

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**

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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  
1<sup>st</sup> 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**

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**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**

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**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**

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**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](http://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**

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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**

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**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**

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**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**

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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  
1<sup>st</sup> 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
		£	£	£	£
<b>INCOME FROM:</b>					
Investments	2	315	-	315	64
Donations and legacies		-	-	-	-
Charitable activities	3	207,628	253,016	460,644	501,491
<b>Total income</b>		207,943	253,016	460,959	501,555
<b>EXPENDITURE ON:</b>					
Charitable activities	4	247,292	253,016	500,308	489,947
<b>Total expenditure</b>		(39,349)	253,016	500,308	489,947
<b>Net income / (expenditure) for the year</b>	6	(39,349)	-	(39,349)	11,608
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		118,488	-	118,488	106,880
<b>Total funds carried forward</b>		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 £
<b>FIXED ASSETS</b>					
Intangible assets	<b>9</b>	8,753	-	8,753	11,398
Tangible assets	<b>10</b>	39,567	-	39,567	7,491
		<u>48,320</u>	<u>-</u>	<u>48,320</u>	<u>18,889</u>
<b>CURRENT ASSETS</b>					
Debtors	<b>11</b>	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>
<b>LIABILITIES</b>					
Amounts falling due within one year	<b>12</b>	(96,584)	-	(96,584)	(87,367)
<b>NET CURRENT ASSETS</b>		<u>30,819</u>	<u>-</u>	<u>30,819</u>	<u>99,599</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>79,139</u>	<u>-</u>	<u>79,139</u>	<u>118,488</u>
<b>NET ASSETS</b>		<u>79,139</u>	<u>-</u>	<u>79,139</u>	<u>118,488</u>
<b>FUNDS OF THE CHARITY:</b>	<b>13</b>				
Unrestricted funds:					
General funds				79,139	118,488
Restricted funds				-	-
<b>TOTAL CHARITY FUNDS</b>				<u>79,139</u>	<u>118,488</u>

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

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

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total funds 2022</b>	<b>Total funds 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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 £
<b>Grant Income</b>				
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**

	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
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:

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

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

## **9. INTANGIBLE ASSETS**

	<b>Goodwill</b> <b>£</b>	<b>Website</b> <b>£</b>	<b>Total</b> <b>£</b>
<b>Cost</b>			
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>
<b>Amortisation</b>			
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>
<b>Net book value</b>			
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**

	<b>Leasehold improvements</b>	<b>Motor Vehicles</b>	<b>Fixtures, fittings and equipment</b>	<b>Computer equipment</b>	<b>Totals</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
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
<b>Depreciation</b>					
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
<b>Net book value</b>					
As 31 August 2022	176	36,005	-	3,386	39,567
At 31 August 2021	1,554	-	-	5,937	7,491

**11. DEBTORS**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>2022 Total funds</b>	<b>2021 Total funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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 £
<b>Unrestricted funds</b>					
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>
<b>Restricted funds</b>					
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>
<b>Total funds</b>	<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)**

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

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
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**

	<b>At 01/09/2021</b>	<b>Cash flow</b>	<b>At 31/8/2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
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:

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