment	33% straight line
Computer equipment	33% straight line
Motor Vehicles	25% Straight Line

Goodwill

Goodwill represents the excess of the cost of acquisition of incorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments and accrued income comprise payments made in advance relating to the following year and income relating to the current year, which will not be invoiced until after the balance sheet date.

Cash at bank and in hand

Cash at bank and cash in hand are basic financial assets and include cash in hand.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	Total funds 2025	Total funds 2024
	£	£	£	£
Bank interest received	-	-	-	82
	-	-	-	82

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
Grant Income				
Money Advice Services	-	277,811	277,811	291,609
National Lottery Community grant	-	50,048	50,048	56,268
Income from providing debt advice	84,035	-	84,035	105,981
	<u>84,035</u>	<u>327,859</u>	<u>411,894</u>	<u>453,858</u>

4. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

All resources expended relate to the provision of the charity's primary purpose of providing general debt advisory services.

	Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
Staff costs (see note 8)	22,115	327,859	349,974	330,533
Depreciation and amortisation	10,489	-	10,489	10,447
Other costs	135,556	-	135,556	174,881
Governance costs (see note 5)	3,600	-	3,600	3,300
	<u>171,760</u>	<u>327,859</u>	<u>499,619</u>	<u>519,161</u>

5. GOVERNANCE AND SUPPORT COSTS

	Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total Funds £
Independent Examiner's remuneration	1,800	-	1,800	1,800
Accountancy fees	1,800	-	1,800	1,500
	<u>3,600</u>	<u>-</u>	<u>3,600</u>	<u>3,300</u>

6. INCOME FOR THE YEAR

This is stated after charging:

	2025 £	2024 £
Amortisation of intangible assets	2,645	2,645
Depreciation of tangible assets	7,844	7,802
Independent Examiner's remuneration	1,800	1,800

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or benefits for the year ended 31 August 2025, nor for the year ended 31 August 2024.

Trustees' expenses

There were no trustees expenses paid during the year ended 31 August 2025 (2024 - £Nil).

8. STAFF COSTS

	2025 £	2024 £
Wages and salaries	320,408	301,614
Social security costs	24,911	24,225
Pension costs	4,655	4,693
	<u>349,974</u>	<u>330,533</u>

The average monthly number of employees during the year was as follows:

	2025 No.	2024 No.
	<u>10</u>	<u>11</u>

No employee received remuneration amounting to more than £60,000 in the year.

9. INTANGIBLE ASSETS

	Goodwill £	Website £	Total £
Cost			
At 1 September 2024	52,451	13,382	65,833
Additions	-	-	-
At 31 August 2025	<u>52,451</u>	<u>13,382</u>	<u>65,833</u>
Amortisation			
At 1 September 2024	52,451	9,908	62,359
Charge for the year		2,646	2,646
At 31 August 2025	<u>52,451</u>	<u>12,554</u>	<u>65,005</u>
Net book value			
At 31 August 2025	<u>-</u>	<u>828</u>	<u>828</u>
At 31 August 2024	<u>-</u>	<u>3,474</u>	<u>3,474</u>

Goodwill is written off in equal annual installments over its estimated useful economic life.

DEBT ADVICE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

10. TANGIBLE ASSETS

	Leasehold improvements	Motor Vehicles	Fixtures, fittings and equipment	Computer equipment	Totals
	£	£	£	£	£
Cost					
At 1 September 2024	7,038	36,495	6,171	28,520	78,224
Additions	-	-	-	886	886
At 31 August 2025	7,038	36,495	6,171	29,406	79,110
Depreciation					
At 1 September 2024	7,038	12,250	6,171	25,584	51,043
Charge for the year		5,880	-	1,964	7,844
At 31 August 2025	7,038	18,130	6,171	27,544	58,887
Net book value					
As 31 August 2025	-	18,365	-	1,858	20,223
At 31 August 2024	-	24,245	-	2,936	27,181

11. DEBTORS

	Unrestricted funds	Restricted funds	2025 Total funds	2024 Total funds
	£	£	£	£
Trade debtors	6,258		6,258	9,841
Other debtors	14,239		14,239	11,801
Prepayments and accrued income	14,362		14,362	38,286
	34,859	-	34,859	59,928

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Unrestricted funds £	Restricted funds £	2025 Total Funds £	2024 Total funds £
Trade creditors	44,704	-	44,704	27,112
Taxation and social security	61,489	-	61,489	15,305
Other creditors	33,985	-	33,985	36,236
Interfund creditors	-	-	-	4,558
	<u>140,178</u>	<u>-</u>	<u>140,178</u>	<u>83,212</u>

Interfund loans are interest free and will be repaid as and when required.

13. MOVEMENT IN FUNDS

	Balance at 01/09/2024 £	Income £	Expenditure £	Transfers £	Balance at 31/08/2025 £
Unrestricted funds					
General fund	9,606	84,035	(171,760)	-	(78,119)
	<u>9,606</u>	<u>84,035</u>	<u>(171,760)</u>	<u>-</u>	<u>(78,119)</u>
Restricted funds					
Money Advice Service	-	327,859	(327,859)	-	-
National Lottery	-	-	-	-	-
Community Grant	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds	<u>9,606</u>	<u>411,894</u>	<u>(499,619)</u>	<u>-</u>	<u>(78,119)</u>

14. PURPOSE OF RESTRICTED FUNDS

Money Advice Service – funding to provide telephone debt advice services.

National Lottery Community grant – funding to support the charity's financial education work in schools.

15. LEGAL STATUS OF CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1. The number of members as at the 31 August 2025 was 4.

16. CONTROL

The charity is controlled by its Trustees / Directors.

17. RELATED PARTY TRANSACTIONS

There are no related party transactions that require disclosure in the accounts.

18. STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2025

	Year ended 31 August 2025		
	Unrestricted funds	Restricted funds	Total Funds
	£	£	£
INCOME FROM:			
Investments	-	-	
Charitable activities	84,035	327,859	411,894
Total income	<u>84,035</u>	<u>327,859</u>	<u>411,894</u>
EXPENDITURE ON:			
Charitable activities	171,760	327,859	499,619
Total expenditure	<u>171,760</u>	<u>327,859</u>	<u>499,620</u>
Net income/ (Expenditure) for the year	<u>(87,725)</u>	<u>-</u>	<u>(87,725)</u>
RECONCILIATION OF FUNDS			
Total Funds brought forward	9,606	-	9,606
Total funds carried forward	<u>(78,119)</u>	<u>-</u>	<u>(78,119)</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Current assets	41,008	-	41,008
Current liabilities	(140,178)	-	(140,178)
Total net assets	<u>(99,170)</u>	<u>-</u>	<u>(99,170)</u>

20. ANALYSIS OF FUNDS

	At 01/09/2024	Cash flow	At 31/8/2025
	£	£	£
Cash at bank and in hand	<u>2,236</u>	<u>3,913</u>	<u>6,149</u>

Accounts

Company Registration No. 08039416 (England and Wales)

Charity No: 1148498



DEBT ADVICE FOUNDATION

REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

**DEBT ADVICE FOUNDATION
CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

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Statement of Cash Flows	12
Notes to the Financial Statements	13

**DEBT ADVICE FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2024**

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2024. The Trustees confirm that the Annual Report and financial statements of the company comply with current statutory requirements, the requirements of the company's governing document and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

REFERENCE AND ADMINISTRATIVE DETAILS

Name of charity

Debt Advice Foundation

Registered company number

08039416 (England and Wales)

Registered charity number

1148498

Registered office & operational address

1 Anchor Court
Commercial Road
Darwen
Blackburn
BB3 0DB

Company Secretary & Chief Executive Officer

David Rodger

Trustees & Company Directors

Dennis Benson (Chairman)
Jeffrey Moore
Peter Sargent
Susan Ireland

Independent Examiners

Peaks & Valleys Business Enhancement Ltd
1st Floor, Block C
The Wharf
Manchester Road
Burnley
BB11 1JG

Bankers

Royal Bank of Scotland
St Ann Square Branch
St Ann Street
Manchester
M60 2SS

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Debt Advice Foundation is a charitable company limited by guarantee, number 08039416, governed by its Memorandum and Articles of Association dated 20 April 2012. It registered as a charity, number 1148498, with the Charities Commission, on the 9 August 2012.

Organisational structure including the appointment and training of trustees

Debt Advice Foundation is governed by its Trustee Board / Board of Directors which is responsible for setting the strategic direction of the organisation and the policy of the charity. The Trustees carry the ultimate responsibility for the conduct of Debt Advice Foundation and for ensuring that the charity satisfies its legal and contractual obligations. Trustees meet as a minimum twice a year and delegate the day to day operation of the organisation to David Rodger, the Chief Executive Officer. The Trustee Board is independent from management.

The directors of the company are also charity Trustees for the purposes of charity law and under the company's Articles are known as members. Under the requirements of the Memorandum and Articles of Association there shall be at least 3 Trustees at any one time. All future Trustees shall be appointed by a majority vote of the existing Trustees. One third (or the number nearest one third) of the Trustees must retire each year at the conclusion of the AGM. A retiring Trustee may be reappointed. Decisions relating to the charity are determined by a majority of votes of the trustees present at the meeting.

A scheme of delegation sets out what authority has been delegated by the board to committees and executive members of the organisation. The scheme of delegation ensures an appropriate level of delegation from the board so that there is effective and timely input into decision-making. It also ensures that Trustees are able to fulfil their legal and constitutional duties, through levers which enable them to delegate, monitor and if necessary, withdraw the delegated authority.

The training and induction provided for new trustees will depend on their experience. Where necessary, an induction will provide training on charity, legal and financial matters.

Risk management

The Trustees recognise that any major risks to which the charity is exposed need to be reviewed and systems put in place to mitigate those risks, and a risk register has been established and is updated at least annually.

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure that appropriate controls are in place to provide reasonable assurance against fraud and error. The Trustees have implemented processes which evaluate the risks associated with the key areas within the operation of the charity. These include regular review of key risks through Trustees meetings and the monitoring of the processes utilised to manage those risks.

OBJECTIVES AND ACTIVITIES

Mission

At the heart of the charity's philosophy is the prevention and resolution of problem debt.

Whilst our primary focus is on helping those that are in need of advice and support today, we strongly believe that engaging with the next generation of credit users to foster a more responsible attitude towards borrowing and saving is key to tackling the burgeoning levels of UK personal debt.

Aims, objectives, strategies and activities

The charity's objects are:

The prevention or relief of poverty for the public benefit and, without prejudice to the generality of the foregoing, this may include:

- the provision of free, impartial and appropriate debt advice to people with unaffordable debt.
- to help people with debt problems to gain access to appropriate solutions that will help them.
- to promote education, for the public benefit, in financial capability and money management so as to reduce the likelihood of debt misuse.
- to undertake or fund research to understand why problem debt happens and its effect on individuals, families and the wider United Kingdom economy and to disseminate useful results.

Public benefit

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

ACHIEVEMENT AND PERFORMANCE

The following represents a review of the accounting period and demonstrates how activities benefited the public. The activities undertaken relate to the charity's stated purposes and objectives.

Background

According to Financial Conduct Authority (FCA) Financial Lives 2024 Survey, 18% of the UK adult population, equating to around 9.5m people, is currently over-indebted. According to the research, unemployed households, low-income households, renters and people from ethnic minority communities are all significantly more likely to fall into the category of being over-indebted.

Over the same period, only 1.7m households contacted a debt advice agency for help with a debt problem, highlighting the challenge faced by the sector to plan for future increases in service demand.

Debt Advice Foundation is a registered national debt advice and education charity (1148498).

The charity is authorised and regulated by the Financial Conduct Authority (692492).

**DEBT ADVICE FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2024**

Debt Advice & Solutions

Debt Advice Foundation carries out its debt advice work through its free telephone debt counselling service and through free, downloadable budgeting and creditor negotiation tools that are available on its website (www.debtadvicefoundation.org).

The charity's free telephone helpline is open Monday to Friday, 8am to 6pm.

Debt Advice Foundation holds the Advice Services Alliance Advice Quality Standard (AQS) and is listed by Money and Pensions Service as an accredited, free provider of debt advice on its website.

The charity is a member of AdviceUK, the UK's largest support network for free, independent advice centres and is a registered supporter of the All-Party Parliamentary Group on Debt and Personal Finance.

