

REGISTERED COMPANY NUMBER: 02175320 (ENGLAND AND WALES)
REGISTERED CHARITY NUMBER: 298361

BRITISH ASSOCIATION FOR COUNSELLING AND PSYCHOTHERAPY

REPORT OF THE GOVERNORS AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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**BRITISH ASSOCIATION FOR COUNSELLING
AND PSYCHOTHERAPY**

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FOR THE YEAR ENDED 31 MARCH 2016**

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**BRITISH ASSOCIATION FOR COUNSELLING AND PSYCHOTHERAPY
REPORT OF THE BOARD OF GOVERNORS FOR THE YEAR ENDED 31 MARCH 2016
(INCORPORATING THE DIRECTORS' REPORT AND THE STRATEGIC REPORT)**

The Board of Governors presents the report together with the financial statements of the British Association for Counselling and Psychotherapy Group for the year ended 31 March 2016

Company Status

British Association for Counselling and Psychotherapy (BACP) is a company limited by guarantee, without a share capital, and is a registered charity. The guarantee of each member is limited to £1. The governing documents are the Articles of Association and the Standing Orders of the company, the members of the Board of Governors are Directors of the company and Trustees under Charity Law.

The company registration number is 02175320 (incorporated 8 October 1987)

The charity registration number is 298361

The registered office is BACP House, 15 St John's Business Park, Lutterworth, Leicestershire, LE17 4HB

Basis of accounting

The financial statements comply with the format required by the Statement of Recommended Practice for Accounting and Reporting by Charities (SORP 2015 (FRS102) effective January 2015), the Companies Act 2006 and the Charities Act 2011.

Group Structure

BACP has two wholly owned subsidiaries namely BACP Enterprises Limited and BACP Research Foundation.

BACP Enterprises Limited derives its main income from advertisements placed in BACP publications and online.

BACP Research Foundation commenced operations during the year ended 31 March 2014 with a randomised controlled trial that will span three years. The trial will test the clinical and cost effectiveness of counselling for depression versus cognitive behavioural therapy, the results of which will be used to inform practitioners and improve the information that they provide to their clients.

Structure, Governance and Management

The Board of Governors consists of up to a maximum of seven Governors elected by the membership, and up to a maximum of four Governors appointed by the Board. The Board appoints the Chair and the Deputy Chair from the elected Governors. The Board convenes four times each year and holds an additional 24 hour strategic planning event.

Governors serve for a term of three years and may serve two further terms of three years. Elected and appointed Governors will be announced at, and terms will commence from, the Annual General Meeting. The AGM takes place between September and November each year.

The membership of the Association elects the Governors by a single transferrable vote. The election is supervised by an external organisation appointed by the President of the Association.

Name	Appointment/Resignation	Membership of other Committees
Andrew Reeves	Elected 16/11/13 Elected Chair 21/11/14	Strategic Direction Committee Chair
Elspeth Schwenk	Elected 17/10/08 Re-elected 14/11/11 Elected Deputy Chair 17/11/12 Resigned Deputy Chair 7/11/15	Strategic Direction Committee
Fiona Ballantine Dykes	Elected 17/11/12 Elected Deputy Chair 7/11/15	Strategic Direction Committee Finance and Policy Committee
Alan Dunnett	Elected 15/11/10 Re-elected 16/11/13	Finance and Policy Committee – Chair
Caryl Sibbett	Elected 14/11/11 Re-elected 21/11/14	Register Advisory Board
Faith Stafford	Elected 6/10/06 Re-elected 17/11/12 Resigned 7/11/15	
Mhairi Thurston	Elected 14/11/11 Re-elected 21/11/14	
Royston Flude	Appointed 16/11/13	
David Weaver	Appointed 16/11/13	
Eddie Carden	Elected 7/11/15	Finance and Policy Committee
Sophie-Grace Chappell	Appointed 7/11/15	
Vanessa Stirum	Co-opted 4/3/16	

As detailed above some members of the Board of Governors are also members of other Committees
Members of the Board may attend other Committee meetings as required

All elected Governors must be members of BACP and the members are able to nominate a member for election. Appointments to the Board will be made to provide the required skills and expertise considered necessary to achieve the strategic aims and direction of the Association. The Board may co-opt up to two members with the relevant skills and experience to fill any vacancies that may arise.

On appointment, each Governor completes a register of interests and a confidentiality agreement. The Governors are provided with a Governor Handbook that includes the Articles of Association, Standing Orders of the Association, policies and procedures on issues such as delegation of authority, recruitment, equal opportunities, investment, reserves, conflict of interest, business expenses and other guidance. The Handbook contains a role description for the Governors and a copy of various relevant Charity Commission leaflets including but not limited to, 'The Essential Trustee: What you need to know' (CC3), 'The Essential Trustee: An introduction' (CC3a), 'Trustee Expenses and Payments' (CC11) and 'The Good Trustee Guide'.

All new Governors meet with the Chair and the Chief Executive and an induction meeting with senior staff including a tour of the office is arranged for all new members of the Board. Their training needs are regularly assessed and met.

Board of Governors responsibilities

Company law requires the Board of Governors to prepare the financial statements for each financial year, which give a true and fair view of the state of affairs of the company and the group and of the surplus or deficit of the group for that year. In preparing these financial statements, the Board of Governors is required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- follow applicable accounting standards and statements of recommended practice without any material departures, and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company and group will continue in business.

The Board of Governors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable the Board to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011 and the Statement of Recommended Practice for Accounting and Reporting by Charities (SORP 2015 (FRS102) effective January 2015). The Board of Governors is also responsible for safeguarding the assets of the company and the group, and is responsible for taking reasonable steps for the prevention and detection of fraud or other irregularities.

The Board of Governors is 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.

Statement as to disclosure of information to auditors

As far as the Board of Governors is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each Governor has taken all the steps that he or she ought to have taken as a Governor in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Management and Staffing

The Board of Governors has delegated the management of BACP to the Chief Executive who reports on the performance of the Association against the Strategic Plan approved by the Board. BACP's Board has specific responsibility to

- ensure that BACP complies with its governing document, charity law, company law and other relevant legislation or regulations
- ensure that BACP pursues its objects as defined in its governing document
- ensure BACP uses its resources exclusively in pursuance of its objects, the charity must not spend money on activities which are not included in its own objects, no matter how worthwhile or charitable those activities are
- safeguard the good name and values of BACP
- oversee the effective and efficient administration of BACP
- ensure the financial stability of BACP
- protect and manage the property of the charity and ensure the proper investment of the charity's funds



The Chief Executive reports, via the Finance and Policy Committee, on the financial position of the company, including the actual performance compared to the budget. Management Accounts are received quarterly by the Board and regularly by the Finance and Policy Committee.

The Chief Executive, Dr Hadyn Williams, has the responsibility for planning and developing the services and strategies of BACP, within clear policies and protocols set by the Board.

The Chief Executive ensures that a staff team is recruited and supported to provide the skills and expertise needed to run a successful organisation and that the values of BACP are observed. During the year a re-organisation of the structure of teams at BACP resulted in the formation of a new senior management team and new department structures. BACP is now managed through the following structure:

- **Cristian Holmes** Deputy Chief Executive – Internal Affairs
- **Nancy Rowland** Deputy Chief Executive – External Affairs

- **Steve Cantell** Head of ICT
- **Helen Coles** Head of Professional Standards
- **Christina Docchar** Registrar
- **Suky Kaur** Head of Policy and Communications
- **Ian Patrick** Head of Finance and Central Services
- **Chelsea Shelley** Head of Membership, Engagement & Services
- **John Woolley** Head of People, Culture and Governance
- **vacant** Head of Research

The senior management team is augmented by:

- **Martin Bell** Deputy Head of Public Affairs
- **Ruth Clowes** Deputy Head of Membership Engagement
- **Richard Smith** Deputy Head of Membership Services
- **vacant** Deputy Head of External Communications


During the year a number of long-serving and well-known senior managers left BACP. We remain grateful for the valuable contribution over the years of Beverley Brennan, Simone Drakeford and Andy Hill, together with Jan Watson.

The Board approve the association's salary policy and procedure. BACP operates a salary policy based on a points-based analytical job evaluation system. Salaries are awarded at a spot on the upper quartile of the market. Salaries are benchmarked against similar posts in the sector and geographical area every third year.

