

Annual Review and Financial Statements

2016/17

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Counselling and Psychotherapy**

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● Annual Review and Financial Statements 2016/17

The British Association for Counselling and Psychotherapy is the professional association for members of the counselling professions in the UK.

The presentation of our *Annual Review and Financial Statements* is an opportunity to communicate the full breadth of our activities to our members and the clients and communities they serve.

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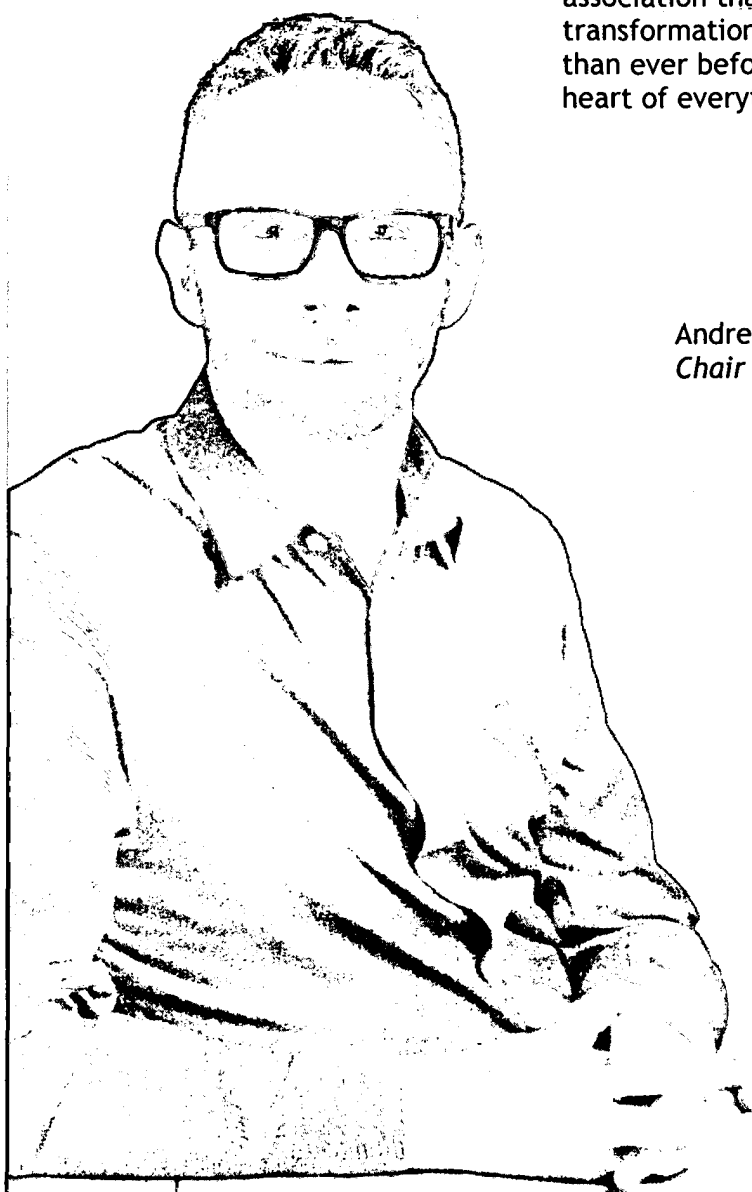
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● Note from the Chair

I'm delighted to present to you this overview of the Association's work during the 12 months running up to April 2017, as well as our Financial Statements, which describe our financial activity for the same period.

In these documents, you will see evidence of an organisation committed to evolution and improvement. We've been working in the background to make vital infrastructure changes, while collaborating on an unprecedented scale with our members and other organisations. These activities will enable us to better support our members throughout their professional careers. They also set the stage for an association that is better placed to champion the value of counselling to governments, policy makers and the public.

As I look through this yearly report, I see the promise of an association that is about to emerge from a period of transformation and renewal more confident and credible than ever before, with our members and their clients at the heart of everything we do.



Andrew Reeves
Chair of the Association

Our philosophy

Counselling changes lives

Not just the lives of individuals, but of families and communities.

Our desire for social justice determines everything we do and guides our relationship with our members and the public, as well as commissioners and government. It's why we champion the counselling professions as a viable, and increasingly evidence-based choice for people. We know counselling works.

We're alongside our members throughout their careers and put them at the heart of what we do. We understand their needs and support them in making a positive difference to the mental wellbeing of their clients.