Debt Advice Foundation's free, impartial telephone advice service is available to anyone worried about debt.

Education

The charity's financial education and information work is delivered under the DebtAware name (www.debtaware.org).

DebtAware is a pioneering financial capability education programme, which seeks to embed the knowledge, understanding and behaviours that will enable children to manage their finances with confidence in the years to come.

The charity currently has over 8,000 children enrolled on the programme from over 100 schools in England.

Debt Advice Foundation is a registered supporter of the All-Party Parliamentary Group on Financial Education for Young People.

HOW OUR ACTIVITIES DELIVER PUBLIC BENEFIT

Debt advice & solutions

With soaring inflation continuing to squeeze household disposable incomes, the charity was tasked with delivering a service that was able to meet the needs of a broad range of service users including those that required debt advice and help with creditor enforcement as well as, increasingly, households that are compromising on basic health and welfare needs due to the cost of living crisis.

The charity's in-house welfare benefits entitlement checking service continued to prove invaluable to households with deficit budgets, whilst the charity's digital advice platform facilitated expanded provision for the digitally confident whilst removing potential barriers to access for hearing-impaired service-users.

During the accounting period, the charity managed 5,395 cases with over £32.7m of unsecured debt, an increase in caseload of 12% on the previous year. 67% of callers presented with a deficit budget, which means they didn't have sufficient income to cover their essential household expenditure.

36% of callers were referred either by Money and Pensions Service or by other partner organisations such as local authorities, consumer advocate websites and charities. 61% of callers found out about the charity's helpline via internet searches with the remaining 3% derived from other sources.

Unsecured loans accounted for 33% of total unsecured debt reported by callers to the charity's helpline with credit cards the next highest average value, accounting for 29% of total debt.

The number one specified cause of financial difficulty in the period was loss of job (31%).

**DEBT ADVICE FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2024**

Over 8% of cases managed by the charity's helpline advisers required a managed debt solution intervention (Administration Order, Debt Relief Order, Bankruptcy, Individual Voluntary Arrangement, Free Debt Management Plan). Of the non-solution enquiries (single issue contacts), disputed liabilities (5%), funding requests (4%) and court judgements (4%) represented the most common caller concerns. Additionally, 3% of cases were entered into Breathing Space and a further 3% of cases had a full welfare benefits entitlement session.

In terms of how people contacted the charity, 88% of service users called our telephone helpline with 12% originating online.

62% of callers to the helpline were identified as vulnerable and 15% had a disability.

In terms of measuring service quality, 100% of callers to the charity's helpline provided feedback that they were satisfied or very satisfied with the service whilst 100% stated they would recommend the charity to others.

Education

The charity provided financial capability education lessons to over 8,000 children from 100 schools, across the North West of England in the period. This included 5 new schools that joined the programme in September.

During the year, the charity worked with a number of partner organisations including Bolton Council, which agreed to fund the delivery of the DebtAware programme to primary schools across the Bolton area.

In terms of measuring success, 94% of schoolchildren interviewed graded the enjoyment of the lessons as very good or excellent, whilst 100% of teachers agreed that the programme was important to their pupils and that they would recommend DebtAware to other schools.

Financial performance

Income derived from charitable activities in the year was £453,858, with an annual expenditure of £519,161, resulting in trading deficit of £65,221.

Post year trading is in line with expectations.

FUTURE PERIODS

Debt Advice & Solutions

Our strong leadership team and sector leading advice system ensures that the charity's telephone helpline is well placed to meet the changing nature of demand for debt advice services as the cost of living crisis continues to impact record numbers of households across the UK.

The charity will continue to work collaboratively with MaPS funded agencies to share insights and best practice within the sector to maximise positive service-user outcomes.

The coming months will also see an expansion of the charity's telephone provision with the recruitment of additional qualified advisers as well as the development of charity's digital tools, significantly bolstering capacity whilst offering service-users greater flexibility and reflecting broader shifts in how consumers seek support.

Education

More than 100 schools and 8,000 schoolchildren are signed up to the Debt Aware financial education programme in the coming year.

With the cost of living crisis continuing to affect record numbers of households across the UK, the DebtAware programme will seek to help children understand how macro-economic factors directly impact their family.

The charity is also looking to build on its successful partnership with Bolton Council, to expand delivery of the Debt Aware programme to more education authorities and reach more children.

**DEBT ADVICE FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2024**

The charity continues to be an active supporter of the All-Party Parliamentary Group on Financial Education for Young People.

FINANCIAL REVIEW

Reserves policy

The Trustees consider that the charity should hold sufficient reserves in order that it can, from time to time, make payments at short notice to beneficiaries.

Principal funding sources

The charity's primary source of funding is from the provision of debt advice. Both the Debt Advice Foundation's grant funding from Money and Pensions Service for the provision of debt advice services and National Lottery funding for its education activities remained relatively unchanged.

Investment policy and objectives

The Charity has no long term investments.

Financial position

During this year the Charity's incoming resources were £453,858 (2023 - £489,866). Of this £347,877 (2023 - £355,509) related to restricted activities.

The deficit of £65,221 (2023 – deficit £4,311) decreased reserves to £9,606 (2023 - £74,827).

Funds in deficit

No funds were in deficit at the balance sheet date. Where restricted funds have been used to meet costs in relation to restricted funds awaiting drawdown, the amounts due back to unrestricted reserves have been shown as interfund creditors at the year end.

**DEBT ADVICE FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2024**

STATEMENT OF TRUSTEES' FINANCIAL RESPONSIBILITIES

The trustees (who are also directors of Debt Advice Foundation 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

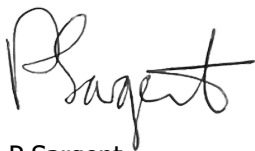
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the Board of Trustees



P Sargent
Director

11 July 2025

**DEBT ADVICE FOUNDATION
INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2024**

I report to the charity trustees on my examination of the accounts of the charitable company for the year ended 31 August 2024 which are set out on pages 9 to 20.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

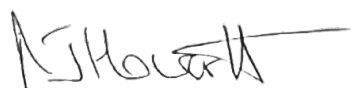
Independent examiner's statement

Since the charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Richard Howarth ACA FCCA
For and on behalf of Peaks & Valleys Business Enhancement Ltd
1st Floor, Block C
The Wharf
Manchester Road
Burnley
BB11 1JG

11 July 2025

DEBT ADVICE FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE
ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2024

Year ended 31 August 2024				Year ended 31 August 2023
	Notes	Unrestricted funds	Restricted funds	Total Funds
		£	£	£
INCOME FROM:				
Investments	2	82		885
Donations and legacies				-
Charitable activities	3	105,981	347,877	489,866
Total income		106,063	347,877	490,751
EXPENDITURE ON:				
Charitable activities	4	171,284	347,877	495,062
Total expenditure		171,284	347,877	495,062
Net income / (expenditure) for the year	6	(65,221)	-	(4,311)
RECONCILIATION OF FUNDS				
Total funds brought forward		74,827	-	79,139
Total funds carried forward		9,606	-	74,827

The accompanying notes form part of these financial statements.

DEBT ADVICE FOUNDATION
BALANCE SHEET
AS AT 31 AUGUST 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
FIXED ASSETS					
Intangible assets	9	3,473	-	3,473	6,119
Tangible assets	10	27,181	-	27,181	33,274
		<u>30,654</u>	<u>-</u>	<u>30,654</u>	<u>39,393</u>
CURRENT ASSETS					
Debtors	11	59,928	-	59,928	42,601
Cash at bank and in hand		2,236	-	2,236	58,420
		<u>62,164</u>	<u>-</u>	<u>62,164</u>	<u>101,021</u>
LIABILITIES					
Amounts falling due within one year	12	(78,654)	(4,558)	(83,212)	(65,587)
NET CURRENT ASSETS		<u>(16,490)</u>	<u>(4,558)</u>	<u>(21,048)</u>	<u>35,434</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		9,606	-	9,606	74,827
NET ASSETS		<u>9,606</u>	<u>-</u>	<u>9,606</u>	<u>74,827</u>
FUNDS OF THE CHARITY:	13				
Unrestricted funds:					
General funds				9,606	74,827
Restricted funds				-	-
TOTAL CHARITY FUNDS				<u>9,606</u>	<u>74,827</u>

**DEBT ADVICE FOUNDATION
BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

For the year ending 31 August 2024 the charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 August 2024 in accordance with Section 476 of the Companies Act 2006.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The trustees acknowledge their responsibilities for

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The financial statements were approved by the Board of Trustees on 9 July 2025 and were signed on its behalf by:



P Sargent

Director

Company Registration Number: 08039416

The accompanying notes form part of these financial statements.

DEBT ADVICE FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED 31 AUGUST 2024

	Notes	2024 £	2023 £
Cash flows from operating activities			
Net movement in funds		(65,222)	(4,311)
Adjustment to cash flows from non-cash items			
Depreciation		7,802	9,312
Amortisation		2,645	2,634
Investment Income	2	(82)	(885)
		<u>(54,857)</u>	<u>6,750</u>
Working capital adjustments			
Decrease/(increase) in debtors	11	(17,327)	13,690
(Decrease)/increase in creditors	12	17,625	(30,997)
		<u>(54,559)</u>	<u>(10,557)</u>
Net cash flows from operating activities			
Cash flows from investing activities			
Interest receivable and similar income	2	82	885
Purchase of intangible fixed assets	9	-	-
Purchase of tangible fixed assets	10	(1,707)	(3,020)
		<u>(1,625)</u>	<u>(2,135)</u>
Net cash flows from investing activities			
Cash flows from financing activities			
Repayment of borrowing		-	-
		<u>-</u>	<u>-</u>
Net cash flows from financing activities			
Net increase in cash and cash equivalents	20	(56,184)	(12,692)
Cash and cash equivalents at 1 September		58,420	71,112
Cash and cash equivalents at 31 August		<u>2,236</u>	<u>58,420</u>

All of the cash flows are derived from continuing operations during the above two periods.

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are presented in sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Debt Advice Foundation meets the definition of a public entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

Preparation of the accounts on a going concern basis

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Income

All income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Bank interest is included in the income and expenditure account on receipt.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for particular purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Charitable expenditure comprises those costs incurred in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements for the charity and include accountant's fees and cost linked to the strategic management of the charity.

1. ACCOUNTING POLICIES (CONTINUED)

Taxation

The Charity is exempt from corporation tax on its charitable activities. Although the Charity is registered for VAT, it is not able to recover all input VAT incurred, and subsequent irrecoverable VAT is expensed to the Statement of Financial Activities.

Pensions

Employees of the charity are entitled to join a defined contribution money purchase scheme. The charity contribution is restricted to the contributions disclosed in note 8.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	20% straight line
Fixtures, fittings and equipment	33% straight line
Computer equipment	33% straight line
Motor Vehicles	25% Straight Line

Goodwill

Goodwill represents the excess of the cost of acquisition of incorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments and accrued income comprise payments made in advance relating to the following year and income relating to the current year, which will not be invoiced until after the balance sheet date.

Cash at bank and in hand

Cash at bank and cash in hand are basic financial assets and include cash in hand.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	Total funds 2024	Total funds 2023
	£	£	£	£
Bank interest received	82	-	82	885
	<u>82</u>	<u>-</u>	<u>82</u>	<u>885</u>

DEBT ADVICE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
Grant Income				
Money Advice Services	-	291,609	291,609	265,084
National Lottery Community grant	-	56,268	56,268	32,945
Income from providing debt advice	105,981	-	105,981	191,837
	<u>105,982</u>	<u>347,877</u>	<u>453,858</u>	<u>489,866</u>

4. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

All resources expended relate to the provision of the charity's primary purpose of providing general debt advisory services.

	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
Staff costs (see note 8)		330,533	330,533	305,229
Depreciation and amortisation		10,447	10,447	11,947
Other costs	171,284	3,597	174,881	174,586
Governance costs (see note 5)		3,300	3,300	3,300
	<u>171,284</u>	<u>347,877</u>	<u>519,161</u>	<u>495,062</u>

5. GOVERNANCE AND SUPPORT COSTS

	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total Funds £
Independent Examiner's remuneration	1,800	-	1,800	1,800
Accountancy fees	1,500	-	1,500	1,500
	<u>3,300</u>	<u>-</u>	<u>3,300</u>	<u>3,300</u>

6. INCOME FOR THE YEAR

This is stated after charging:

	2024 £	2023 £
Amortisation of intangible assets	2,645	2,634
Depreciation of tangible assets	7,802	9,313
Independent Examiner's remuneration	1,800	1,800

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or benefits for the year ended 31 August 2024, nor for the year ended 31 August 2023.