The responsibilities of the Chief Executive, through his direct line management of the senior management team, include operational responsibility for finance, human resources and customer relations, marketing, stakeholder communications, membership, public relations and media strategy, publications, registration, research, policy and professional practice and IT systems.

A number of supporting committees for the Board have been established, as follows:

- Finance and Policy
- Professional Ethics and Quality Standards (until June 2015)
- Research
- Strategic Direction



Each committee has a distinct set of Terms of Reference that is regularly reviewed. The Finance and Policy Committee submits a full report to the Board of Governors at each Board meeting. The Board also receives reports from the other committees and groups reporting on their work and decisions.

BACP works proactively with members and other stakeholders across the UK and internationally, to facilitate learning and to encourage the exchange of knowledge and understanding with other professions, institutions and governments.

The Association has seven divisions, as noted below, working in specific domains:

- BACP Spirituality
- BACP Private Practice
- BACP Universities and Colleges
- BACP Children and Young People
- BACP Coaching
- BACP Healthcare
- BACP Workplace

Further information on any of the divisions is available on the website www.bacp.co.uk

Membership of BACP

BACP offers different categories of membership as noted below. The members of these categories are also members of the Company and have full voting rights.


- Student
- Associate [closed 01 April 2016]
- Individual Member
- Member MBACP [closed 01 April 2016]
- Registered MBACP
- Registered MBACP Accredited
- Registered MBACP Senior Accredited
- Member MBACP (Accred) [closed 01 April 2016]
- Member MBACP (Senior Accred) [closed 01 April 2016]
- Retired Member
- Organisational Member

Full details of the membership categories are available on the website and application forms can be downloaded from www.bacp.co.uk

Risk assessment

During the year, the Finance and Policy Committee and the Board of Governors carry out an assessment of the business, operational and financial risks. Subsequent to the findings of the assessment the policies, procedures and reporting regimes are reviewed and amended as necessary to manage and reduce the identified risks.

Risk is identified across five criteria: governance, operational, financial, external, and compliance. The Risk Register is reviewed on a monthly basis whereby each risk is assessed in terms of likelihood and impact, mitigation strategies are drawn up, responsibility allocated, and progress is monitored. Reports are made to Finance and Policy Committee on both current risks and mitigated risks. Mitigation processes that require draw down from budget are held to account through this process.



The Board has delegated clear lines of authority to the BACP staff and has involved the staff in the recognition of risk in their activities

Aims and Objectives

The Association's objectives are

- (i) to promote and provide education and training for counsellors and/or psychotherapists working in either professional or voluntary settings, whether full or part time, with a view to raising the standards of counselling/psychotherapy for the benefit of the community and in particular for those who are the recipients of counselling/psychotherapy, and
- (ii) to advance the education of the public in the part that counselling and/or psychotherapy can play generally and in particular to meet the needs of those members of society where development and participation in society is impaired by mental, physical or social handicap or disability

The income and property of the Association are used for the promotion of the aims and objectives summarised above. Importantly for BACP's members, and the general public, BACP is a registered charity, legally recognised as established and existing for charitable purposes only. Accordingly the funds raised do not profit the Association, its employees or Governors and are used to achieve the above objectives, developing the Association for the benefit of its members and the community it serves

In setting the Association's vision, mission and objectives, and ongoing strategic planning and related activity, the Board has given careful consideration to the Charity Commission's general guidance on public benefit, and in particular to raising public awareness of the benefits of counselling and psychotherapy, increasing public knowledge, understanding and awareness of therapy, sourcing evidence on the effectiveness and impact of therapy and enabling wider access to safe and accountable practice


To fulfil the Association's objectives BACP seeks to advise, inform and influence national and international policy and procedures concerned with counselling and psychotherapy, offering information and guidance to those involved in the process. Through regular consultation the Association offers advice to, and is consulted by, governments, professional bodies, funding organisations, teaching institutions and other stakeholders throughout the UK on all counselling and psychotherapy matters

A key element of BACP's role is to educate a field of stakeholders drawn from the public, the members, legislators and policy developers

The Association sets, promotes and maintains standards for the profession, and is strongly committed to high practice standards and the protection of the public, as demonstrated through its successful application for accreditation of its voluntary register

BACP's Ethical Framework for Good Practice in Counselling and Psychotherapy and the *Professional Conduct Procedure* ensure that its members abide by an accepted and approved code of conduct and accountability. This Ethical Framework provides a core frame of reference for members to use in their relations with clients, colleagues, fellow members and the wider community. It safeguards both practitioners and members of the public alike and facilitates the management of any alleged breaches of conduct

BACP sets recognised and robust standards for the delivery of education and training. Through developing and promoting various accreditation schemes BACP sets the benchmark for the highest standards of counsellor/psychotherapist training and practice thus enabling members to achieve a recognised level of excellence



The on line *Finding a Therapist Directory* specifically gives guidance to members of the public on choosing the most appropriate counsellor or psychotherapist according to their needs as well as information on counselling services and specialist organisations

BACP aims to undertake and commission research to encourage informed practice, to help researchers develop new skills in the field of research methods, and to support the generation and dissemination of new knowledge to promote a better understanding of counselling and psychotherapy and its effects. This work is underpinned by the annual Research Conference, the Research Journal and other publications

Principal achievements for the year and priorities for 2016 and beyond

Supporting and developing practice

We were delighted to present the new *Ethical Framework for the Counselling Professions*. Written by Professor Tim Bond, in conjunction with many others and following extensive member consultation, the new *Ethical Framework* takes us to a new and exciting level in ethical thinking in our profession. Whilst the new *Ethical Framework* will not be formally adopted until 1 July 2016, it was published early to allow time for members, organisations, training providers, stakeholders and clients alike to familiarise themselves with the changes and to begin to develop practice in accordance with the principles outlined.

Ethical practice not only sits at the heart of what counsellors and psychotherapists do, it has also informed the work of BACP for many years. From the early days of the *Code of Ethics and Practice* through to the current *Ethical Framework for Good Practice in Counselling and Psychotherapy*, our members have been encouraged not only to think about the good practice parameters of their work but additionally to embark on an ethical engagement to ensure what is offered to clients meets the highest professional standards of practice and accountability.

At the heart of this revision, there has been a consultation process that has shaped how Professor Tim Bond approached the rewriting of our new *Ethical Framework*. New technologies have made a more inclusive and thorough process of consultation possible than ever before. Webinars enabled ideas to be discussed at a formative stage and began to shape how new developments ought to be approached. These were captured in a draft version circulated to all members of our Association.

A systematic analysis of over 10,000 itemised responses from members have shaped this final version of the *Ethical Framework*. Additional consultations with our divisions, employers, closely related professional bodies and regulatory bodies including the Professional Standards Authority have also been taken into account. A great deal of thought has also been given to the client expectations of professional ethics.

Throughout the year significant activity took place in the commissioning and production of our *Good Practice in Action Resources*. Here is the full list:

Legal resources

Counselling in Schools Legal E, W & NI	Published
Adoption Legal England	Published
Breaching Confidentiality	Published
Adoption Scotland	Apr 2016
Counselling in Schools Scotland	Apr 2016
Mental Health England and Wales	Published
Safeguarding Adults England and NI	Published
Safeguarding CYP England and NI	Published
Supervision	Published



Child Protection Scotland	Sep 2016
Children's Hearings Scotland	Dec 2016
<i>Sector resources</i>	
Private Practice	April 2016
Workplace Overview	Feb 2016
Counselling Schools Toolkit	tba
Spiritual Abuse	Apr 2016
Workplace Making the Case	tba
University and College	Jun 2016
<i>Commonly asked questions</i>	
How to Choose a Supervisor (counsellors)	Published
Monitoring Supervisory Relationship (supervisee)	Published
Ethical Framework	Published
Making the Contract	Apr 2016
Social Media	Published
Self Harm	May 2016
Working with Children and Young People	Apr 2016
<i>Fact Sheets</i>	
How to choose a supervisor – (service)	Published
Monitoring supervisory relationship (supervisor)	Published
Using audio/video within/for therapeutic settings	tba
Using email/text within/for therapeutic settings	tba
Mental Health	tba
Suicide	Apr 2016
Ethical Decision Making	Apr 2016
What is supervision	Apr 2016
Making the Contract	Apr 2016
<i>Research Fact Sheet</i>	
How to do a literature search	May 2016
Evidence - based practice	May 2016
Using measures	May 2016
How to write a research proposal	May 2016
Writing a practice-based study for publication	May 2016
How to write a research paper	May 2016
Undertaking systematic reviews	May 2016
Finding research funding	May 2016
Statistics	Jun 2016
Introduction to conducting qualitative research	Jun 2016
How to write a research proposal	Jul 2016
How to design and conduct research interviews	Sep 2016
Practice - based evidence and research networks	Sep 2016
<i>Research Overview</i>	
Ethical Decision Making	Published
Supervision within the counselling professions	Apr 2016
Mental Health for the counselling professions	Apr 2016
Equality Diversity and Inclusion	Jun 2016

Ethical Framework for the Counselling Professions supplementary guidance



Working Online

Published

During the year we were able to launch, enhance and develop several new competences for the profession. These included competences for humanistic counselling with young people (11-18 years); counselling for depression, and telephone and e-counselling. We were also able to make available two curricula: telephone and e-counselling, and training the trainers telephone and e-counselling.