We do this by promoting and facilitating research to produce trusted best practice, and by providing a robust framework to ensure the profession follows and adheres to the highest possible standards that protect individuals seeking therapy.

As a result, we help the general public, individuals and commissioners make better, more informed choices about the provision of counselling, and continue to raise the ethical and professional standards of the profession.

Charitable objectives

As a registered charity, our two key charitable objectives underpin our work and we use our income and property to promote these aims. In all of our activities, whether we're providing services to members, commissioning research or campaigning, these are the objectives that guide us, and the principles by which we measure our success.

Our charitable objectives are:

1. 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 the counselling professions for the benefit of the community and in particular for those who are the recipients of counselling and/or psychotherapy.
2. to inform and educate the public about the contribution that the counselling professions can make generally and particularly in meeting the needs of those whose participation and development in society is impaired by physical or psychological health needs or disabilities.

● Current strategy

Our strategy, launched in spring 2016, was put into place after careful consideration of the above objectives, and the Charity Commission's guidance on public benefit.

Because we know that counselling changes lives, we will:

- 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, ensuring our policy and interventions are 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 promote 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

Our work reflects the varied activities of our members and adapts to the changing environment they work in.

Following consultation with our members and stakeholders, we identified three key areas for particular focus:

- **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 England, Northern Ireland, Scotland and Wales, and influence governing bodies throughout the UK.

These areas form the basis of our campaign and policy activities, research work and the range of services we provide for our members.

We are BACP and counselling changes lives.

● Annual review

Below is an overview of our achievements during this financial year in four key focus areas: improving services, influencing decision makers, demonstrating the effectiveness of counselling and raising standards and protecting the public.

Improving services

We aim to support our members throughout their careers by responding efficiently to their enquiries and providing them with the benefits and services that are most useful to them in their professional lives. We are working towards making our services as accessible and user-friendly as they can be.

This year we have:

- Improved our customer service standards - we've invested in more staff and improved our telephone menu system and website so that we're easier to get hold of and can answer queries from our members more quickly and efficiently
- Trialled an online version of the Certificate of Proficiency test, which we hope to be able to implement later in the year, making the process of becoming a Registered member a quicker and more convenient experience
- Carried out a number of improvements to our IT infrastructure, making sure our data are protected and improving the security of our website. This work also paves the way for more improvements to our website and infrastructure later in 2017. As part of this project, we've held several focus groups with members to ensure that our new website is as user friendly and accessible as possible
- Trialled a new CPD platform to test the concept of stand-alone online CPD. In a seven month period, three CPD packages were launched and these have been accessed by over 3,000 members and received excellent feedback in relation to quality, cost and accessibility
- Put on a number of extremely successful events, including *An evening with Susie Orbach* - a free member event designed as a theatre evening. This event was attended live by 500 BACP members and over 2,000 more watched online. We've also worked on making our events more accessible by providing a webcast option so that members can view presentations from their home or workplace
- Published more than 20 Good Practice in Action resources to support our members in their work. These include resources on online working, child protection, issues relating to supervision and advice on contracting.

Influencing decision makers

We work with politicians and decision makers representing all four UK nations to help them understand the positive changes that counselling can make to people's lives. We use political monitoring and targeted, evidence-based communications to inform and influence the decisions that will impact on the public and members of the counselling professions most.

This year we have:

- Provided expert and evidence-based submissions to around 40 government and stakeholder consultations and parliamentary enquiries across each of the four nations. Responding to these consultations on issues around health, education, justice and

social care widens our sphere of influence in the private, public and voluntary sectors and highlights the benefits of the counselling professions in general

- Continued to strengthen and build relationships with key stakeholders, partners and decision makers through written communications, representation at key policy groups and attendance at conferences and events. These communications have led to meetings with parliamentarians across the political spectrum on a variety of issues and in all four nations of the UK. This has included cultivating new important relationships around the key strategic intent of older people
- Worked ever closer with the United Kingdom Council for Psychotherapy (UKCP) and the British Psychoanalytic Council (BPC) on projects around the psychological therapy workforce within the NHS and the provision of psychological interventions within the private health sector
- Worked collaboratively with the British Psychological Society and the British Association of Cognitive and Behavioural Psychotherapies (in addition to UKCP and BPC) to scrutinise the Government around its proposals for welfare reform and the co-location of therapists in job centres
- Continued our campaign for a trained counsellor in every school in the UK, in particular putting pressure on the Scottish Government. This led to the First Minister Nicola Sturgeon MSP being challenged directly on the issue in the Scottish Parliament and the Government has since committed to a review of school counselling within its new 10-year mental health strategy, published in March.