Trustees' expenses

There were no trustees expenses paid during the year ended 31 August 2024 (2023 - £Nil).

8. STAFF COSTS

	2024 £	2023 £
Wages and salaries	301,614	278,787
Social security costs	24,225	21,622
Pension costs	4,693	4,820
	<u>330,533</u>	<u>305,229</u>

The average monthly number of employees during the year was as follows:

2024 No.	2023 No.
<u>11</u>	<u>12</u>

No employee received remuneration amounting to more than £60,000 in the year.

9. INTANGIBLE ASSETS

	Goodwill £	Website £	Total £
Cost			
At 1 September 2023	52,451	13,382	65,833
Additions	-	-	-
At 31 August 2024	<u> </u>	<u> </u>	<u> </u>
Amortisation			
At 1 September 2024	52,451	7,263	59,714
Charge for the year		2,645	2,645
At 31 August 2024	<u> </u>	<u>9,908</u>	<u>62,359</u>
Net book value			
At 31 August 2024	<u> </u>	<u>3,474</u>	<u>3,474</u>
At 31 August 2023	<u> </u>	<u>6,119</u>	<u>6,119</u>

Goodwill is written off in equal annual installments over its estimated useful economic life.

DEBT ADVICE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

10. TANGIBLE ASSETS

	Leasehold improvements	Motor Vehicles	Fixtures, fittings and equipment	Computer equipment	Totals
	£	£	£	£	£
Cost					
At 1 September 2023	7,038	36,495	6,171	26,811	76,515
Additions	-	-	-	1,709	1,709
At 31 August 2024	7,038	36,495	6,171	28,520	78,224
Depreciation					
At 1 September 2023	7,038	6,370	6,171	23,662	43,241
Charge for the year		5,880	-	1,922	7,802
At 31 August 2024	7,038	12,250	6,171	25,584	51,043
Net book value					
As 31 August 2024		24,245	-	2,936	27,181
At 31 August 2023		30,125	-	3,149	33,274

11. DEBTORS

	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
Trade debtors	9,841		9,841	22,448
Other debtors	11,801		11,801	3,208
Prepayments and accrued income	38,286		38,286	16,945
	59,928	-	59,928	42,601

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Unrestricted funds £	Restricted funds £	2024 Total Funds £	2023 Total funds £
Trade creditors	27,112	-	27,112	2,939
Taxation and social security	15,305	-	15,305	17,306
Other creditors	36,237	-	36,236	38,327
Interfund creditors	-	4,558	4,558	7,015
	<u>78,654</u>	<u>4,558</u>	<u>83,212</u>	<u>65,587</u>

Interfund loans are interest free and will be repaid as and when required.

13. MOVEMENT IN FUNDS

	Balance at 01/09/2023 £	Income £	Expenditure £	Transfers £	Balance at 31/08/2024 £
Unrestricted funds					
General fund	74,827	55,478	(120,699)	-	9,606
	<u>74,827</u>	<u>55,478</u>	<u>(120,699)</u>	<u>-</u>	<u>9,606</u>
Restricted funds					
Money Advice Service	-	361,207	(361,207)	-	-
National Lottery	-	37,254	(37,254)	-	-
Community Grant	-				
	<u>-</u>	<u></u>	<u></u>	<u>-</u>	<u>-</u>
Total funds	<u>74,827</u>	<u>453,939</u>	<u>(519,160)</u>	<u>-</u>	<u>9,606</u>

14. PURPOSE OF RESTRICTED FUNDS

Money Advice Service – funding to provide telephone debt advice services.

National Lottery Community grant – funding to support the charity's financial education work in schools.

15. LEGAL STATUS OF CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1. The number of members as at the 31 August 2024 was 5.

16. CONTROL

The charity is controlled by its Trustees / Directors.

17. RELATED PARTY TRANSACTIONS

There are no related party transactions that require disclosure in the accounts.

18. STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2024

	Year ended 31 August 2024		
	Unrestricted funds	Restricted funds	Total Funds
	£	£	£
INCOME FROM:			
Investments	82		82
Charitable activities	105,981	347,877	453,858
Total income	<u>106,063</u>	<u>347,877</u>	<u>453,940</u>
EXPENDITURE ON:			
Charitable activities	171,284	347,877	519,161
Total expenditure	<u>171,285</u>	<u>347,877</u>	<u>519,161</u>
Net income/ (Expenditure) for the year	<u>(65,221)</u>	<u>-</u>	<u>(65,221)</u>
RECONCILIATION OF FUNDS			
Total Funds brought forward	74,827	-	74,827
Total funds carried forward	<u>9,606</u>	<u>-</u>	<u>9,606</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Current assets	101,021	-	101,021
Current liabilities	(61,029)	(4,558)	(65,587)
Total net assets	<u>39,992</u>	<u>(4,558)</u>	<u>35,434</u>

20. ANALYSIS OF FUNDS

	At 01/09/2023	Cash flow	At 31/8/2024
	£	£	£
Cash at bank and in hand	<u>58,420</u>	<u>(56,184)</u>	<u>2,236</u>

Accounts

Company Registration No. 08039416 (England and Wales)

Charity No: 1148498



DEBT ADVICE FOUNDATION

REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

**DEBT ADVICE FOUNDATION
CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

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**DEBT ADVICE FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023**

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2022. The Trustees confirm that the Annual Report and financial statements of the company comply with current statutory requirements, the requirements of the company's governing document and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

REFERENCE AND ADMINISTRATIVE DETAILS

Name of charity

Debt Advice Foundation

Registered company number

08039416 (England and Wales)

Registered charity number

1148498

Registered office & operational address

1 Anchor Court
Commercial Road
Darwen
Blackburn
BB3 0DB

Company Secretary & Chief Executive Officer

David Rodger

Trustees & Company Directors

Dennis Benson (Chairman)
Jeffrey Moore
Peter Sargent
Susan Ireland

Independent Examiners

Peaks & Valleys Business Enhancement Ltd
1st Floor, Block C
The Wharf
Manchester Road
Burnley
BB11 1JG

Bankers

Royal Bank of Scotland
St Ann Square Branch
St Ann Street
Manchester
M60 2SS

**DEBT ADVICE FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Debt Advice Foundation is a charitable company limited by guarantee, number 08039416, governed by its Memorandum and Articles of Association dated 20 April 2012. It registered as a charity, number 1148498, with the Charities Commission, on the 9 August 2012.

Organisational structure including the appointment and training of trustees

Debt Advice Foundation is governed by its Trustee Board / Board of Directors which is responsible for setting the strategic direction of the organisation and the policy of the charity. The Trustees carry the ultimate responsibility for the conduct of Debt Advice Foundation and for ensuring that the charity satisfies its legal and contractual obligations. Trustees meet as a minimum twice a year and delegate the day to day operation of the organisation to David Rodger, the Chief Executive Officer. The Trustee Board is independent from management.

The directors of the company are also charity Trustees for the purposes of charity law and under the company's Articles are known as members. Under the requirements of the Memorandum and Articles of Association there shall be at least 3 Trustees at any one time. All future Trustees shall be appointed by a majority vote of the existing Trustees. One third (or the number nearest one third) of the Trustees must retire each year at the conclusion of the AGM. A retiring Trustee may be reappointed. Decisions relating to the charity are determined by a majority of votes of the trustees present at the meeting.

A scheme of delegation sets out what authority has been delegated by the board to committees and executive members of the organisation. The scheme of delegation ensures an appropriate level of delegation from the board so that there is effective and timely input into decision-making. It also ensures that Trustees are able to fulfil their legal and constitutional duties, through levers which enable them to delegate, monitor and if necessary, withdraw the delegated authority.

The training and induction provided for new trustees will depend on their experience. Where necessary, an induction will provide training on charity, legal and financial matters.

Risk management

The Trustees recognise that any major risks to which the charity is exposed need to be reviewed and systems put in place to mitigate those risks, and a risk register has been established and is updated at least annually.

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure that appropriate controls are in place to provide reasonable assurance against fraud and error. The Trustees have implemented processes which evaluate the risks associated with the key areas within the operation of the charity. These include regular review of key risks through Trustees meetings and the monitoring of the processes utilised to manage those risks.

OBJECTIVES AND ACTIVITIES

Mission

At the heart of the charity's philosophy is the prevention and resolution of problem debt.

Whilst our primary focus is on helping those that are in need of advice and support today, we strongly believe that engaging with the next generation of credit users to foster a more responsible attitude towards borrowing and saving is key to tackling the burgeoning levels of UK personal debt.

Aims, objectives, strategies and activities

The charity's objects are:

The prevention or relief of poverty for the public benefit and, without prejudice to the generality of the foregoing, this may include:

- the provision of free, impartial and appropriate debt advice to people with unaffordable debt.
- to help people with debt problems to gain access to appropriate solutions that will help them.
- to promote education, for the public benefit, in financial capability and money management so as to reduce the likelihood of debt misuse.
- to undertake or fund research to understand why problem debt happens and its effect on individuals, families and the wider United Kingdom economy and to disseminate useful results.

Public benefit

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

ACHIEVEMENT AND PERFORMANCE

The following represents a review of the accounting period and demonstrates how activities benefited the public. The activities undertaken relate to the charity's stated purposes and objectives.

Background

According to Money and Pensions Service (MaPS) 2023 Debt Needs Survey, 15% of the UK adult population, equating to around 8.1m people, is currently in need of debt advice, with a further 24% deemed as 'at risk' of falling into problem debt. According to the research, people under 35, low-income households, renters and people from ethnic minority communities are all significantly more likely to fall into the category of needing debt advice.

Debt Advice Foundation is a registered national debt advice and education charity (1148498).

The charity is authorised and regulated by the Financial Conduct Authority (692492).

**DEBT ADVICE FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023**

Debt Advice & Solutions

Debt Advice Foundation seeks to carry out its debt advice objects through its free telephone debt counselling service and through the free, downloadable budgeting and creditor negotiation tools that are available on its website.

The charity's free telephone helpline (0800 043 40 50) is open Monday to Friday, 8am to 6pm.

Debt Advice Foundation holds the Advice Services Alliance Advice Quality Standard (AQS) and is listed by Money Advice Service as an accredited, free provider of debt advice on its website.

The charity is a member of AdviceUK, the UK's largest support network for free, independent advice centres. It is also a registered supporter of the All-Party Parliamentary Group on Financial Education for Young People and the All-Party Parliamentary Group on Debt and Personal Finance.

The charity offers its free, impartial telephone advice service to anyone worried about debt. A detailed financial statement is taken from callers to the helpline in order to determine the most appropriate solution for their circumstances.

Education

The charity's financial education and information work is delivered under the DebtAware name (www.debtaware.org).

DebtAware is a money management programme aimed at primary and secondary school children aged 9-11 years old.

The charity currently has over 8,000 children enrolled on the programme from over 100 schools in England.

HOW OUR ACTIVITIES DELIVER PUBLIC BENEFIT
Debt advice & solutions

Against a backdrop of record bank rate rises and energy cost inflation squeezing disposable incomes, the charity faced significant operational challenges helping those impacted by the cost of living crisis. In response to the shift in both scope and scale of helpline demand, the charity's in-house welfare benefits entitlement checking service continued to prove invaluable to households with deficit budgets, whilst the charity's new digital advice platform facilitated expanded provision for the digitally confident whilst removing potential barriers to access for hearing-impaired service-users.

During the accounting period, 4,833 cases with over £22.3m of unmanageable unsecured debt, were administered by the charity.

27% of callers were referred either by Money Advice Service or by other partner organisations such as local authorities, consumer advocate websites and charities. 66% of callers found out about the charity's helpline via internet searches with the remaining 7% from other sources.

Unsecured loans accounted for 33% of total unsecured debt reported by callers to the charity's helpline with credit cards the next highest average value, accounting for 29% of total debt.

The number one specified cause of financial difficulty was the impact of cost of living increases (13%).