Furthermore we also supported members with a strong and broad portfolio of events. During the financial year we put on 146 events and managed to present ideas, thinking and learning to over 5,900 delegates. Our newer professional development days, 'working with' series of events and online conferences proved particularly popular with members.

Looking forward: a new strategy

During the year the Association undertook a significant strategic review. Involving volunteers, staff, stakeholders and members, a wide consultation process was followed by significant deliberation and priority setting by the Board. We wanted to ensure that we were capable of developing a strategy and roadmap for the future of the Association that we could all commit to. Launched in April 2016, the strategy is set out below.

Counselling Changes Lives

BACP's primary purpose is to support counsellors and help them better serve their clients. Our Association was formed nearly 40 years ago by a group of counsellors who were passionate about the value of counselling and its potential to improve the lives of individuals and communities. This passion and commitment, and the knowledge that counselling changes lives, is still at the heart of everything we do.

In the 12 months leading up to April 2016, we undertook a strategic review of our Association's mission, values and objectives. We consulted with our members to find out what they wanted from us and how we could best support them. This feedback resulted in our new strategy, a restructure of our business and a reprioritising of our resources.

What we do

Our desired position: We act in the interest of the public as a professional, relevant, credible and communicative organisation for the counselling professions, bound by a common purpose, underpinned by clear philosophy and transparent values.

Our purpose: We will advocate the role and relevance of the practice of the counselling professions in improving psychological wellbeing and mental health, and promoting social justice, in our contemporary and diverse communities.

How we'll achieve change

We've drawn up a series of 'strategic intents' to help us achieve our position and purpose. These are the elements of our work that have been identified through consultation with our members as being the most important. The intents are themselves supported by a comprehensive operational plan, and our resources have been aligned in order that we can concentrate on these vital elements of our work.

Our strategic intents are to

- **Promote expertise in the counselling professions to enable confidence in BACP and its members**

- **Use our resources efficiently and effectively** to fulfil our internal and external strategic objectives to maximise impact
- **Be alert to change and encourage innovation** in a fast moving world, and our policy and interventions will be informed and evidence based
- **Commission, undertake and encourage** research and relationships to ensure that we can champion best practice in the counselling professions
- **Uphold the highest standards of differentiated practice**, ensuring that our standards are fit for purpose and communicable to clients and commissioners
- **Educate the public** about the practice and benefits of the counselling professions and learn from people how to develop responsive services
- **Position the profession** in the minds of commissioners and employers, to argue the case for best practice and the benefits of the counselling professions
- **Develop relationships** with the wider professions and all our stakeholders
- **Define the scope and standards of training and practice** for the counselling professions, drawing on evidence and experience, reflected in differentiated membership categories
- **Commit to the highest standards** of customer service, public engagement and membership engagement

Key themes

As well as our strategic intents, we've identified three key areas of work we'll be focusing on. These are

- **Older people** - exploring the role of counselling in improving the lives of older people, and promoting the value of talking therapies to this group
- **Children, young people and families** - continuing our successful work in this area, including promoting the importance of early intervention and joined-up mental health services
- **Four nations** - exploring how we can better serve our members based in Scotland, Wales and Northern Ireland and influencing governing bodies throughout the UK

These themes will form the backbone of our work over the next five years. They too, have been chosen following consultation with our members and stakeholders. You can expect to see our commitment to these areas of work reflected in our campaign and policy activities, in our research work and in the range of services and benefits we provide for our members.

What does all this mean for members?

You and your clients are at the heart of everything we do and supporting you is central to our philosophy and values. We work hard to enable you to access resources to help you develop and maintain effective and competent practice. In line with our new strategic direction, we'll be looking to further improve the services and resources we offer you, making your membership more relevant and better value for money.

Raising standards across the counselling professions, and promoting high standards, have always been high priorities for us. **We seek to ensure people have access to the best, evidence-based, standards of practice in the counselling professions.** By renewing our commitment to raising the profile of our members in the media, with commissioners, policy makers and the public, we hope to improve your professional credibility and employment prospects.

Our promise to you

This sharing of our new strategic direction marks the beginning of a journey of improvement. There is a lot for us to do and we're looking forward to sharing our progress with you regularly, and getting your feedback on how we're doing.

We will seek through our membership and public engagement to champion the counselling professions, confident in the notion that 'Counselling Changes Lives'.

Looking forward: a new structure

The year also saw significant activity in restructuring teams at BACP, with departments brought together and new ways of working developed to ensure the delivery of the strategy. BACP also committed to reviewing its governance, and an initial governance review was commissioned and is due to report back for consideration by the Board later in 2016. Both staff and governance reviews were commissioned with the aim of ensuring BACP is best organised to deliver on the strategy.

Significant spend was also commissioned in terms of technological infrastructure. Roadmaps were developed to overhaul BACP's ICT functionality, and commission both a new central database and a new central website capable of delivering to both members and the general public.

Representing the profession

During the year BACP sought to represent the profession to a range of stakeholders. On a policy front, the general election provided a focus point for activity. A series of webpages were created during the general election campaign to encourage and assist members to interact with their candidates. During the course of the year, BACP has responded to 30 consultations. New policy briefings were created on several important subjects, allowing us to effectively communicate on a wider number of issues and have wider reach with opinion-formers: school-based counselling for all in England, looking after our students' mental health, suicide and self-harm, psychological therapies, prevention and risk factors, veterans and psychological therapies, and counter-terrorism and Security Act implications for members.

Through BACP's parliamentary activity around school-based counselling, a commitment to a strategy for school-based counselling was secured within the Labour Party's election manifesto: "*we will set out a strategy that all children who need it can access school-based counselling*". Post-election BACP secured a meeting with Nic Dakin MP, Shadow Schools Minister, and organised for him to visit a school with a counselling service.

In Scotland, we communicated with the Liberal Democrats, Conservatives and Labour Party in Scotland, meeting with MSPs from each ahead of the Scottish Parliamentary elections. BACP secured the Minister to speak at a BACP - hosted fringe event on the subject of children's mental health at the Scottish National Party Conference. The event was over-capacity and led to media coverage in the Scottish Mail on Sunday. The meeting also helped secure a meeting with a prominent SNP MSP, Mark McDonald who heads the Cross-Party Groups on Children and Young People as well as Mental Health. We have since had contact from SNP Councillors who attended the event, requesting more information on school counselling in Scotland.

BACP secured a parliamentary question to the Northern Ireland Health Minister, Shona Hamilton MLA, around the number of counsellors and psychotherapists working in the country.

On a media front BACP remained proactive, responding to an increasing number of enquiries, expanding

our network of spokespeople, and contributing to a wide and varied media interest in our profession

Registration and conduct

Registration

At the end of the year BACP's register held 29,973 registrants. During that year 88 assessment days were held in 10 locations. The *Certificate of Proficiency*, developed to test the knowledge and ethical decision-making of members and to set a standard for entry to the Register, was passed by 4,581 members, with 553 fails. Throughout the year we have given thought to how best make the Certificate accessible with work beginning on developing a pilot scheme for online proctoring.

Audit remains an integral function of our Register. This year 434 registrants were selected for audit, a number that grows in line with the number of registrants. BACP sets an audit percentage of 2.6%, and believes that this offers us a good picture of the CPD and supervision of our registrants. The results of the process gave support to how impressed the Association was by the professionalism and commitment of our registrants in upholding and improving standards.

Professional Conduct Procedure (PCP) and cases

BACP continues to protect the public, the counselling professions and the organisation itself through its PCP. The Register has an increasing workload in relation to professional conduct. Throughout the year work was undertaken on developing a new Professional Conduct Procedure which will be introduced in July 2016. This has been widely consulted upon and it is hoped it will lead to a more streamlined process, resulting in a better use of resources.

