

# Completing the Financial Statement Fact Sheet



The starting point for dealing with all debts is to prepare a Financial Statement. This statement can help you assess your current situation and show the options that are available to you. A copy of it can also be sent to your creditors to explain why you are in financial difficulty and negotiate reduced repayments.

Although it can appear to be difficult to complete at first, it is very important to get it right. If you do need help, our specialist advisors can complete the statement with you over the phone or you can download a copy from our web site and email us for feedback.

Below we have detailed the steps to follow to ensure that the form is completed accurately:

## STEP 1

Gather your most up-to-date income details, as well as bills and statements. Complete the income section and don't forget to include any benefits you may receive. Only include overtime or bonuses if they are guaranteed income.

## STEP 2

Completing the expenditure section. can be the tricky part, so below are some useful notes on the sections to complete:

**Other Housing Costs** = this may be buildings and/or contents insurance

**HP/Conditional Sale** = this usually refers to a car, motorbike or caravan. Check your agreement which should clearly state whether it is Hire Purchase.

**Travel** = if you run a car, include fuel, insurance, tax, and allow some money to pay for the MOT and general maintenance (add a little more on to cover for emergencies just in case).

**Housekeeping** = this figure should include the cost of all food and cleaning products per month.

An example of figures you can use to help are: For a single person allow between £37-50, for a couple £62-£78 and for each child £20-£35 per week.

Also, allow for non dependants (if you have any) between £25 - £35 per week.

Don't forget to include an amount for clothing, which could be between £10 - £20 per person per month. You can include this in the financial statement under **Total Other** along with an amount for sundries and emergencies.

## STEP 3

Now subtract the total expenditure figure from your income figure. This will show you the money you have available to deal with all of your debts.

## STEP 4

Now list any priority debts you may have and the total arrears for these. You will need to make an offer to clear these arrears before dealing with your non-priority debts.

## STEP 5

Using the money you have left after Step 4, you can now calculate what money you can offer to your non priority creditors such as credit cards, loans, unsecured loans, store cards & catalogues.

## STEP 6

If you have more than £2 available per creditor per month, you can use the pro rata calculation below to work out your offers. This means that each creditor gets a fair share of the money you have available based on how much you owe to each.

Multiply each individual debt by the total amount you have left available for these creditors and then divide that figure by the total amount owed.

**For Example: Your total debts are £2550 and amounts owed to each creditor are shown below:**

	Amount Owed	Calculation	Offer
ABC Catalogue Ltd	£250	$£250 \times £20/£2550 =$	£1.96
Bank Trust Co	£1500	$£1500 \times £20/£2550 =$	£11.77
Flexible Bank Card	£800	$£800 \times £20/£2500 =$	£6.27
<b>Total</b>	<b>£2550</b>		<b>£20</b>

**However, if you feel that you have too little or no money available to offer creditors, please phone us for advice on 0800 917 4607 or email us on [advice4debtNI@a4e.co.uk](mailto:advice4debtNI@a4e.co.uk)**

Call us FREE on: 0800 917 4607

Visit us at: [www.advice4debtNI.com](http://www.advice4debtNI.com)



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