Demonstrating the effectiveness of counselling

We have a critical role to play in supporting and disseminating the evolving research base for counselling and using research to demonstrate the value of counselling in making a positive difference to people's lives.

This year we have:

- Conducted a survey about counselling professionals' awareness and understanding of Female Genital Mutilation (FGM) and their training needs to work with this client group, in collaboration with the Department of Health and NHS England. Results have been published in a report presented at a policy exchange event in April 2017, at our Research Conference in May 2017, and in a paper in our CPR journal later in the year
- Advanced the evidence base for counselling for children and young people. ETHOS is a full - powered randomised controlled trial of school-based counselling, which is being funded by the Economic and Social Research Council (ESRC). It is being led by Roehampton University and we are partners in the bid. Recruitment started in September 2016 and the final report is due in summer 2019
- Fully funded a PhD student at the University of Sheffield to conduct a feasibility trial exploring how university counselling services contribute to student mental health and academic coping, which is in its final year. Two peer-reviewed academic papers have been published (in *Clinical Psychology and Psychotherapy*, and *Pilot and Feasibility Studies*) with a third currently under review with the *British Journal of Guidance and Counselling*
- Hosted the 22nd Annual BACP Research Conference. The 2016 Annual Research Conference, co-hosted with the Society of Psychotherapy Research, was held in Brighton in May, and attracted 90 presenters. UK delegates were joined by representatives from nine countries at the conference, and there were over 200 attendees in total. Presenters included Professors John McLeod, Mick Cooper and Kenneth N Levy

- Provided an evidence base for members' work through the National Audit of Psychological Therapies for Anxiety and Depression (NAPT) project. This project analyses Improving Access to Psychological Therapies (IAPT) data to compare the effectiveness and efficiency of counselling and CBT. A paper has been submitted to *BMC Psychiatry* and is currently under review. Alongside this, the PRaCTICED trial is a 'Pragmatic Randomised Controlled Trial assessing the Non-Inferiority of Counselling and its Effectiveness for Depression'. This large-scale randomised controlled trial aims to assess whether Counselling for Depression (CfD) is non-inferior to CBT for treating patients with moderate to severe depression.

Raising standards and protecting the public

We set and uphold high standards for our members, both for initial registration and for maintaining registered status. We carry out an audit of a sample of registered members every month to make sure that standards are maintained. We investigate complaints through our professional conduct process, provide a support service to clients who have problems with their therapy and consult with external stakeholders to improve awareness of counselling and its benefits.

This year we have:

- Collaborated with our members in a review of our Professional Conduct Procedure to be launched later this year. The revised procedure will provide better protection for the public as well as making the complaints' process more straightforward for both complainants and members
- Carried out a membership consultation on the Register audit processes to make sure that they are as transparent and simple as possible for members, while providing a high level of public protection
- Raised entry standards for our Find a Therapist directory - now only Registered BACP members and BACP Accredited Services are able to advertise in the directory, enhancing public protection
- Seen a 32% increase in enquiries to Ask Kathleen, our service supporting clients of counselling. Overall, we've seen a 92% increase since the service began four years ago
- Consulted with external stakeholders on the development of public and client reference groups. These groups will help us educate the public about the practice and benefits of the counselling professions
- Initiated the Scope of Practice development process with collaborative partners UKCP and BPC, which will set differentiated standards for the future of the profession. A further objective of the project is to make clear to the public, the profession, employers and commissioners the standards of training, skills and knowledge required to work with specific issues and groups.

● Looking ahead

We're proud of our achievements during the last financial year and excited about the next twelve months, in which we'll continue to improve services, influence decision makers, demonstrate the effectiveness of counselling, raise standards and protect the public. Below is an overview of what you can expect from us.