Ask Kathleen Service

The *Ask Kathleen Service* continues to support people in resolving issues around their therapy experience. The Register actively promoted this service to clients and stakeholders in the interests of public protection. It is a service that is seen as increasingly valuable and important. This year it received 790 calls, an increase from 144 four years ago.

Research

In line with an evolving strategy to develop work around older people, a review of the literature was commissioned entitled 'Counselling and Psychotherapy for Older People: A Narrative Review of the Literature' which was undertaken by Dr Alison Brettell and Nicola Paris.

Our PhD Membership fee waiver scheme again proved popular and we were able to support 12 members through this scheme that seeks to support the Association's research aims. Similarly all three research grants were awarded for this financial year. Two pieces of research have been contracted and are underway: 'Client perceptions of hindering experiences in CBT within IAPT serving an inner city/deprived area' and 'A comparison of good and poor outcome cases of person-centred and emotion-focused therapies to identify therapist variables that support socially anxious clients' engagement in the early stages of trauma focused therapy'. Some projects funded through this scheme have laid the groundwork to secure funding for future studies, which would not otherwise have been possible.



Membership of the CYP PRN stands at 753 and continues to grow. Approximately 50 practitioners (from circa nine services) are submitting data via COMMIT (data collection platform) with three further services expressing an interest to join and use this facility,

Volunteers

The continuing and significant part played by volunteers in achieving the Association's objectives is recognised and warmly acknowledged. Due to the many volunteers that serve on its committees, forums and working groups, BACP is able to carry out a wide variety of work that is relied on by the members and stakeholders.

Honoraria payments made to volunteers during the year amounted to £960 (2015 - £780).

Looking forward, specific initiatives planned to deliver or commence over the next 12 months in addition to usual activity include:

- The commissioning of a replacement member database and the revamp and modernisation of the association websites. The new website will bring together all BACP content for members, stakeholders and clients and look to create an enhanced and more contemporary experience.
- Full upgrade and modernisation of BACP's IT frameworks.
- Competencies and Core Curriculums - Further development in the areas of older people, children and young people and workplace counselling and dissemination of previously completed curriculums.
- The refinement and launch of the Volunteer Framework.
- The launch of the new Ethical Framework and subsequent revision of the Research Ethical Guidelines alongside the commissioning and production of additional Good Practice Guidance material.
- A review of the various accreditation schemes seeking input from all stakeholders.
- Certificate of Proficiency – A review of the software platform and associated delivery process.
- The development of Scopes of Practice for the Counselling Professions.
- A review and modernisation of the Governance of the association, from Committee management through to electronic election processes.

Review of Financial Position

The Association remains in a healthy financial position in line with its reserves policy. This position allowed the association to undertake and support a broad range of activities in relation to charitable objectives.

Further details about the financial position are included in the Review of the Business section of the Strategic Report.

Reserves Policy

The Board of Governors reviews the reserves policy annually; the current policy is that the free reserves should be at a level to allow for future unanticipated fluctuations in income and expenditure, and to cover the estimated running costs for six months. This is currently estimated at about £2 million.

BACP through its risk assessment process commissioned expert advice on its insurance coverage. Whilst adequate, the review indicated that some risks were currently uninsurable and a degree of self-insurance might be prudent. As a result of this the governors have agreed to reallocate the balance of the former Special Projects fund to an Insurance Fund and increase this to £1,000,000.

The free reserves for this purpose are the total reserves, less restricted and designated funds (to the extent that they have been committed), less the insurance (designated) fund, less tangible fixed assets, plus the membership fees received in advance (which would not be repayable if the Charity was wound up)

At 31 March 2016 the level of the Charity's free reserves was

Total reserves	£	4,395,071
Less		
Restricted funds		30,894
Designated funds (that have been committed)		137,967
Insurance Fund		1,000,000
Tangible fixed assets		<u>3,219,060</u>
		7,150
Plus		
Membership fees received in advance		<u>1,913,823</u>
Free reserves		<u>1,920,973</u>

The level of the free reserves is therefore currently in line with the policy

Investment Policy

Kleinwort Benson Private Bank Limited (KBPB) provides discretionary investment management services of the investment portfolio

Further details about the investments are included in the Review of the Business section of the Strategic Report

KBPB is regulated by the Financial Conduct Authority and is a member of the London Stock Exchange. The results for the year are set out in notes 10 and 16

Tangible fixed assets

Information relating to changes in the fixed assets is shown in note 11 to the financial statements

Related Parties

Details of transactions with related parties are shown in notes 5 and 20 to the financial statements

Officers' Insurance

The company has Officers' Liability Insurance in place. This insurance indemnifies any officer against a liability arising as a result of his/her negligence up to an aggregate liability of £1,000,000. The cost of this insurance amounted to £586 (2015 - £576) for the year.

PROFESSIONAL ADVISERS

Auditors: Atkinson Finch & Co
Central Chambers
45-47 Albert Street
Rugby, CV21 2SG

Solicitors: Brethertons LLP
Montague House
2 Clifton Road
Rugby, CV21 3PX

Russell Cooke
2 Putney Hill
London
SW15 6AB

Bankers: Lloyds Bank Plc
14 Church Street
Rugby, CV21 3PL

Investment Brokers: Kleinwort Benson Private Bank Limited
30 Gresham Street
London, EC2V 7PG

ON BEHALF OF THE BOARD OF GOVERNORS

A Dunnett
Secretary



Date 30 SEPTEMBER 2016

STRATEGIC REPORT

Review of the business

The main sources of funding for the association are membership subscriptions, Finding a Therapist Directory entry fees, accreditation fees and income from BACP's trading subsidiary. Each of these sources of funding remained robust during the course of the year, although each was subject to operating in increasingly competitive markets. The sources of funding sustain the costs incurred in delivering the association's key objectives through representation of the profession, developing research, the provision of journals, conferences and events, professional standards, register and conduct processes.

The association maintains a sound practice of review and planning, and as such total incoming resources for the year increased by £107,083 to £8,205,369 (1.3%). Expenditure decreased by £253,743 to £7,831,411 (3%). The surplus for the year after a loss on investments of £23,013 is £350,945. Total funds increased accordingly to £4,395,071.

During the year the Board instructed KBPB to move to an ethical investment portfolio on a best endeavours basis in line with the BACP policy on ethical investment. The investment objectives criterion is based on maximum total gross return, by generating growth through capital appreciation in the value of shares and the reinvestment of income as generated from dividends and complying with the BACP policy on ethical investment. Investment performance during the year has been better than expected, all be it with a small loss, given the significant drop in the main markets and the relatively short time the new investment portfolio has had to be effective. BACP are comfortable that its investments are now in line with its own values.

The Association has been undertaking a long-term fundamental re-organisation of its membership structure, continuing to align its grades to both its and the Professional Standards Authorities register. As such, membership numbers remain strong with modest growth continuing despite the closure of the Associate grade and enhanced requirements to remain in membership. The Association also introduced a new retired category to ensure members could remain close to the work of the organisation after they stopped practising. Membership numbers as at 31 March 2016 were 43,611 increasing by 0.8%. Whilst this growth has been less than in recent years, the Association was aware of the impact of the re-organisation, planned for it, and this growth was in line with expectations. Membership numbers are closely monitored throughout the year.

The year focused on the development of the new Ethical Framework for the Counselling Professions. Ethical practice sits at the heart of what counsellors and psychotherapists do, and the Ethical framework sets out the highest professional standards of practice and accountability. Developed through extensive consultation, the new Ethical Framework was published early, together with a series of resources, to allow members and stakeholders to familiarize themselves with the changes ahead of a 2016 launch. The new Ethical Framework is supported by the development of a significant body of resources. The extensive list of Good Practice in Action Resources were made available to members on BACP's website.

Financial year 2015/16 has been very much a year of preparing the ground for the new strategy and commencing projects to enable the modernisation of systems and processes which will incur significant spend over the next 18 to 24 months. The restructuring carried out during the year will realise cost savings that will enable the systems modernisation and will release resources to enable the funding of new initiatives. The costs of the restructuring at £225,697 have been contained without causing a deficit for the year.

Therefore there are sufficient funds available to carry out the new Strategic Plan of the Association over the forthcoming year.