**DEBT ADVICE FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023**

Over 11% of cases managed by the charity's helpline advisers required a managed debt solution intervention (Administration Order, Debt Relief Order, Bankruptcy, Individual Voluntary Arrangement, Free Debt Management Plan). Of the non-solution enquiries (single issue contacts), benefit related enquiries (15%), disputed liabilities (12%), funding requests (7%) and court judgements (5%) represented the most common caller concerns.

Following the introduction of the charity's digital advice platform, 8.5% of total helpline enquiries were sourced via this channel.

In terms of service quality, 100% of callers to the charity's helpline provided feedback that they were satisfied or very satisfied with the service whilst 100% stated they would recommend the charity to others.

Education

The charity provides financial capability education lessons to over 8,000 children annually from 100 schools across the North West of England in the period.

During the year, partnerships with Bolton Integrated Care Partnership and Bolton Money Skills Service were established with a view to training volunteers to deliver sessions on money management in local schools as well as within the wider service.

Financial performance

Income derived from charitable activities in the year was £489,865, with an annual expenditure of £495,062, resulting in trading deficit of £5,197.

Post year trading is broadly in line with expectations.

FUTURE PERIODS

Debt Advice & Solutions

Our strong leadership team and responsive bespoke advice system ensures that the charity's telephone helpline is well placed to meet the changing nature of demand for debt advice services as the cost of living crisis continues to impact record numbers of households across the UK.

The charity will continue to work collaboratively with MaPS funded agencies to share insights and best practice within the sector to maximise positive service-user outcomes.

The coming months will also see the expansion of charity's new digital advice webchat service, to include online debt advice provision, which will significantly bolster capacity whilst offering service-users greater flexibility and reflecting broader shifts in how consumers seek support.

Education

More than 100 schools and 8,000 schoolchildren are signed up to the Debt Aware financial education programme in the coming year.

With the cost of living crisis continuing to affect record numbers of households across the UK, DebtAware will place particular emphasis on the impact of inflation on living standards and how it affects the students' families in the lessons.

The charity is also looking to build on its successful partnerships with Bolton Integrated Care Partnership and Bolton Money Skills Service, to expand delivery of the Debt Aware programme to a broader service-user demographic.

The charity continues to be an active supporter of the All Party Parliamentary Group on Financial Education for Young People.

**DEBT ADVICE FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023**

FINANCIAL REVIEW

Reserves policy

The Trustees consider that the charity should hold sufficient reserves in order that it can, from time to time, make payments at short notice to beneficiaries.

Principal funding sources

The charity's primary source of funding is from the provision of debt advice. Both the Debt Advice Foundation's grant funding from Money and Pensions Service for the provision of debt advice services and National Lottery funding for its education activities remained relatively unchanged.

Investment policy and objectives

The Charity has no long term investments.

Financial position

During this year the Charity's incoming resources were £490,751 (2022 - £460,959). Of this £355,509 (2022 - £253,016) related to restricted activities.

The deficit of £4,311 (2022 – deficit £39,349) decreased reserves to £74,827 (2022 - £79,139).

Funds in deficit

No funds were in deficit at the balance sheet date. Where restricted funds have been used to meet costs in relation to restricted funds awaiting drawdown, the amounts due back to unrestricted reserves have been shown as interfund creditors at the year end.

**DEBT ADVICE FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023**

STATEMENT OF TRUSTEES' FINANCIAL RESPONSIBILITIES

The trustees (who are also directors of Debt Advice Foundation 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 2019 (FRS 102);
- make judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the Board of Trustees



D Benson
Chairman

23 August 2024

**DEBT ADVICE FOUNDATION
INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2023**

I report to the charity trustees on my examination of the accounts of the charitable company for the year ended 31 August 2023 which are set out on pages 9 to 20.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

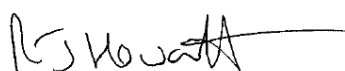
Independent examiner's statement

Since the charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Richard Howarth ACA FCCA
For and on behalf of Peaks & Valleys Business Enhancement Ltd
1st Floor, Block C
The Wharf
Manchester Road
Burnley
BB11 1JG

23 August 2024

DEBT ADVICE FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE
ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023

Year ended 31 August 2023				Year ended 31 August 2022
	Notes	Unrestricted funds	Restricted funds	Total Funds
		£	£	£
INCOME FROM:				
Investments	2	885		885
Donations and legacies				-
Charitable activities	3	134,357	355,509	489,866
Total income		135,242	355,509	490,751
EXPENDITURE ON:				
Charitable activities	4	139,553	355,509	495,062
Total expenditure		139,553	355,509	495,062
Net income / (expenditure) for the year	6	(4,311)	-	(4,311)
RECONCILIATION OF FUNDS				
Total funds brought forward		79,139	-	79,139
Total funds carried forward		74,827	-	74,827

The accompanying notes form part of these financial statements.

DEBT ADVICE FOUNDATION
BALANCE SHEET
AS AT 31 AUGUST 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
FIXED ASSETS					
Intangible assets	9	6,119		6,119	8,753
Tangible assets	10	33,274		33,274	39,567
		<u>39,393</u>	<u>—</u>	<u>39,393</u>	<u>48,320</u>
CURRENT ASSETS					
Debtors	11	42,601		42,601	56,291
Cash at bank and in hand		58,420		58,420	71,112
		<u>101,021</u>	<u>—</u>	<u>101,021</u>	<u>127,403</u>
LIABILITIES					
Amounts falling due within one year	12	(58,572)	(7,015)	(65,587)	(96,584)
NET CURRENT ASSETS		<u>42,449</u>	<u>(7,015)</u>	<u>35,434</u>	<u>30,819</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>81,842</u>	<u>(7,015)</u>	<u>74,827</u>	<u>79,139</u>
NET ASSETS		<u>81,842</u>	<u>(7,015)</u>	<u>74,827</u>	<u>79,139</u>
FUNDS OF THE CHARITY:	13				
Unrestricted funds:					
General funds				74,827	79,139
Restricted funds				-	-
TOTAL CHARITY FUNDS				<u>74,827</u>	<u>79,139</u>

**DEBT ADVICE FOUNDATION
BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

For the year ending 31 August 2023 the charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 August 2023 in accordance with Section 476 of the Companies Act 2006.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The trustees acknowledge their responsibilities for

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The financial statements were approved by the Board of Trustees on 23 August 2024 and were signed on its behalf by:



D Benson
Trustee

Company Registration Number: 08039416

The accompanying notes form part of these financial statements.

DEBT ADVICE FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Net movement in funds		(4,311)	(39,349)
Adjustment to cash flows from non-cash items			
Depreciation		9,312	5,416
Amortisation		2,634	2,645
Investment Income	2	(885)	(315)
		<u>6,750</u>	<u>(31,603)</u>
Working capital adjustments			
Decrease/(increase) in debtors	11	13,690	(1,251)
(Decrease)/increase in creditors	12	(30,997)	44,580
		<u>(10,557)</u>	<u>11,726</u>
Net cash flows from operating activities			
Cash flows from investing activities			
Interest receivable and similar income	2	885	315
Purchase of intangible fixed assets	9	-	-
Purchase of tangible fixed assets	10	(3,020)	(37,492)
		<u>(2,135)</u>	<u>(37,177)</u>
Net cash flows from investing activities			
Cash flows from financing activities			
Repayment of borrowing		-	-
		<u>-</u>	<u>-</u>
Net cash flows from financing activities			
Net increase in cash and cash equivalents	20	(12,692)	(25,451)
Cash and cash equivalents at 1 September		71,112	96,563
Cash and cash equivalents at 31 August		<u>58,420</u>	<u>71,112</u>

All of the cash flows are derived from continuing operations during the above two periods.

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are presented in sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Debt Advice Foundation meets the definition of a public entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

Preparation of the accounts on a going concern basis

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Income

All income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Bank interest is included in the income and expenditure account on receipt.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for particular purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Charitable expenditure comprises those costs incurred in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements for the charity and include accountant's fees and cost linked to the strategic management of the charity.

1. ACCOUNTING POLICIES (CONTINUED)

Taxation

The Charity is exempt from corporation tax on its charitable activities. Although the Charity is registered for VAT, it is not able to recover all input VAT incurred, and subsequent irrecoverable VAT is expensed to the Statement of Financial Activities.

Pensions

Employees of the charity are entitled to join a defined contribution money purchase scheme. The charity contribution is restricted to the contributions disclosed in note 8.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	20% straight line
Fixtures, fittings and equipment	33% straight line
Computer equipment	33% straight line
Motor Vehicles	25% Straight Line

Goodwill

Goodwill represents the excess of the cost of acquisition of incorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments and accrued income comprise payments made in advance relating to the following year and income relating to the current year, which will not be invoiced until after the balance sheet date.

Cash at bank and in hand

Cash at bank and cash in hand are basic financial assets and include cash in hand.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	Total funds 2023	Total funds 2022
	£	£	£	£
Bank interest received	885		885	315
	<u>885</u>	<u>-</u>	<u>885</u>	<u>315</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
Grant Income				
Money Advice Services	-	265,084	265,084	223,974
National Lottery Community grant	-	32,945	32,945	29,042
Income from providing debt advice	134,357	57,480	191,837	207,628
	<u>134,357</u>	<u>355,509</u>	<u>489,866</u>	<u>460,644</u>

4. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

All resources expended relate to the provision of the charity's primary purpose of providing general debt advisory services.

	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
Staff costs (see note 8)	124,306	180,923	305,229	308,187
Depreciation and amortisation	11,947		11,947	8,062
Other costs	-	174,586	174,586	180,759
Governance costs (see note 5)	3,300		3,300	3,300
	<u>139,553</u>	<u>355,509</u>	<u>495,062</u>	<u>500,308</u>

5. GOVERNANCE AND SUPPORT COSTS

	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total Funds £
Independent Examiner's remuneration	1,800	-	1,800	1,800
Accountancy fees	1,500	-	1,500	1,500
	<u>3,300</u>	<u>-</u>	<u>3,300</u>	<u>3,300</u>

6. INCOME FOR THE YEAR

This is stated after charging:

	2023 £	2022 £
Amortisation of intangible assets	2,634	2,645
Depreciation of tangible assets	9,313	5,417
Independent Examiner's remuneration	1,800	1,800
	<u></u>	<u></u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or benefits for the year ended 31 August 2023, nor for the year ended 31 August 2022.

Trustees' expenses

There were no trustees expenses paid during the year ended 31 August 2023 (2022 - £Nil).

8. STAFF COSTS

	2023 £	2022 £
Wages and salaries	278,787	281,459
Social security costs	21,622	22,058
Pension costs	4,820	4,607
	<u>305,229</u>	<u>308,124</u>

The average monthly number of employees during the year was as follows:

	2023 No.	2022 No.
	<u>12</u>	<u>12</u>

No employee received remuneration amounting to more than £60,000 in the year.

9. INTANGIBLE ASSETS

	Goodwill £	Website £	Total £
Cost			
At 1 September 2022	52,451	13,382	65,833
Additions	-	-	-
At 31 August 2023	<u>52,451</u>	<u>13,382</u>	<u>65,833</u>
Amortisation			
At 1 September 2022	52,451	4,629	57,080
Charge for the year	-	2,634	2,634
At 31 August 2023	<u>52,451</u>	<u>7,263</u>	<u>59,714</u>
Net book value			
At 31 August 2023	<u>-</u>	<u>6,119</u>	<u>6,119</u>
At 31 August 2022	<u>-</u>	<u>8,753</u>	<u>8,753</u>

Goodwill is written off in equal annual installments over its estimated useful economic life.

DEBT ADVICE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. TANGIBLE ASSETS

	Leasehold improvements	Motor Vehicles	Fixtures, fittings and equipment	Computer equipment	Totals
	£	£	£	£	£
Cost					
At 1 September 2022	7,038	36,495	6,171	23,789	73,493
Additions	-		-	3,022	3,022
At 31 August 2023	7,038	36,495	6,171	26,811	76,515
Depreciation					
At 1 September 2022	6,862	490	6,171	20,403	33,926
Charge for the year	176	5,880	-	3,259	9,315
At 31 August 2023	7,038	6,370	6,171	23,662	43,241
Net book value					
As 31 August 2023		30,125	-	3,149	33,274
At 31 August 2022	176	36,005	-	3,386	39,567

11. DEBTORS

	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
Trade debtors	22,448		22,448	37,907
Other debtors	3,208		3,208	2,154
Prepayments and accrued income	16,945		16,945	16,230
	42,601	-	42,601	56,291

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
Trade creditors	2,939		2,939	12,441
Taxation and social security	17,306		17,306	15,110
Other creditors	38,327		38,327	69,033
Interfund creditors		7,015	7,015	-
	<u>58,572</u>	<u>7,015</u>	<u>65,587</u>	<u>96,584</u>

Interfund loans are interest free and will be repaid as and when required.