Description of principle risks and uncertainties

During the year, the Finance and Policy Committee and the Board of Governors carry out an assessment of the business, operational and financial risks. Subsequent to the findings of the assessment the policies, procedures and reporting regimes are reviewed and amended as necessary to manage and reduce the identified risks. The Trustees have assessed the charity by reviewing budgets, plans, financial and operational risks and the external environment for the forthcoming year. The Trustees are satisfied that there are no material uncertainties around the continuing relevance of the charity or its ability to continue.

Risk is identified across five criteria: governance, operational, financial, external; and compliance. The Risk Register is reviewed on a monthly basis whereby each risk is assessed in terms of likelihood and impact, mitigation strategies are drawn up, responsibility allocated, and progress is monitored. Reports are made to Finance and Policy Committee on both current risks and mitigated risks. Mitigation processes that require draw down from budget are held to account through this process.

The primary risk and uncertainty concerned the conclusion of the old strategic plan. As such, the Board of Governors tasked staff to develop a new evidence-based strategy for the association. Significant investment in understanding the perspectives of stakeholders helped the association develop and articulate a new strategy and direction, together with a broader focus and a re-articulation of values for launch in 2016. This new strategy, together with its re-prioritisation, commitments and performance indicators was signed off by the Board towards the close of the year. Significant investment was allocated to ensuring staff teams understood the new direction and strategy.

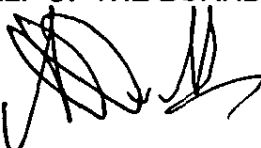
In order to underpin the strategy the association restructured itself, starting first with a re-organisation of the senior management team. During this period several long serving staff members left BACP, and the association was brought together with a new focus on external relationships and internal effectiveness, with teams being brought together to ensure effective and efficient operations. A new senior management team was formed, bringing together new people from outside the organisation and promoting from within. This new senior team focused on the implementation of the new strategy. A robust review of activities saw a second phase of restructuring to enable the association to be able to resource its strategy.

During the year a series of audits were commissioned to review the technological infrastructure of the association, alongside its digital capabilities and websites. The review produced a roadmap for a modernisation of the associations' technology, processes, communications and websites. The Finance and Policy Committee and the Board of Governors committed to a programme of significant development and replacement that will see the implementation of better websites, engagement with members, stakeholders, clients and the public, and improved efficiencies in the association's processes.

The Strategic Report has been approved by the trustees.

ON BEHALF OF THE BOARD OF GOVERNORS

A Dunnett
Secretary



Date: 30 SEPTEMBER 2016

BRITISH ASSOCIATION FOR COUNSELLING AND PSYCHOTHERAPY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND GOVERNORS OF BRITISH ASSOCIATION FOR COUNSELLING AND PSYCHOTHERAPY

We have audited the financial statements of the British Association for Counselling and Psychotherapy for the year ended 31 March 2016 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of Governors and auditor

As explained more fully in the Governors' Responsibilities Statement, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Governors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2016, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

BRITISH ASSOCIATION FOR COUNSELLING AND PSYCHOTHERAPY

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS AND GOVERNORS OF
BRITISH ASSOCIATION FOR COUNSELLING AND PSYCHOTHERAPY**


Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion

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



Stuart Bolton FCA (Senior Statutory Auditor)
for and on behalf of Atkinson Finch & Co, Statutory Auditor
Chartered Accountants
Central Chambers
45-47 Albert Street
Rugby
Warwickshire
CV21 2SG

Date 03/10/2016

Atkinson Finch & Co is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

BRITISH ASSOCIATION FOR COUNSELLING
AND PSYCHOTHERAPY

REGISTERED COMPANY NUMBER 02175320 (ENGLAND AND WALES)
REGISTERED CHARITY NUMBER. 298361

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	UNRESTRICTED			TOTAL	TOTAL
		GENERAL FUNDS £	DESIGNATED FUNDS £	RESTRICTED FUNDS £	2016 £	2015 £
Income from						
Donations		7,152	-	-	7,152	6,958
Charitable activities	3	7,510,248	-	-	7,510,248	7,419,566
Trading activities	5	523,477	-	-	523,477	498,642
Investment income	6	31,862	-	-	31,862	37,561
Other income	7	132,630	-	-	132,630	135,559
TOTAL INCOME		8,205,369	-	-	8,205,369	8,098,286
Expenditure on						
Raising funds	6	15,368	-	-	15,368	14,847
Trading activities	5	94,916	-	-	94,916	92,781
Charitable activities	4	7,591,745	122,456	6,926	7,721,127	7,977,526
TOTAL EXPENDITURE		7,702,029	122,456	6,926	7,831,411	8,083,154
NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES ON INVESTMENTS		503,340	(122,456)	(6,926)	373,958	13,132
Net (Losses)/Gains on investments	18	(23,013)	-	-	(23,013)	88,323
NET INCOME/(EXPENDITURE) FOR THE YEAR		480,327	(122,456)	(6,926)	350,945	101,455
Transfers between Funds	19	(711,034)	711,034	-	-	-
NET MOVEMENT IN FUNDS		(230,707)	588,578	(6,926)	350,945	101,455
Reconciliation of Funds						
TOTAL Funds Brought Forward at 1 April 2015		3,153,393	549,389	37,820	3,740,602	3,639,147
TOTAL Funds Carried Forward at 31 March 2016		2,922,686	1,137,967	30,894	4,091,547	3,740,602

All of the above results are derived from continuing activities and all losses recognised in the year are included above

Unrealised gains on investments have been included in the statement of financial activities as required by the Statement of Recommended Practice 'Accounting and Reporting by Charities'

The surplus for the year for Companies Act purposes comprises the net incoming resources for the year less realised losses (2015 plus realised gains) on investments and was £343,992 (2015 - £28,817)

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2016

	Notes	2016		2015	
		£	£	£	£
FIXED ASSETS					
Tangible assets	11	3,219,060		3,258,426	
Investments	12	1,352,693		1,363,160	
			4,571,753		4,621,586
CURRENT ASSETS					
Stocks	13	2,885		19,114	
Debtors	14	260,813		232,422	
Cash at bank and in hand		2,195,732		1,798,022	
		<u>2,459,430</u>		<u>2,049,558</u>	
CREDITORS Amounts falling due within one year	15	2,636,112		2,627,018	
NET CURRENT LIABILITIES			(176,682)		(577,460)
NET ASSETS			<u>4,395,071</u>		<u>4,044,126</u>
RESTRICTED FUNDS	19		30,894		37,820
UNRESTRICTED FUNDS					
General income fund		2,922,686		3,153,393	
Designated Funds	19	1,137,967		549,389	
Property revaluation reserve	16	303,524		303,524	
Total Unrestricted Funds			4,364,177		4,006,306
TOTAL FUNDS			<u>4,395,071</u>		<u>4,044,126</u>

ON BEHALF OF THE BOARD OF GOVERNORS

A REEVES CHAIR

Approved by the Board of Governors on 30 SEPTEMBER 2016

The notes form part of these financial statements

**BRITISH ASSOCIATION FOR COUNSELLING
AND PSYCHOTHERAPY**

**REGISTERED COMPANY NUMBER 02175320 (ENGLAND AND WALES)
REGISTERED CHARITY NUMBER 298361**

**BALANCE SHEET
AT 31 MARCH 2016**

	Notes	2016	2015
		£	£
FIXED ASSETS			
Tangible assets	11	3,219,060	3,258,426
Investments	12	1,352,693	1,363,160
		<u>4,571,753</u>	<u>4,621,586</u>
CURRENT ASSETS			
Stocks	13	2,885	19,114
Debtors	14	304,566	233,535
Cash at bank and in hand		2,125,436	1,733,811
		<u>2,432,887</u>	<u>1,986,460</u>
CREDITORS Amounts falling due within one year	15	2,610,274	2,568,440
NET CURRENT LIABILITIES		<u>(177,387)</u>	<u>(581,980)</u>
NET ASSETS		<u>4,394,366</u>	<u>4,039,606</u>
RESTRICTED FUNDS	19	30,894	37,820
UNRESTRICTED FUNDS			
General income fund		2,921,981	3,148,873
Designated Funds	19	1,137,967	549,389
Property revaluation reserve	16	303,524	303,524
Total Unrestricted Funds		<u>4,363,472</u>	<u>4,001,786</u>
TOTAL FUNDS		<u>4,394,366</u>	<u>4,039,606</u>

ON BEHALF OF THE BOARD OF GOVERNORS



A REEVES - CHAIR

Approved by the Board of Governors on 30 SEPTEMBER 2016

The notes form part of these financial statements



**BRITISH ASSOCIATION FOR COUNSELLING
AND PSYCHOTHERAPY**

**REGISTERED COMPANY NUMBER 02175320 (ENGLAND AND WALES)
REGISTERED CHARITY NUMBER 298361**

**CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

	2016 £	2015 £
Net cash provided by (used in) operating activities	378,993	101,304
Cash flows from investing activities		
Dividends and interest from investments	31,862	37,561
Purchase of property and equipment	(599)	(41,900)
Proceeds from sale of investments	1,645,790	575,272
Purchase of investments	(1,698,694)	(552,214)
Net cash provided by (used in) investing activities	(21,641)	18,719
Change in cash and cash equivalents in the reporting period	357,352	120,023
Cash and cash equivalents at the beginning of the reporting period	1,867,673	1,747,650
Cash and cash equivalents at the end of the reporting period	2,225,025	1,867,673
	2016 £	2015 £
Net movement in funds for the reporting period (as per the statement of financial activities)	350,945	101,455
Adjustments for		
Depreciation	39,472	44,059
Losses/(Gains) on investments	23,013	(88,323)
Dividends and interest from investments	(31,862)	(37,561)
Loss on sale of fixed assets	493	-
Decrease/(Increase) in stock	16,229	(8,251)
(Increase)/Decrease in debtors	(28,391)	77,254
Increase in creditors	9,094	12,671
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	378,993	101,304
	2016 £	2015 £
Cash in hand	2,195,732	1,798,022
Cash held in investments	29,293	69,651
Total cash and cash equivalents	2,225,025	1,867,673

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of listed investments and freehold property to market value, and comply with United Kingdom Generally Accepted Accounting Principles and Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2015 (FRS102) effective January 2015) and with the Companies Act 2006. All figures are exclusive of value added tax.

Transfer to FRS102

This is the first year in which the financial statements have been prepared under FRS 102. Refer to note 8 for an explanation of the transition.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its wholly owned subsidiaries on a line by line basis. A separate Statement of Financial Activities, or Income and Expenditure Account, for the Charity itself is not presented because the Charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2011.

Going concern

The financial statements have been prepared on a Going Concern basis. The Trustees have assessed this basis by reviewing budgets, plans, financial and operational risks and the external environment for the forthcoming year. The Trustees are satisfied that there are no material uncertainties around the continuing relevance of the charity or its ability to continue.

Key judgements and assumptions

There are no key judgements that have a significant effect on the accounts or assumptions that have a significant risk of causing a material adjustment in the next reporting period.

Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Board of Governors for particular purposes.

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

Incoming resources

Subscriptions are accounted for in the period in which the service is provided. All other income is included in the period in which it is receivable.

The value of services provided by volunteers has not been included.

All income from departments is treated as furthering the charity's objectives since it either relates to the membership of an accredited body to enhance the public's confidence or the sale of publications and training aids and facilities to improve the standard of counselling and psychotherapy in the UK.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Operating leases

Operating lease rentals are charged to the Statement of Financial Activities on payment.

Pensions

The company contributes towards a group defined contribution pension scheme for employees. Contributions are charged to the Statement of Financial Activities in the period in which they are made.

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1 ACCOUNTING POLICIES (continued)

Resources expended (continued)

Irrecoverable value added tax

As the membership subscriptions are exempt from value added tax, there is a restriction in the amount of input value added tax that the group is allowed to reclaim on its expenses

Tangible fixed assets and depreciation

Tangible fixed assets costing more than £2,000 are capitalised and included at cost together with any incidental costs of acquisition

Depreciation is provided so as to write off the cost, less estimated residual value, of tangible fixed assets, over their estimated useful lives as follows

Freehold property	-	not provided
Computer equipment and accessories	-	25% per annum - straight line basis
Office furniture and equipment	-	20% per annum - straight line basis

The Governors are of the opinion that the residual value of the freehold property is at least equal to the book value, therefore no depreciation is provided

Investments

Listed investments are stated at market value on the balance sheet date

Realised and unrealised gains and losses are included in the Statement of Financial Activities

Stocks

These are valued on a first in, first out basis, at the lower of cost and net realisable value

Debtors

Debtors are brought into the financial statements where there is a reasonable certainty of collection. They are valued at the actual amount that will be received where this can be ascertained, otherwise a pro-rata basis or best estimate valuation is used

Bank and cash

Bank and cash balances are included in the balance sheet at the sterling equivalent of the actual amounts held

Creditors and deferred income

Creditors are brought into the financial statements where there is a reasonable certainty that a liability exists. They are valued at the transaction price where ascertainable, otherwise a pro-rata basis or best estimate valuation is used

Deferred income is provided to match advance payments for conferences, events and advertising etc to the period in which the service will be provided

2 COMPANY STATUS

The company is a company limited by guarantee. The company registration number is 02175320 (incorporated in the United Kingdom 8 October 1987) the charity registration number is 298361. BACP is a Public Benefit Entity under FRS 102

The registered office is BACP House, 15 St John's Business Park, Lutterworth, Leicestershire, LE17 4HB this also serves as the principal place of business

All members guarantee an amount not to exceed £1 payable in the event of the company being wound up with a deficiency of net assets. At 31 March 2016 there were 43,611 members (2015 - 43,283)

3 INCOME FROM CHARITABLE ACTIVITIES

	2016 £	2015 £
Membership Subscriptions	6,341,585	6,028,461
Income from Publications	493,034	496,131
Accreditation	308,178	353,468
Conferences and Events	244,995	235,564
Total Company	7,387,792	7,113,624
BACP Research Foundation	122,456	181,419
Total Group	7,510,248	7,295,043

4 EXPENDITURE ON CHARITABLE ACTIVITIES

	2016 £	2015 £
Total Company (per page 26)	7,594,856	7,799,922
BACP Research Foundation	126,271	177,604
Total Group	7,721,127	7,977,526

See page 26 for further analysis

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

	New Projects and Programmes	Representing the Profession	Register	Research	Governance	Designated	Restricted	2016 TOTAL	2015 TOTAL
STAFF COSTS									
Staff and Contractors	205,081	1,951,762	605,823	230,657	82,561	3,751	2,111	3,081,746	3,108,784
Restructuring	225,697	-	-	-	-	-	-	225,697	-
	430,778	1,951,762	605,823	230,657	82,561	3,751	2,111	3,307,443	3,108,784
OTHER DIRECT COSTS									
Office Expenses	-	114,190	29,870	6,429	-	41	21	150,551	146,290
Recruitment and Staff costs	3,348	21,502	11,953	2,377	-	-	-	39,180	36,640
Travel and Committees	3,483	97,921	10,712	19,692	31,825	1,759	143	165,535	196,309
Annual General Meeting	-	-	-	-	50,854	-	-	50,854	40,418
Information Technology	86,568	649	2,125	-	-	-	-	89,342	28,887
Events	-	207,860	-	21,175	-	-	-	229,035	258,531
Projects	36,044	82,645	121,751	-	-	-	-	240,440	158,396
Bursaries	-	27,000	-	23,471	-	-	-	50,471	47,859
Property Running Costs	-	656	32,632	113	-	-	-	33,401	89,180
Professional Fees	-	-	-	-	28,592	482	4,651	48,270	89,947
Auditors remuneration	-	-	14,545	-	8,500	1,140	-	9,640	8,750
Journals and Publications	-	-	-	-	-	-	-	962,640	980,987
Hearings	-	959,922	-	2,718	-	-	-	112,561	97,095
Research	-	1,164	-	16,823	-	97,671	-	115,658	187,898
TOTAL DIRECT COSTS	560,221	3,465,271	941,972	323,455	202,332	104,844	6,926	5,605,021	5,475,971
SUPPORT COSTS									
Office Expenses	21,510	279,634	64,531	30,114	-	2,609	-	398,398	373,388
Recruitment and Staff costs	3,111	40,442	9,333	4,355	-	-	-	57,241	88,568
Travel and committees	623	8,100	1,869	872	-	-	-	11,464	22,115
Staff and Contractors	64,386	837,019	193,159	90,141	-	11,758	-	1,196,463	1,513,759
Information Technology	11,014	143,187	33,043	15,420	-	2,458	-	205,122	216,817
Property Running Costs	4,166	54,162	12,499	5,833	-	787	-	77,447	70,796
Professional fees	2,375	30,875	7,125	3,325	-	-	-	43,700	38,508
	107,185	1,393,419	321,559	150,060	-	17,612	-	1,989,835	2,323,951
Reallocation of Governance costs	10,996	142,952	32,989	15,395	(202,332)	-	-	-	-
TOTAL SUPPORT AND GOVERNANCE COSTS	118,181	1,536,371	354,548	165,455	(202,332)	17,612	-	1,989,835	2,323,951
TOTAL COSTS	678,402	5,001,642	1,296,520	488,910	-	122,456	6,926	7,594,856	7,799,922

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

5 ACTIVITIES OF SUBSIDIARIES

The Charity has two subsidiaries, BACP Enterprises Limited and BACP Research Foundation. It owns the entire share capital of 1,000 shares of £1 each in BACP Enterprises Limited, a company incorporated in the United Kingdom.