13. MOVEMENT IN FUNDS

	Balance at 01/09/2022 £	Income £	Expenditure £	Transfers £	Balance at 31/08/2023 £
Unrestricted funds					
General fund	79,139	135,242	(139,554)	-	74,827
	<u>79,139</u>	<u>135,242</u>	<u>(139,554)</u>	<u>-</u>	<u>74,827</u>
Restricted funds					
Money Advice Service	-	330,451	(330,451)	-	-
National Lottery	-	25,058	(25,058)	-	-
Community Grant					
	<u>-</u>	<u>355,509</u>	<u>(355,509)</u>	<u>-</u>	<u>-</u>
Total funds	<u>79,139</u>	<u>490,751</u>	<u>(495,063)</u>	<u>-</u>	<u>74,827</u>

14. PURPOSE OF RESTRICTED FUNDS

Money Advice Service – funding to provide telephone debt advice services.

National Lottery Community grant – funding to support the charity's financial education work in schools.

15. LEGAL STATUS OF CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1. The number of members as at the 31 August 2023 was 5.

16. CONTROL

The charity is controlled by its Trustees / Directors.

17. RELATED PARTY TRANSACTIONS

There are no related party transactions that require disclosure in the accounts.

18. STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2023

	Year ended 31 August 2023		
	Unrestricted funds	Restricted funds	Total Funds
	£	£	£
INCOME FROM:			
Investments	885	-	885
Charitable activities	134,357	355,509	489,866
Total income	<u>135,242</u>	<u>355,509</u>	<u>490,751</u>
EXPENDITURE ON:			
Charitable activities	139,553	355,509	495,062
Total expenditure	<u>139,553</u>	<u>355,509</u>	<u>495,062</u>
Net income/ (Expenditure) for the year	<u>(4,311)</u>	<u>-</u>	<u>(4,311)</u>
RECONCILIATION OF FUNDS			
Total Funds brought forward	79,139	-	79,139
Total funds carried forward	<u>74,827</u>	<u>-</u>	<u>74,827</u>

DEBT ADVICE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Current assets	101,021	-	101,021
Current liabilities	(58,572)	(7,015)	(65,587)
Total net assets	<u>42,449</u>	<u>7,015</u>	<u>35,434</u>

20. ANALYSIS OF FUNDS

	At 01/09/2022	Cash flow	At 31/8/2023
	£	£	£
Cash at bank and in hand	<u>71,112</u>	<u>(12,692)</u>	<u>58,420</u>

Accounts

Company Registration No. 08039416 (England and Wales)

Charity No: 1148498



DEBT ADVICE FOUNDATION

REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

**DEBT ADVICE FOUNDATION
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FOR THE YEAR ENDED 31 AUGUST 2022**

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**DEBT ADVICE FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2022. The Trustees confirm that the Annual Report and financial statements of the company comply with current statutory requirements, the requirements of the company's governing document and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

REFERENCE AND ADMINISTRATIVE DETAILS

Name of charity

Debt Advice Foundation

Registered company number

08039416 (England and Wales)

Registered charity number

1148498

Registered office & operational address

1 Anchor Court
Commercial Road
Darwen
Blackburn
BB3 0DB

Company Secretary & Chief Executive Officer

David Rodger

Trustees & Company Directors

Dennis Benson (Chairman)
Karol Sanderson
Jeffrey Moore
Peter Sargent
Susan Ireland

Independent Examiners

Peaks & Valleys Business Enhancement Ltd
1st Floor, Block C
The Wharf
Manchester Road
Burnley
BB11 1JG

Bankers

Royal Bank of Scotland
St Ann Square Branch
St Ann Street
Manchester
M60 2SS

**DEBT ADVICE FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Debt Advice Foundation is a charitable company limited by guarantee, number 08039416, governed by its Memorandum and Articles of Association dated 20 April 2012. It registered as a charity, number 1148498, with the Charities Commission, on the 9 August 2012.

Organisational structure including the appointment and training of trustees

Debt Advice Foundation is governed by its Trustee Board / Board of Directors which is responsible for setting the strategic direction of the organisation and the policy of the charity. The Trustees carry the ultimate responsibility for the conduct of Debt Advice Foundation and for ensuring that the charity satisfies its legal and contractual obligations. Trustees meet as a minimum twice a year and delegate the day to day operation of the organisation to David Rodger, the Chief Executive Officer. The Trustee Board is independent from management.

The directors of the company are also charity Trustees for the purposes of charity law and under the company's Articles are known as members. Under the requirements of the Memorandum and Articles of Association there shall be at least 3 Trustees at any one time. All future Trustees shall be appointed by a majority vote of the existing Trustees. One third (or the number nearest one third) of the Trustees must retire each year at the conclusion of the AGM. A retiring Trustee may be reappointed. Decisions relating to the charity are determined by a majority of votes of the trustees present at the meeting.

A scheme of delegation sets out what authority has been delegated by the board to committees and executive members of the organisation. The scheme of delegation ensures an appropriate level of delegation from the board so that there is effective and timely input into decision-making. It also ensures that Trustees are able to fulfil their legal and constitutional duties, through levers which enable them to delegate, monitor and if necessary, withdraw the delegated authority.

The training and induction provided for new trustees will depend on their experience. Where necessary, an induction will provide training on charity, legal and financial matters.

Risk management

The Trustees recognise that any major risks to which the charity is exposed need to be reviewed and systems put in place to mitigate those risks, and a risk register has been established and is updated at least annually.

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure that appropriate controls are in place to provide reasonable assurance against fraud and error. The Trustees have implemented processes which evaluate the risks associated with the key areas within the operation of the charity. These include regular review of key risks through Trustees meetings and the monitoring of the processes utilised to manage those risks.

**DEBT ADVICE FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

OBJECTIVES AND ACTIVITIES

Mission

At the heart of the charity's philosophy is the prevention and resolution of problem debt.

Whilst our primary focus is on helping those that are in need of advice and support today, we strongly believe that engaging with the next generation of credit users to foster a more responsible attitude towards borrowing and saving is key to tackling the burgeoning levels of UK personal debt.

Aims, objectives, strategies and activities

The charity's objects are:

The prevention or relief of poverty for the public benefit and, without prejudice to the generality of the foregoing, this may include:

- the provision of free, impartial and appropriate debt advice to people with unaffordable debt.
- to help people with debt problems to gain access to appropriate solutions that will help them.
- to promote education, for the public benefit, in financial capability and money management so as to reduce the likelihood of debt misuse.
- to undertake or fund research to understand why problem debt happens and its effect on individuals, families and the wider United Kingdom economy and to disseminate useful results.

Public benefit

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

ACHIEVEMENT AND PERFORMANCE

The following represents a review of the accounting period and demonstrates how activities benefited the public. The activities undertaken relate to the charity's stated purposes and objectives.

Background

According to Money and Pensions Service, 18% of the UK adult population, equating to around 9.3million people, is currently in need of debt advice, with a further 22% deemed as 'at risk' of falling into problem debt. These arresting statistics are only likely to worsen over the coming months as the cost of living crisis, fuelled by soaring energy costs, continues to push record numbers of households into fuel poverty and energy debt arrears.

A significant and growing proportion of sector demand now relates to deficit budgets and the accumulation of priority debt arrears, rather than over-gearred personal finance portfolios and unsustainable levels of consumer credit.

Debt Advice Foundation is a registered national debt advice and education charity (1148498).

The charity is authorised and regulated by the Financial Conduct Authority (692492).

**DEBT ADVICE FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

Debt Advice & Solutions

Debt Advice Foundation seeks to carry out its debt advice objects through its free telephone debt counselling service, which helps around 10,000 people every year, and through the free, downloadable budgeting and creditor negotiation tools that are available on its website.

The charity's free telephone helpline (0800 043 40 50) is open Monday to Friday, 8am to 6pm.

Debt Advice Foundation holds the Advice Services Alliance Advice Quality Standard (AQS) and is listed by Money Advice Service as an accredited, free provider of debt advice on its website.

The charity is a member of AdviceUK, the UK's largest support network for free, independent advice centres. It is also a registered supporter of the All-Party Parliamentary Group on Financial Education for Young People and the All-Party Parliamentary Group on Debt and Personal Finance.

The charity offers its free, impartial telephone advice service to anyone worried about debt. A detailed financial statement is taken from callers to the helpline in order to determine the most appropriate solution for their circumstances.

The charity's subsequent recommendations are based on the following key principles, taken from Debt Advice Foundation's Ethical Debt Advice Charter:

- The advice will fully solve the caller's debt problem;
- The adviser will recommend the least drastic and most appropriate solution available;
- They will aim to achieve the above in the shortest time possible

Education

The charity's financial education and information work is delivered under the DebtAware name (www.debtaware.org).

DebtAware is a money management programme aimed at primary and secondary school children aged 9-13 years old.

The charity currently has over 10,000 children enrolled on the programme from over 150 schools across England and Scotland.

HOW OUR ACTIVITIES DELIVER PUBLIC BENEFIT

Debt advice & solutions

Whilst the widely anticipated tidal wave of demand for debt advice services following the coronavirus pandemic has not yet materialised, the sector has seen a significant shift in the nature of service-user enquiries, with many more people than ever before requiring cost of living assistance and help with utility debt arrears.

During the accounting period, 3,689 cases, with over £13.9m of unmanageable unsecured debt, were administered by the charity.

27% of callers were referred either by Money Advice Service or by other partner organisations such as local authorities, consumer advocate websites and charities. 73% of callers found out about the charity's helpline via internet searches.

Credit cards accounted for 35% of total unsecured debt reported by callers to the charity's helpline with personal loans the next highest average value, accounting for 34% of total debt.

The number one specified cause of financial difficulty was loss of job (14%).

**DEBT ADVICE FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

12% of cases managed by the charity's helpline advisers required a managed debt solution intervention (Administration Order, Debt Relief Order, Bankruptcy, Individual Voluntary Arrangement, Free Debt Management Plan). Of the non-solution enquiries, benefit related enquiries (10.2%), disputed liabilities (9.7%), current insolvency case enquiries (5.9%) and bailiff assistance (4.8%) represented the most common caller concerns.

The charity's new in-house benefit entitlement checking service went live during the period. The service has become an essential part of the adviser toolkit, enabling advisers to maximise client incomes and help build financial resilience against a backdrop of record cost of living increases.

Education

The charity provides financial capability education lessons to over 10,000 children annually from 150 schools across England and Scotland.

A new module was introduced to the DebtAware programme called "The Environment and Money", which examines the interaction between environmental and financial factors and how they often conflict with each other.

Debt Advice Foundation welcomed the opportunity to work with Chorley Local Authority to deliver the Debt Aware programme in a further 8 primary schools across the region, the first initiative of its type.

FUTURE PERIODS

Debt Advice & Solutions

Following our successful Money and Pensions Service commissioning bid, the charity's telephone helpline is well placed to meet the inevitable increase in demand for debt advice services as the cost of living crisis continues to impact record numbers of households across the UK.

The coming months will also see the release of charity's new digital advice webchat service, which we believe offers service-users greater flexibility and reflects broader shifts in how consumers seek support.

Debt Advice Foundation is scheduled to participate in a creditor referral hub pilot, operated by Money and Pensions Service, which we believe will help to identify and engage at-risk individuals at a much earlier stage of their debt advice journey.

The charity will also continue to contribute to the strategic direction of the sector as part of Money and Pension Service's Debt Advice Operational Group.

Education

More than 100 schools and 10,000 schoolchildren are signed up to the Debt Aware financial education programme in the coming year.

With the cost of living crisis impacting record numbers of households across the UK, DebtAware will place particular emphasis on the impact of inflation on living standards and how it affects the students' families in the lessons.

The charity is also looking to build on its successful partnership with Chorley Local Authority, to deliver the Debt Aware programme through more local authorities across the country.

The charity continues to be an active supporter of the All Party Parliamentary Group on Financial Education for Young People.