BACP Enterprises Limited (company registration number 1064190) was originally donated to the British Association for Counselling and Psychotherapy and therefore there is no cost of investment in the balance sheet of the British Association for Counselling and Psychotherapy. BACP Enterprises Limited deals with income raised from advertisements placed in the Therapy Today Journal (TT), Counselling and Psychotherapy Research Journal (CPR) and Divisional journals produced by the British Association for Counselling and Psychotherapy. It is a trading subsidiary and gifts Net Profit to the parent company the British Association for Counselling and Psychotherapy.

BACP Research Foundation (company registration number 6494624) was incorporated on 5 February 2008 and attained Charitable status on 12 April 2010 (charity registration number 1135440). Administration costs, totalling £NIL (2015 - £9,011), was paid for as donations during the year by the parent company the British Association for Counselling and Psychotherapy. The British Association for Counselling and Psychotherapy is the only member of the BACP Research Foundation, a company limited by guarantee. The maximum liability of the British Association for Counselling and Psychotherapy in the event of the winding up of the subsidiary is £10. The principal activity of the company is the undertaking of research into counselling and psychotherapy practices. Any surplus will be retained by the subsidiary.

	BACP Research Foundation	BACP Enterprises Limited	2016 £	2015 £
Turnover	122,456	523,477	645,933	680,061
Administrative expenses	(126,271)	(94,916)	(221,187)	(270,385)
Net profit	(3,815)	428,561	424,746	409,676
Amount gifted	-	(428,561)	(428,561)	405,861
Retained profit brought forward	3,815	-	3,815	-
Retained profit	-	-	-	3,815

The assets and liabilities of the subsidiaries were

Current assets	60,935	77,980	138,915	169,989
Creditors - amounts falling due within one year	(60,935)	(77,275)	(138,210)	(165,469)
Total net assets	0	705	705	4,520
Aggregate share capital and reserves	0	705	705	4,520

6 INVESTMENT INCOME

	2016 £	2015 £
Interest receivable	1,137	1,000
Dividends and other investment income	30,725	36,561
	<u>31,862</u>	<u>37,561</u>
	2016 £	2015 £
Cost of raising funds		
Fund management charges	<u>15,368</u>	<u>14,847</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

7 OTHER INCOME

This includes £80 736 (2015: £81 867) received from the British Association for Counselling and Psychotherapy's Insurers, being based on the net insurance premiums paid by the British Association for Counselling and Psychotherapy members under the 'Members Professional Liability Insurance Scheme' for the period ended 31 March 2016. This agreement was negotiated for the British Association for Counselling and Psychotherapy by its insurance brokers.

8 TRANSFER TO FRS 102

	Unrestricted funds 31 March 2015 £	Restricted funds 31 March 2015 £	Property Revaluation 31 March 2015 £	Total funds 31 March 2015 £	Unrestricted funds 1 April 2014 £	Restricted funds 1 April 2014 £	Property Revaluation 1 April 2014 £	Total funds 1 April 2014 £
Reconciliation of funds:								
Funds under previous GAAP	3 797 710	37 820	303 524	4 139 054	3,595 172	43 974	303,524	3 942,670
Adjustments								
Holiday pay accrual	(94 928)	-	-	(94 928)	-	-	-	-
Funds restated under FRS 102	<u>3,702,782</u>	<u>37,820</u>	<u>303,524</u>	<u>4,044,126</u>	<u>3,595,172</u>	<u>43,974</u>	<u>303,524</u>	<u>3,942,670</u>

	Unrestricted funds 31 March 2015 £	Restricted funds 31 March 2015 £	Total funds 31 March 2015 £
Reconciliation of income and expenditure			
Net income under previous GAAP	114 214	(6 154)	108 060
Adjustments			
Holiday pay accrual	(94 928)	-	(94 928)
Net income restated under FRS 102	<u>19,286</u>	<u>(6,154)</u>	<u>13,132</u>

9 STAFF NUMBERS AND COSTS

The average number of employees (including part-time staff) by department during the year was

	2016	2015
Administration	25	27
Membership	12	12
Events	9	10
Customer Relationship Services	9	10
Professional Standards	16	11
BACP Registers	15	16
Journals	4	5
Publications Sales	1	1
Public Relations	2	2
Marketing	10	11
Research	11	11
	<u>114</u>	<u>116</u>

The average number of employees (including part-time staff) by activity during the year was

	2016	2015
Administration	22	27
New Projects and Programmes	5	-
Representing the Profession	65	66
BACP Registers	15	16
Research	7	7
	<u>114</u>	<u>116</u>

The number of employees earning over £60 000 per annum was as follows

	2016	2015
£60 001 - £70 000	4	3
£70 001 - £80 000	1	4
£80 001 - £90 000	2	-
£90 001 - £100 000	-	1
£110 001 - £120 000	1	-
	<u>8</u>	<u>8</u>

Contributions to the pension scheme for higher paid employees amounted to £29 906 for the year (2015: £44 873)

The total employee benefits received during the year by the key management personnel active in the organisation at the balance sheet date was £629 753 (2015: £594 585)

During the year members of the Board of Governors have been reimbursed for travelling and accommodation costs amounting to £7 421 (2015: £10 235). Other amounts paid directly in respect of accommodation and travel amounted to £14 239 (2015: £35 524). Ten trustees had expenses reimbursed during the year (2015: twelve).

The aggregate payroll costs amounted to

	2016 £	2015 £
Wages and salaries	3,926,385	4 019 577
Social security costs	374,161	376,799
Other pension costs	171,288	179 035
Death in service	24,705	23 091
	<u>4,496,539</u>	<u>4,600,502</u>

The restructure carried out during the year regrettably resulted in a number of redundancies. The total cost of the process to include redundancy pay, notice pay and employer's costs is anticipated to be £225 697. Where actual weekly pay rates exceeded the statutory maximum weekly rate this was used to calculate the redundancy payment due, utilising the respective statutory number of weeks entitlement. This method of calculation was used to provide an enhanced payment to ease the financial burden on staff leaving the Association on short notice, and resulted in a cost of £29 815 within the total. This has been funded by unrestricted funds.

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

10 FEES PAYABLE TO AUDITORS

	The Group		The Company	
	2016	2015	2016	2015
	£	£	£	£
Relating to audit services	10,780	9,731	8,500	7,673
Relating to non-audit services	13,905	3,359	13,730	3,201
	<u>24,685</u>	<u>13,090</u>	<u>22,230</u>	<u>10,874</u>

11 TANGIBLE FIXED ASSETS (Group and Company)

	Computer equipment & accessories £	Office furniture & equipment £	Freehold property £	Total £
Cost				
At 1 April 2015	349,595	99,641	3,188,000	3,637,236
Additions	599	-	-	599
Disposals	(12,000)	-	-	(12,000)
Revaluation	-	-	-	-
At 31 March 2016	<u>338,194</u>	<u>99,641</u>	<u>3,188,000</u>	<u>3,625,835</u>
Depreciation				
At 1 April 2015	283,820	94,990	-	378,810
Charge for the year	37,799	1,673	-	39,472
Disposals	(11,507)	-	-	(11,507)
At 31 March 2016	<u>310,112</u>	<u>96,663</u>	<u>-</u>	<u>406,775</u>
Net book value				
At 31 March 2016	<u>28,082</u>	<u>2,978</u>	<u>3,188,000</u>	<u>3,219,060</u>
At 1 April 2015	<u>65,775</u>	<u>4,651</u>	<u>3,188,000</u>	<u>3,258,426</u>

Cost/Valuation at 31 March 2016 is represented by

	Computer equipment & accessories £	Office furniture & equipment £	Freehold property £	Total £
Cost	338,194	99,641	-	437,835
Build Cost	-	-	1,767,310	1,767,310
Fit Out and Professional Costs	-	-	767,166	767,166
Purchase Cost	-	-	350,000	350,000
	<u>338,194</u>	<u>99,641</u>	<u>2,884,476</u>	<u>3,322,311</u>
Surplus on valuation in 2007	-	-	65,524	65,524
Surplus on valuation in 2013	-	-	200,000	200,000
Surplus on valuation in 2014	-	-	38,000	38,000
	<u>338,194</u>	<u>99,641</u>	<u>3,188,000</u>	<u>3,625,835</u>

If the freehold properties had not been revalued it would have been included at the following historical cost

	2016	2015
	£	£
Cost	<u>2,884,476</u>	<u>2,884,476</u>

The freehold property, known as BACP House, was valued on an open market basis on 31 January 2013 by Darlington Dyer, Chartered Surveyors

The freehold property, known as Unit 3 was valued for the vendors on an open market basis on 25 April 2013 by Howkins & Harrison, Chartered Surveyors Unit 3 was purchased at a discount for £350,000, the Governors have agreed to adopt the open market value of £388,000

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

12 INVESTMENTS (Group and Company)

	2016 £	2015 £
Market value		
Opening market value	1,293,499	1,228,233
Additions	1,698,694	552,214
Disposals at opening market value	(1,675,756)	(559,586)
	<u>1,316,437</u>	<u>1,220,861</u>
Unrealised profit on investments	6,953	72,638
At 31 March 2016	<u>1,323,390</u>	<u>1,293,499</u>
Cash held by Investment Managers	29,293	69,651
	<u>1,352,683</u>	<u>1,363,150</u>
Shares in property management service company relating to freehold property in Lutterworth	10	10
	<u>1,352,693</u>	<u>1,363,160</u>

The historical cost of the investment portfolio (excluding cash) at 31 March 2016 was £1,309,699 (2015 - £1,107,502)

All the investments are held primarily to provide an investment return for the charity

	2016 £	2015 £
Investments at market value comprised		
Fixed interest securities - UK	533,552	223,592
Fixed interest securities - Rest of world	38,909	53,626
Equities - UK	431,092	618,032
Equities - Rest of world	319,837	398,249
	<u>1,323,390</u>	<u>1,293,499</u>

13 STOCKS (Group and Company)

	2016 £	2015 £
Publications	-	16,002
Printing and stationery	2,885	3,112
	<u>2,885</u>	<u>19,114</u>

14 DEBTORS

	The Group		The Company	
	2016 £	2015 £	2016 £	2015 £
Trade debtors	42,204	38,996	8,244	9,588
Amount owed from subsidiaries				
- BACP Enterprises Limited & BACP Research Foundation	-	-	78,416	31,821
Other debtors	63,865	46,489	63,865	45,884
Prepayments	154,744	146,937	154,041	146,242
	<u>260,813</u>	<u>232,422</u>	<u>304,566</u>	<u>233,535</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

15 CREDITORS AMOUNTS FALLING
DUE WITHIN ONE YEAR

	The Group		The Company	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	259,617	374,304	292,931	367,524
Social security and other taxes	128,939	110,406	114,003	95,832
Accruals	241,978	210,090	214,853	190,668
Deferred income	91,755	91,031	74,665	73,229
	<u>722,289</u>	<u>785,831</u>	<u>696,451</u>	<u>727,253</u>
Membership and United Kingdom register fees in advance	1,913,823	1,841,187	1,913,823	1,841,187
	<u>2,636,112</u>	<u>2,627,018</u>	<u>2,610,274</u>	<u>2,568,440</u>
Deferred income			Group 2016 £	Company 2016 £
Brought forward at 1 April 2015			91,031	73,229
Released during year			91,031	73,229
Total invoiced in year			768,701	246,404
Carried forward at 31 March 2016			(91,755)	(74,666)
Total income in year			<u>767,977</u>	<u>244,969</u>

16 REVALUATION RESERVE

	The Group		The Company	
	2016	2015	2016	2015
	£	£	£	£
Refer to note 11 page 29 for full details	303,524	303,524	303,524	303,524
	<u>303,524</u>	<u>303,524</u>	<u>303,524</u>	<u>303,524</u>

17 OPERATING LEASE COMMITMENTS

At 31 March 2016 the company had total commitments under non-cancellable operating leases as follows

	2016 £	2015 £
Due date		
Less than one year	475	2,850
Between two and five years	-	475
	<u>475</u>	<u>3,325</u>

18 UNRESTRICTED GENERAL INCOME FUND (Group and Company)

The general income fund balance includes the unrealised investment reserve as follows

	2016 £	2015 £
Unrealised gains at 1 April 2015	185,997	186,412
(Losses) realised on investments against market value at 1 April 2015	(179,259)	(73,053)
	<u>6,738</u>	<u>113,359</u>
Unrealised Gains for the year	6,953	72,638
Unrealised gains at 31 March 2016	<u>13,691</u>	<u>185,997</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

19 DESIGNATED AND RESTRICTED FUNDS

	RESEARCH FOUNDATION £	INSURANCE FUND £	RESTRICTED FUNDS £	TOTAL 2016 £	TOTAL 2015 £
Funds as 1 April 2015	260,423	288,966	37,820	587,209	774,782
Income	-	-	-	-	124,523
Transfers	-	711,034	-	711,034	-
	<u>260,423</u>	<u>1,000,000</u>	<u>37,820</u>	<u>1,298,243</u>	<u>899,305</u>
Expenditure	(122,456)	-	(6,926)	(129,382)	(312,096)
Funds at 31 March 2016	<u>137,967</u>	<u>1,000,000</u>	<u>30,894</u>	<u>1,168,861</u>	<u>587,209</u>

BACP had committed up to £175,000 of their reserves as funding for the BACP Research Foundation, which is limited by guarantee and is a wholly owned subsidiary of BACP. A further £450,000 has been set aside for the purposes of an RCT (random control trial) on depression which is currently being undertaken.

BACP through its risk assessment process commissioned expert advice on its insurance coverage. Whilst adequate, the review indicated that some risks were currently uninsurable and a degree of self-insurance might be prudent. As a result of this the governors have agreed to reallocate the balance of the former Special Projects fund to an Insurance Fund and increase this to £1,000,000.

BACP successfully delivered an e-learning package to the Department of Health. Work continues with the DH on updating and enhancing the content. During the year £6,926 (2015 - £130,677) of the Restricted funds were utilised.

20 RELATED PARTIES

Agreement to pay for the Chair's, Deputy Chair's and Governor's time was sought from and agreed by the Charity Commission.

	2016 £	2015 £
RNIB for A Hawkins' (Chair person) time	-	12,851
A Reeves, (Chair person)	13,125	5,250
E Schwenk, (Deputy Chair person)	2,234	1,629
A Reeves, (Consultancy contract)	-	6,500
F Ballantine Dykes (Deputy Chair person)	<u>900</u>	<u>-</u>

A Hawkins (previous Chair person) was in receipt of unauthorised expenses from BACP Limited to the value of £NIL (2015 - £11,761). The unauthorised expenses were fully repaid by the balance sheet date (2015 - £1,737 outstanding).

A Reeves (Chair person) purchased services from BACP Enterprises Limited to the value of £NIL (2015 - £425) on normal commercial terms. At the balance sheet date the amount outstanding was £NIL (2015 - NIL).

The company purchased services from BACP Enterprises Limited to the value of £21,476 (2015 - £18,129) on normal commercial terms. At the balance sheet date the amount outstanding was £NIL (2015 - £1,814).

The company purchased services from BACP Research Foundation to the value of £122,456 (2015 - £172,408) on normal commercial terms. At the balance sheet date the amount outstanding was £33,956 (2015 - £38,151).

See also note 5.

21 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	GENERAL £	DESIGNATED £	RESTRICTED £	TOTAL 2016 £	TOTAL 2015 £
Tangible Assets	3,219,060	-	-	3,219,060	3,258,426
Investments	1,352,693	-	-	1,352,693	1,363,160
Net Current Liabilities/Assets	(1,345,543)	1,137,967	30,894	(176,682)	(577,460)
	<u>3,226,210</u>	<u>1,137,967</u>	<u>30,894</u>	<u>4,395,071</u>	<u>4,044,126</u>

The notes form part of these financial statements