**DEBT ADVICE FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

FINANCIAL REVIEW

Reserves policy

The Trustees consider that the charity should hold sufficient reserves in order that it can, from time to time, make payments at short notice to beneficiaries.

Principal funding sources

The charity's primary source of funding is from the provision of debt advice. Both the Debt Advice Foundation's grant funding from Money and Pensions Service for the provision of debt advice services and National Lottery funding for its education activities remained relatively unchanged.

Investment policy and objectives

The Charity has no long term investments.

Financial position

During this year the Charity's incoming resources were £460,959 (2021 - £501,555). Of this £253,016 (2021 - £260,762) related to restricted activities.

The deficit of £39,349 (2021 – surplus £11,608) decreased reserves to £79,139 (2021 - £118,488).

Funds in deficit

No funds were in deficit at the balance sheet date. Where restricted funds have been used to meet costs in relation to restricted funds awaiting drawdown, the amounts due back to unrestricted reserves have been shown as interfund creditors at the year end.

**DEBT ADVICE FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022**

STATEMENT OF TRUSTEES' FINANCIAL RESPONSIBILITIES

The trustees (who are also directors of Debt Advice Foundation 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 2019 (FRS 102);
- make judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the Board of Trustees

D Benson
Chairman

_____ 2023

**DEBT ADVICE FOUNDATION
INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

I report to the charity trustees on my examination of the accounts of the charitable company for the year ended 31 August 2022 which are set out on pages 9 to 20.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

David Sharples ACA
For and on behalf of Peaks & Valleys Business Enhancement Ltd
1st Floor, Block C
The Wharf
Manchester Road
Burnley
BB11 1JG

_____2023

DEBT ADVICE FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE
ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022

		Year ended 31 August 2022			Year ended 31 August 2021
	Notes	Unrestricted funds	Restricted funds	Total Funds	Total Funds
		£	£	£	£
INCOME FROM:					
Investments	2	315	-	315	64
Donations and legacies		-	-	-	-
Charitable activities	3	207,628	253,016	460,644	501,491
Total income		207,943	253,016	460,959	501,555
EXPENDITURE ON:					
Charitable activities	4	247,292	253,016	500,308	489,947
Total expenditure		(39,349)	253,016	500,308	489,947
Net income / (expenditure) for the year	6	(39,349)	-	(39,349)	11,608
RECONCILIATION OF FUNDS					
Total funds brought forward		118,488	-	118,488	106,880
Total funds carried forward		79,139	-	79,139	118,488

The accompanying notes form part of these financial statements.

DEBT ADVICE FOUNDATION
BALANCE SHEET
AS AT 31 AUGUST 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
FIXED ASSETS					
Intangible assets	9	8,753	-	8,753	11,398
Tangible assets	10	39,567	-	39,567	7,491
		<u>48,320</u>	<u>-</u>	<u>48,320</u>	<u>18,889</u>
CURRENT ASSETS					
Debtors	11	56,291	-	56,291	90,403
Cash at bank and in hand		71,112	-	71,112	96,563
		<u>127,403</u>	<u>-</u>	<u>127,403</u>	<u>186,966</u>
LIABILITIES					
Amounts falling due within one year	12	(96,584)	-	(96,584)	(87,367)
NET CURRENT ASSETS		<u>30,819</u>	<u>-</u>	<u>30,819</u>	<u>99,599</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>79,139</u>	<u>-</u>	<u>79,139</u>	<u>118,488</u>
NET ASSETS		<u>79,139</u>	<u>-</u>	<u>79,139</u>	<u>118,488</u>
FUNDS OF THE CHARITY:	13				
Unrestricted funds:					
General funds				79,139	118,488
Restricted funds				-	-
TOTAL CHARITY FUNDS				<u>79,139</u>	<u>118,488</u>

**DEBT ADVICE FOUNDATION
BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

For the year ending 31 August 2022 the charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 August 2022 in accordance with Section 476 of the Companies Act 2006.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The trustees acknowledge their responsibilities for

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The financial statements were approved by the Board of Trustees on _____ 2023 and were signed on its behalf by:

D Benson
Trustee

Company Registration Number: 08039416

The accompanying notes form part of these financial statements.

DEBT ADVICE FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Net movement in funds		(39,349)	11,608
Adjustment to cash flows from non-cash items			
Depreciation		5,416	5,310
Amortisation		2,645	1,984
Investment Income	2	(315)	(64)
		(31,603)	18,838
Working capital adjustments			
Decrease/(increase) in debtors	11	(1,251)	17,487
(Decrease)/increase in creditors	12	44,580	(19,443)
Net cash flows from operating activities		11,726	16,882
Cash flows from investing activities			
Interest receivable and similar income	2	315	64
Purchase of intangible fixed assets	9	-	(4,142)
Purchase of tangible fixed assets	10	(37,492)	(2,189)
Net cash flows from investing activities		(37,177)	(6,267)
Cash flows from financing activities			
Repayment of borrowing		-	-
Net cash flows from financing activities		-	-
Net increase in cash and cash equivalents	20	(25,451)	10,615
Cash and cash equivalents at 1 September		96,563	85,948
Cash and cash equivalents at 31 August		71,112	96,563

All of the cash flows are derived from continuing operations during the above two periods.

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are presented in sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Debt Advice Foundation meets the definition of a public entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

Preparation of the accounts on a going concern basis

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Income

All income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Bank interest is included in the income and expenditure account on receipt.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for particular purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Charitable expenditure comprises those costs incurred in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements for the charity and include accountant's fees and cost linked to the strategic management of the charity.

1. ACCOUNTING POLICIES (CONTINUED)

Taxation

The Charity is exempt from corporation tax on its charitable activities. Although the Charity is registered for VAT, it is not able to recover all input VAT incurred, and subsequent irrecoverable VAT is expensed to the Statement of Financial Activities.

Pensions

Employees of the charity are entitled to join a defined contribution money purchase scheme. The charity contribution is restricted to the contributions disclosed in note 8.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	20% straight line
Fixtures, fittings and equipment	33% straight line
Computer equipment	33% straight line
Motor Vehicles	4 Year Straight Line

Goodwill

Goodwill represents the excess of the cost of acquisition of incorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments and accrued income comprise payments made in advance relating to the following year and income relating to the current year, which will not be invoiced until after the balance sheet date.

Cash at bank and in hand

Cash at bank and cash in hand are basic financial assets and include cash in hand.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	Total funds 2022	Total funds 2021
	£	£	£	£
Bank interest received	315	-	315	64
	<u>315</u>	<u>-</u>	<u>315</u>	<u>64</u>

DEBT ADVICE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Grant Income				
Money Advice Services	-	223,974	223,974	231,517
National Lottery Community grant	-	29,042	29,042	29,245
Income from providing debt advice	207,628	-	207,628	240,729
	<u>207,628</u>	<u>253,016</u>	<u>460,644</u>	<u>501,491</u>

4. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

All resources expended relate to the provision of the charity's primary purpose of providing general debt advisory services.

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Staff costs (see note 8)	123,907	159,478	308,187	288,660
Depreciation and amortisation	8,062	-	8,062	7,295
Other costs	72,674	93,538	180,759	190,692
Governance costs (see note 5)	3,300	-	3,300	3,300
	<u>207,943</u>	<u>253,016</u>	<u>500,308</u>	<u>487,947</u>

5. GOVERNANCE AND SUPPORT COSTS

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total Funds £
Independent Examiner's remuneration	1,800	-	1,800	1,800
Accountancy fees	1,500	-	1,500	1,500
	<u>3,300</u>	<u>-</u>	<u>3,300</u>	<u>3,300</u>

6. INCOME FOR THE YEAR

This is stated after charging:

	2022 £	2021 £
Amortisation of intangible assets	2,645	1,984
Depreciation of tangible assets	5,417	5,311
Independent Examiner's remuneration	1,800	1,800
	<u></u>	<u></u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or benefits for the year ended 31 August 2022, nor for the year ended 31 August 2021.

Trustees' expenses

There were no trustees expenses paid during the year ended 31 August 2022 (2021 - £Nil).

8. STAFF COSTS

	2022 £	2021 £
Wages and salaries	281,459	265,393
Social security costs	22,058	18,681
Pension costs	4,607	4,586
	<u>308,187</u>	<u>288,661</u>

The average monthly number of employees during the year was as follows:

	2022 No.	2021 No.
	12	12
	<u>12</u>	<u>12</u>

No employee received remuneration amounting to more than £60,000 in the year.

9. INTANGIBLE ASSETS

	Goodwill £	Website £	Total £
Cost			
At 1 September 2021	52,451	13,382	65,833
Additions	-	-	-
At 31 August 2022	<u>52,451</u>	<u>13,382</u>	<u>65,833</u>
Amortisation			
At 1 September 2021	52,451	1,984	54,435
Charge for the year	-	2,645	2,645
At 31 August 2022	<u>52,451</u>	<u>4,629</u>	<u>57,080</u>
Net book value			
At 31 August 2022	-	8,753	8,753
At 31 August 2021	<u>-</u>	<u>11,398</u>	<u>11,398</u>

Goodwill is written off in equal annual installments over its estimated useful economic life.

DEBT ADVICE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2022

10. TANGIBLE ASSETS

	Leasehold improvements	Motor Vehicles	Fixtures, fittings and equipment	Computer equipment	Totals
	£	£	£	£	£
Cost					
At 1 September 2021	7,038	-	6,171	22,792	36,001
Additions	-	36,495	-	997	37,492
At 31 August 2022	7,038	36,495	6,171	23,789	73,493
Depreciation					
At 1 September 2021	5,484	-	6,171	16,855	28,510
Charge for the year	1,378	490	-	3,548	5,416
At 31 August 2022	6,862	490	6,171	20,403	33,926
Net book value					
As 31 August 2022	176	36,005	-	3,386	39,567
At 31 August 2021	1,554	-	-	5,937	7,491

11. DEBTORS

	Unrestricted funds	Restricted funds	2022 Total funds	2021 Total funds
	£	£	£	£
Trade debtors	37,907	-	37,907	19,502
Other debtors	2,154	-	2,154	1,850
Prepayments and accrued income	16,230	-	16,230	33,688
Interfund debtors	-	-	-	35,363
	56,291	-	56,291	103,128

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Trade creditors	12,441	-	12,441	10,963
Taxation and social security	15,110	-	15,110	1,956
Other creditors	69,033	-	69,033	39,085
Interfund creditors	-	-	-	35,363
	<u>96,584</u>	<u>-</u>	<u>96,584</u>	<u>87,367</u>

Interfund loans are interest free and will be repaid as and when required.

13. MOVEMENT IN FUNDS

	Balance at 01/09/2021 £	Income £	Expenditure £	Transfers £	Balance at 31/08/2022 £
Unrestricted funds					
General fund	118,488	207,943	(247,292)	-	79,139
	<u>118,488</u>	<u>207,943</u>	<u>(247,292)</u>	<u>-</u>	<u>79,139</u>
Restricted funds					
Money Advice Service	-	223,974	(223,974)	-	-
National Lottery	-	29,042	(29,042)	-	-
Community Grant	-				
	<u>-</u>	<u>253,016</u>	<u>(253,016)</u>	<u>-</u>	<u>-</u>
Total funds	<u>118,488</u>	<u>460,959</u>	<u>500,308</u>	<u>-</u>	<u>79,139</u>

14. PURPOSE OF RESTRICTED FUNDS

Money Advice Service – funding to provide telephone debt advice services.

National Lottery Community grant – funding to support the charity's financial education work in schools.

15. LEGAL STATUS OF CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1. The number of members as at the 31 August 2022 was 5.

16. CONTROL

The charity is controlled by its Trustees / Directors.

17. RELATED PARTY TRANSACTIONS

There are no related party transactions that require disclosure in the accounts.

18. STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021 (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

	Year ended 31 August 2021		
	Unrestricted funds	Restricted funds	Total Funds
	£	£	£
INCOME FROM:			
Investments	64	-	64
Charitable activities	240,729	260,762	501,491
Total income	<u>240,793</u>	<u>260,762</u>	<u>501,555</u>
EXPENDITURE ON:			
Charitable activities	229,185	260,762	489,947
Total expenditure	<u>229,185</u>	<u>260,762</u>	<u>489,947</u>
Net income/ (Expenditure) for the year	<u>11,608</u>	<u>-</u>	<u>11,608</u>
RECONCILIATION OF FUNDS			
Total Funds brought forward	106,880	-	106,880
Total funds carried forward	<u>118,488</u>	<u>-</u>	<u>118,488</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Intangible fixed assets	8,753	-	8,753
Tangible fixed assets	39,567	-	39,567
Current assets	127,403	-	127,403
Current liabilities	(96,584)	-	(96,584)
Total net assets	<u>79,139</u>	<u>-</u>	<u>79,139</u>

20. ANALYSIS OF FUNDS

	At 01/09/2021	Cash flow	At 31/8/2022
	£	£	£
Cash at bank and in hand	<u>96,563</u>	<u>(25,451)</u>	<u>71,112</u>

21. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2022 the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases as set out below:

	Land and Buildings	
	2022	2021
Operating leases which expire:	£	£
Within 1 year	-	21,999
Within 2 - 5 years	-	-
	<u>-</u>	<u>21,999</u>

Accounts

Company Registration No. 08039416 (England and Wales)

Charity No: 1148498



DEBT ADVICE FOUNDATION

REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

**DEBT ADVICE FOUNDATION
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FOR THE YEAR ENDED 31 AUGUST 2021**

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**DEBT ADVICE FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021**

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2021. The Trustees confirm that the Annual Report and financial statements of the company comply with current statutory requirements, the requirements of the company's governing document and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

REFERENCE AND ADMINISTRATIVE DETAILS

Name of charity

Debt Advice Foundation

Registered company number

08039416 (England and Wales)

Registered charity number

1148498

Registered office & operational address

1 Anchor Court
Commercial Road
Darwen
Blackburn
BB3 0DB

Company Secretary & Chief Executive Officer

David Rodger

Trustees & Company Directors

Dennis Benson (Chairman)
Karol Sanderson
Jeffrey Moore
Peter Sargent
Susan Ireland

Independent Examiners

Peaks & Valleys Business Enhancement Ltd
1st Floor, Block C
The Wharf
Manchester Road
Burnley
BB11 1JG

Bankers

Royal Bank of Scotland
St Ann Square Branch
St Ann Street
Manchester
M60 2SS

**DEBT ADVICE FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Debt Advice Foundation is a charitable company limited by guarantee, number 08039416, governed by its Memorandum and Articles of Association dated 20 April 2012. It registered as a charity, number 1148498, with the Charities Commission, on the 9 August 2012.

Organisational structure including the appointment and training of trustees

Debt Advice Foundation is governed by its Trustee Board / Board of Directors which is responsible for setting the strategic direction of the organisation and the policy of the charity. The Trustees carry the ultimate responsibility for the conduct of Debt Advice Foundation and for ensuring that the charity satisfies its legal and contractual obligations. Trustees meet as a minimum twice a year and delegate the day to day operation of the organisation to David Rodger, the Chief Executive Officer. The Trustee Board is independent from management.

The directors of the company are also charity Trustees for the purposes of charity law and under the company's Articles are known as members. Under the requirements of the Memorandum and Articles of Association there shall be at least 3 Trustees at any one time. All future Trustees shall be appointed by a majority vote of the existing Trustees. One third (or the number nearest one third) of the Trustees must retire each year at the conclusion of the AGM. A retiring Trustee may be reappointed. Decisions relating to the charity are determined by a majority of votes of the trustees present at the meeting.

A scheme of delegation sets out what authority has been delegated by the board to committees and executive members of the organisation. The scheme of delegation ensures an appropriate level of delegation from the board so that there is effective and timely input into decision-making. It also ensures that Trustees are able to fulfil their legal and constitutional duties, through levers which enable them to delegate, monitor and if necessary, withdraw the delegated authority.

The training and induction provided for new trustees will depend on their experience. Where necessary, an induction will provide training on charity, legal and financial matters.

Risk management

The Trustees recognise that any major risks to which the charity is exposed need to be reviewed and systems put in place to mitigate those risks, and a risk register has been established and is updated at least annually.

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure that appropriate controls are in place to provide reasonable assurance against fraud and error. The Trustees have implemented processes which evaluate the risks associated with the key areas within the operation of the charity. These include regular review of key risks through Trustees meetings and the monitoring of the processes utilised to manage those risks.

OBJECTIVES AND ACTIVITIES

Mission

At the heart of the charity's philosophy is the prevention and resolution of problem debt.

Whilst our primary focus is on helping those that are in need of advice and support today, we strongly believe that engaging with the next generation of credit users to foster a more responsible attitude towards borrowing and saving is key to tackling the burgeoning levels of UK personal debt.

Aims, objectives, strategies and activities

The charity's objects are:

The prevention or relief of poverty for the public benefit and, without prejudice to the generality of the foregoing, this may include:

- the provision of free, impartial and appropriate debt advice to people with unaffordable debt.
- to help people with debt problems to gain access to appropriate solutions that will help them.
- to promote education, for the public benefit, in financial capability and money management so as to reduce the likelihood of debt misuse.
- to undertake or fund research to understand why problem debt happens and its effect on individuals, families and the wider United Kingdom economy and to disseminate useful results.

Public benefit

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

ACHIEVEMENT AND PERFORMANCE

The following represents a review of the accounting period and demonstrates how activities benefited the public. The activities undertaken relate to the charity's stated purposes and objectives.

Background

It was another challenging year for the debt advice sector as a result of the ongoing global health crisis. Operationally, advice agencies were required to invest significantly in technology, staff and infrastructure in order to maintain vital services during the pandemic, whilst keeping their staff safe. Strategically, the sector has had to balance reduced short-term demand, suppressed by government economic protection measures, with the need to gear up for the inevitable increase in future helpline enquiries. Financially, the news that Money and Pensions Service was to overhaul how the sector is funded with the announcement of a new commissioning exercise has led to apprehension and uncertainty within the free advice sector that is currently funded by MaPS.

With the ending of legal COVID restrictions and a gradual return to normal working life now underway, focus has begun shift from short-term health and social challenges to the longer term financial impact of the pandemic, particularly how the sector can help those that have accumulated debt or fallen into fuel poverty during the crisis.

Debt Advice Foundation is a registered national debt advice and education charity (1148498).

The charity is authorised and regulated by the Financial Conduct Authority (692492).

**DEBT ADVICE FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021**

Debt Advice & Solutions

Debt Advice Foundation seeks to carry out its debt advice objects through its free telephone debt counselling service, which helps around 10,000 people every year, and through the free, downloadable budgeting and creditor negotiation tools that are available on its website.

The charity's free telephone helpline (0800 043 40 50) is open Monday to Friday, 8am to 6pm.

Debt Advice Foundation holds the Advice Services Alliance Advice Quality Standard (AQS) and is listed by Money Advice Service as an accredited, free provider of debt advice on its website.

The charity is a member of AdviceUK, the UK's largest support network for free, independent advice centres. It is also a registered supporter of the All-Party Parliamentary Group on Financial Education for Young People and the All-Party Parliamentary Group on Debt and Personal Finance.

The charity offers its free, impartial telephone advice service to anyone worried about debt. A detailed financial statement is taken from callers to the helpline in order to determine the most appropriate solution for their circumstances.

The charity's subsequent recommendations are based on the following key principles, taken from Debt Advice Foundation's Ethical Debt Advice Charter:

- The advice will fully solve the caller's debt problem;
- The adviser will recommend the least drastic and most appropriate solution available;
- They will aim to achieve the above in the shortest time possible

Education

The charity's financial education and information work is delivered under the DebtAware name (www.debtaware.org).

DebtAware is a money management programme aimed at primary and secondary school children aged 9-13 years old.

The charity currently has over 10,000 children enrolled on the programme from over 150 schools across England and Scotland.

HOW OUR ACTIVITIES DELIVER PUBLIC BENEFIT

Debt advice & solutions

At the start of the global health crisis, debt advice enquires fell sharply as government emergency economic protection measures did their job and suppressed demand. This trend began to reverse during the accounting period as those protections, such as the Coronavirus Job Retention Scheme, began to wind down. During the accounting period, 5,108 people, with over £10.7m of unmanageable unsecured debt, contacted the charity's free telephone helpline.

A further 48,000 people visited the charity's website where they were able to access the free, downloadable money management tools and the COVID finance guide on offer.

38% of callers were referred either by Money Advice Service or by other partner organisations such as local authorities, consumer advocate websites and charities. 62% of callers found out about the charity's helpline via internet searches.

Credit cards accounted for 35% of total unsecured debt reported by callers to the charity's helpline with personal loans the next highest average value, accounting for 29% of total debt.

The number one specified cause of financial difficulty was loss of job (19.2%).

**DEBT ADVICE FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021**

13% of cases managed by the charity's helpline advisers required a managed debt solution intervention (Administration Order, Debt Relief Order, Bankruptcy, Individual Voluntary Arrangement, Free Debt Management Plan). Of the non-solution enquiries, disputed liabilities (11%) and legal matters (8%) represented the most common caller concerns.

Breathing Space legislation came into effect in May 2021 to provide short-term legal protection for debtors whilst they sought debt advice. Whilst the introduction of the instrument has brought with it significant additional case work for the charity's advisers, it has nevertheless proved to be a welcome and much needed addition to the adviser toolkit.

Debt Advice Foundation retained its Advice Quality Standard (AQS) Telephone Advice accreditation during the accounting period for a further two years.

Education

The charity provides financial capability education lessons to over 10,000 children annually from 150 schools across England and Scotland.

The health crisis had a significant impact on the charity's Debt Aware financial capability programme during the accounting period with workplace COVID measures compromising school-based delivery. In mitigation, Debt Advice Foundation developed remote programme delivery where possible and resumed normal classroom delivery wherever individual school policies allowed.

FUTURE PERIODS

Debt Advice & Solutions

Following twelve months of restricted trading and enforced closures, the end of government economic measures such as job and debt enforcement protections and significant and sustained cost of living increases, it is inevitable that the demand for debt advice will rise. The charity is well placed to meet the inevitable increase in demand for our service.

The uncertainty created by the Money and Pensions Service commissioning exercise will inevitably impact the sector, both in the short term with respect to the retention and replacement of accredited debt advice resource, as well as in the longer term, with the potential closure of MaPS funded agencies, which could impact aggregate sector supply.

Despite this uncertainty, the new commissioning structure also brings with it exciting new opportunities to work collaboratively with agencies in other financial and related care sectors, enabling the charity to broaden the scope of its offering.

The charity is scheduled to participate in a new creditor referral hub pilot that has been developed by Money and Pensions Service, which we believe will help to identify and engage at-risk individuals at a much earlier stage of their debt advice journey.

The charity will also continue to contribute to the strategic direction of the sector as part of Money and Pension Service's Debt Advice Operational Group.

Education

The ending of government workplace COVID measures has allowed the charity to resume normal classroom delivery of the Debt Aware financial education programme.

The charity has also recently partnered with Chorley Local Authority to deliver the Debt Aware programme in all of the area's primary schools. Debt Advice Foundation believes the collaboration can be a blueprint for future partnerships with local authorities across the country.

The charity continues to be an active supporter of the All Party Parliamentary Group on Financial Education for Young People.

**DEBT ADVICE FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021**

FINANCIAL REVIEW

Reserves policy

The Trustees consider that the charity should hold sufficient reserves in order that it can, from time to time, make payments at short notice to beneficiaries.

Principal funding sources

The charity's primary source of funding is from the provision of debt advice. Debt Advice Foundation's grant funding from Money and Pensions Service for the provision of debt advice services increased during the period and National Lottery funding for its education activities remained unchanged.

Investment policy and objectives

The Charity has no long term investments.

Financial position

In financial terms, the year proved to be challenging as a result of the ongoing COVID crisis. During this year the Charity's incoming resources were £501,555 (2020 - £581,890). Of this £260,762 (2020 - £191,019) related to restricted activities.

The surplus of £11,608 (2020 - £39,453) increased reserves to £118,488 (2020 - £106,880).

A 9.7% reduction in expenditure over the period, due primarily to the furloughing of education staff, helped to mitigate the fall in income.

Funds in deficit

No funds were in deficit at the balance sheet date. Where restricted funds have been used to meet costs in relation to restricted funds awaiting drawdown, the amounts due back to unrestricted reserves have been shown as interfund creditors at the year end.

STATEMENT OF TRUSTEES' FINANCIAL RESPONSIBILITIES

The trustees (who are also directors of Debt Advice Foundation 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 2019 (FRS 102);
- make judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the Board of Trustees

D Benson
Chairman

29 June 2022

**DEBT ADVICE FOUNDATION
INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

I report to the charity trustees on my examination of the accounts of the charitable company for the year ended 31 August 2021 which are set out on pages 9 to 20.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

David Sharples ACA
For and on behalf of Peaks & Valleys Business Enhancement Ltd
1st Floor, Block C
The Wharf
Manchester Road
Burnley
BB11 1JG

29 June 2022

DEBT ADVICE FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE
ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

		Year ended 31 August 2021			Year ended 31 August 2020
	Notes	Unrestricted funds	Restricted funds	Total Funds	Total Funds
		£	£	£	£
INCOME FROM:					
Investments	2	64	-	64	86
Donations and legacies		-	-	-	-
Charitable activities	3	240,729	260,762	501,491	581,804
Total income		240,793	260,762	501,555	581,890
EXPENDITURE ON:					
Charitable activities	4	229,185	260,762	489,947	542,437
Total expenditure		229,185	260,762	489,947	542,437
Net income / (expenditure) for the year	6	11,608	-	11,608	39,453
RECONCILIATION OF FUNDS					
Total funds brought forward		106,880	-	106,880	67,427
Total funds carried forward		118,488	-	118,488	106,880

The accompanying notes form part of these financial statements.

DEBT ADVICE FOUNDATION
BALANCE SHEET
AS AT 31 AUGUST 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
FIXED ASSETS					
Intangible assets	9	11,398	-	11,398	9,240
Tangible assets	10	7,491	-	7,491	10,612
		<u>18,889</u>	<u>-</u>	<u>18,889</u>	<u>19,852</u>
CURRENT ASSETS					
Debtors	11	55,040	35,363	90,403	103,128
Cash at bank and in hand		96,563	-	96,563	85,948
		<u>151,603</u>	<u>35,363</u>	<u>186,966</u>	<u>189,076</u>
LIABILITIES					
Amounts falling due within one year	12	(52,004)	(35,363)	(87,367)	(102,048)
NET CURRENT ASSETS		<u>99,599</u>	<u>-</u>	<u>99,599</u>	<u>87,028</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>118,488</u>	<u>-</u>	<u>118,488</u>	<u>106,880</u>
NET ASSETS		<u>118,488</u>	<u>-</u>	<u>118,488</u>	<u>106,880</u>
FUNDS OF THE CHARITY:	13				
Unrestricted funds:					
General funds				118,488	106,880
Restricted funds				-	-
TOTAL CHARITY FUNDS				<u>118,488</u>	<u>106,880</u>

**DEBT ADVICE FOUNDATION
BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

For the year ending 31 August 2021 the charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2021 in accordance with Section 476 of the Companies Act 2006.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The trustees acknowledge their responsibilities for

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The financial statements were approved by the Board of Trustees on 29 June 2022 and were signed on its behalf by:

D Benson
Trustee

Company Registration Number: 08039416

The accompanying notes form part of these financial statements.

DEBT ADVICE FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Net movement in funds		11,608	39,453
Adjustment to cash flows from non-cash items			
Depreciation		5,310	4,292
Amortisation		1,984	8,917
Investment Income	2	(64)	(86)
		<u>18,838</u>	<u>52,576</u>
Working capital adjustments			
Decrease/(increase) in debtors	11	17,487	26,651
(Decrease)/increase in creditors	12	(19,443)	23,201
		<u>16,882</u>	<u>102,428</u>
Net cash flows from operating activities			
Cash flows from investing activities			
Interest receivable and similar income	2	64	86
Purchase of intangible fixed assets	9	(4,142)	(9,240)
Purchase of tangible fixed assets	10	(2,189)	(7,498)
		<u>(6,267)</u>	<u>(16,652)</u>
Net cash flows from investing activities			
Cash flows from financing activities			
Repayment of borrowing		-	-
		<u>-</u>	<u>-</u>
Net cash flows from financing activities			
Net increase in cash and cash equivalents	20	10,615	85,776
Cash and cash equivalents at 1 September		85,948	172
Cash and cash equivalents at 31 August		<u>96,563</u>	<u>85,948</u>

All of the cash flows are derived from continuing operations during the above two periods.

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are presented in sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Debt Advice Foundation meets the definition of a public entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

Preparation of the accounts on a going concern basis

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Income

All income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Bank interest is included in the income and expenditure account on receipt.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for particular purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Charitable expenditure comprises those costs incurred in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements for the charity and include accountant's fees and cost linked to the strategic management of the charity.

1. ACCOUNTING POLICIES (CONTINUED)

Taxation

The Charity is exempt from corporation tax on its charitable activities. Although the Charity is registered for VAT, it is not able to recover all input VAT incurred, and subsequent irrecoverable VAT is expensed to the Statement of Financial Activities.

Pensions

Employees of the charity are entitled to join a defined contribution money purchase scheme. The charity contribution is restricted to the contributions disclosed in note 8.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	20% straight line
Fixtures, fittings and equipment	33% straight line
Computer equipment	33% straight line

Goodwill

Goodwill represents the excess of the cost of acquisition of incorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments and accrued income comprise payments made in advance relating to the following year and income relating to the current year, which will not be invoiced until after the balance sheet date.

Cash at bank and in hand

Cash at bank and cash in hand are basic financial assets and include cash in hand.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	Total funds 2021	Total funds 2020
	£	£	£	£
Bank interest received	64	-	64	86
	<u>64</u>	<u>-</u>	<u>64</u>	<u>86</u>

DEBT ADVICE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Grant Income				
Money Advice Services	-	231,517	231,517	162,056
National Lottery Community grant	-	29,245	29,245	28,963
Income from providing debt advice	240,729	-	240,729	390,785
	<u>240,729</u>	<u>260,762</u>	<u>501,491</u>	<u>581,804</u>

4. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

All resources expended relate to the provision of the charity's primary purpose of providing general debt advisory services.

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Staff costs (see note 8)	131,632	157,028	288,660	298,529
Depreciation and amortisation	7,295	-	7,295	13,210
Other costs	86,958	103,734	190,692	227,398
Governance costs (see note 5)	3,300	-	3,300	3,300
	<u>229,185</u>	<u>260,762</u>	<u>489,947</u>	<u>542,437</u>

5. GOVERNANCE AND SUPPORT COSTS

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total Funds £
Independent Examiner's remuneration	1,800	-	1,800	1,800
Accountancy fees	1,500	-	1,500	1,500
	<u>3,300</u>	<u>-</u>	<u>3,300</u>	<u>3,300</u>

6. INCOME FOR THE YEAR

This is stated after charging:

	2021 £	2020 £
Amortisation of intangible assets	1,984	8,917
Depreciation of tangible assets	5,311	4,293
Independent Examiner's remuneration	1,800	1,800
	<u></u>	<u></u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or benefits for the year ended 31 August 2021, nor for the year ended 31 August 2020.

Trustees' expenses

There were no trustees expenses paid during the year ended 31 August 2021 (2020 - £Nil).

8. STAFF COSTS

	2021 £	2020 £
Wages and salaries	265,393	266,816
Social security costs	18,681	26,573
Pension costs	4,586	5,140
	<u>288,661</u>	<u>298,529</u>

The average monthly number of employees during the year was as follows:

	2021 No.	2020 No.
	12	13
	<u>12</u>	<u>13</u>

No employee received remuneration amounting to more than £60,000 in the year.

9. INTANGIBLE ASSETS

	Goodwill £	Website £	Total £
Cost			
At 1 September 2020	52,451	9,240	61,691
Additions	-	4,142	4,142
At 31 August 2021	<u>52,451</u>	<u>13,382</u>	<u>65,833</u>
Amortisation			
At 1 September 2020	52,451	-	52,451
Charge for the year	-	1,984	1,984
At 31 August 2021	<u>52,451</u>	<u>11,398</u>	<u>54,435</u>
Net book value			
At 31 August 2021	<u>-</u>	<u>11,398</u>	<u>11,398</u>
At 31 August 2020	<u>-</u>	<u>9,240</u>	<u>9,240</u>

Goodwill is written off in equal annual installments over its estimated useful economic life.

DEBT ADVICE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

10. TANGIBLE ASSETS

	Leasehold improvements	Fixtures, fittings and equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 1 September 2020	7,038	6,171	20,603	33,812
Additions	-	-	2,189	2,189
At 31 August 2021	7,038	6,171	22,792	36,001
Depreciation				
At 1 September 2020	4,020	5,781	13,399	23,200
Charge for the year	1,464	390	3,456	5,310
At 31 August 2021	5,484	6,171	16,855	28,510
Net book value				
As 31 August 2021	1,554	-	5,937	7,491
At 31 August 2020	3,018	390	7,205	10,612

11. DEBTORS

	Unrestricted funds	Restricted funds	2021 Total funds	2020 Total funds
	£	£	£	£
Trade debtors	19,502	-	19,502	15,555
Other debtors	1,850	-	1,850	2,318
Prepayments and accrued income	33,688	-	33,688	54,654
Interfund debtors	-	35,363	35,363	30,601
	55,040	35,363	90,403	103,128

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Trade creditors	10,963	-	10,963	20,749
Taxation and social security	1,956	-	1,956	14,612
Other creditors	3,722	35,363	39,085	36,086
Interfund creditors	35,363	-	35,363	30,601
	<u>52,004</u>	<u>35,363</u>	<u>87,367</u>	<u>102,048</u>

Interfund loans are interest free and will be repaid as and when required.

13. MOVEMENT IN FUNDS

	Balance at 01/09/2020 £	Income £	Expenditure £	Transfers £	Balance at 31/08/2021 £
Unrestricted funds					
General fund	106,880	240,793	229,185	-	118,488
	<u>106,880</u>	<u>240,793</u>	<u>229,185</u>	<u>-</u>	<u>118,488</u>
Restricted funds					
Money Advice Service	-	231,517	231,517	-	-
National Lottery	-	29,245	29,245	-	-
Community Grant					
	<u>-</u>	<u>260,762</u>	<u>260,762</u>	<u>-</u>	<u>-</u>
Total funds	<u>106,880</u>	<u>501,555</u>	<u>489,947</u>	<u>-</u>	<u>118,488</u>

14. PURPOSE OF RESTRICTED FUNDS

Money Advice Service – funding to provide telephone debt advice services

National Lottery Community grant – funding to support the charity's financial education work in schools.

15. LEGAL STATUS OF CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1. The number of members as at the 31 August 2021 was 5.

16. CONTROL

The charity is controlled by its Trustees / Directors.

17. RELATED PARTY TRANSACTIONS

There are no related party transactions that require disclosure in the accounts.

18. STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2020 (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

	Year ended 31 August 2020		
	Unrestricted funds	Restricted funds	Total Funds
	£	£	£
INCOME FROM:			
Investments	86	-	86
Charitable activities	390,785	191,019	581,804
Total income	<u>390,871</u>	<u>191,019</u>	<u>581,890</u>
EXPENDITURE ON:			
Charitable activities	351,418	191,019	542,437
Total expenditure	<u>351,418</u>	<u>191,019</u>	<u>542,437</u>
Net income/ (Expenditure) for the year	<u>39,453</u>	<u>-</u>	<u>39,453</u>
RECONCILIATION OF FUNDS			
Total Funds brought forward	67,427	-	67,427
Total funds carried forward	<u>106,880</u>	<u>-</u>	<u>106,880</u>

DEBT ADVICE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Intangible fixed assets	11,398	-	11,398
Tangible fixed assets	7,491	-	7,491
Current assets	55,040	35,363	55,040
Current liabilities	(52,004)	(35,363)	(52,004)
Total net assets	<u>21,925</u>	<u>-</u>	<u>21,925</u>

20. ANALYSIS OF FUNDS

	At 01/09/2020	Cash flow	At 31/8/2021
	£	£	£
Cash at bank and in hand	<u>85,948</u>	<u>10,615</u>	<u>96,563</u>

21. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2021 the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases as set out below:

	Land and Buildings	
	2021	2020
Operating leases which expire:	£	£
Within 1 year	21,999	21,999
Within 2 - 5 years	-	21,999
	<u>21,999</u>	<u>43,998</u>