Improving services

Next year we plan to:

- Launch our new website, which will provide 24/7 service to members and make it easier to access our resources and carry out the day-to-day administration of your membership. Improvements to our Find a Therapist directory will make it easier than ever for our members to promote their work to potential clients
- Implement an online version of the Certificate of Proficiency test, which will make becoming a Registered member a quicker and more convenient process
- Continue to offer a variety of 'live' event opportunities across the four nations, from small local network meetings to national conferences
- Support our members CPD needs through developing more low-cost, quality and accessible online CPD and webcasts
- Publish more Good Practice in Action resources, supporting ethical decision making on issues around record keeping, student placements and working with older people. These and further resources will be published to support members in a practical way in their day-to-day practice and to improve standards of practice.

Influencing decision makers

Next year we plan to:

- Launch our refreshed branding, which will support us in promoting our work to governments, decision makers and the public
- Improve stakeholder engagement within Scotland, Wales and Northern Ireland and promote a greater awareness and recognition of the work done by our members in these countries. The Metro Mayoral election will also provide us with a new opportunity to promote the counselling professions
- Exert influence around the implementation of the *Five Year Forward View* alongside the review of the NICE depression guidelines, which have the potential to impact widely on the profession and the delivery of counselling in the NHS. We'll scrutinise, challenge and advocate for the best possible mental health care for the public and continue to favourably position the profession in the minds of commissioners and employers
- Examine the UK Government's Green Paper on children and young people's mental health, which we expect to be published in 2017. We'll use the data we have and the expertise of our members to put forward a robust, evidence-based case for the importance of counselling as an important early intervention for this age group. We'll also be championing the role of counselling in supporting, supplementing and complementing other services accessed by children and young people - both in schools and within the community
- Build on the existing scoping work in order to develop our key strategic intent around older people. We'll further explore the role of counselling in improving the lives of older people and promote the value of talking therapies to this group, with stakeholders and by working with new key partners.

Demonstrating the effectiveness of counselling

Next year we plan to:

- Start a programme of research including conducting a public perception survey. We'll be publishing a systematic scoping review of literature and submitting an article to CPR based on this. There will be a survey of nursing home provision and research into older people's experiences of counselling in nursing homes, which will feed into a round table event in autumn 2017
- Build the evidence base for the counselling professions through providing PhD stipends for projects that meet our strategic objectives, including two in the first year in celebration of our 40th anniversary
- Put on, in addition to our usual in-person research conference, a live webcast of part of the conference content, aiming to bring the conference to a wider audience
- Form a research advisory group made up of experts relevant to each of our work streams as well as member volunteers and some members of the public. We'll consult with this group frequently and they'll assist with the development of our research programmes.

Raising standards and protecting the public

Next year we plan to:

- Use our new website to improve the way we engage with the public by providing more resources and information and better access to counsellors through our Find a Therapist directory
- Implement and monitor our revised Professional Conduct Procedure. The revised procedure has been drawn up after consultation with our members and will provide better protection for the public as well as streamlining the complaints' procedure for both complainants and members
- Further consult with our members about the Register audit processes. This will be followed by the implementation of any changes and the launch of the revised audit process in 2018
- Carry out a survey of older people to help us understand the barriers to accessing counselling among this group. The information we gather will help us better promote the value of counselling to older people and develop our services to better support them
- Develop a focus group of members of the public and clients of therapy. We'll consult with this focus group regularly to make sure that the voice of clients influences the development of the profession
- Continue the Scope of Practice development process with collaborative partners UKCP and BPC. This project will set differentiated standards for the future of the profession and set clear standards of training, skills and knowledge required to work with specific issues and groups.

● Governance, structure and accountability

Our Governors are elected or appointed to oversee our strategic direction and the management of the Association. Representing and accountable to our members, their role is to provide strong leadership, enhance our decision making and to make sure that we achieve our objectives.

Changes to the Board

This year there have been a number of changes. We have welcomed three new members to our Board of Governors:

Myira Khan works in her own private practice, as well as holding the position of Associate Tutor at the University of Leicester. She founded the Muslim Counsellor and Psychotherapist Network in 2013 and two years later she was awarded the Mental Health Hero Award by the then Deputy Prime Minister, Nick Clegg.

Natalie Bailey has a varied portfolio that includes working in an inner-city London college with young people, including those at risk of exclusion, in care and care leavers. She is also passionate about providing support to parents and carers of children with autism, and is involved in research in this area.

Andrew Kinder was Chair of our Workplace division from 2005 to 2008 and is currently Chair of the Employee Assistance Professionals Association. He has been working as a manager and practitioner within the workplace counselling domain for over 18 years and has co-authored two books relating to wellbeing and support in the workplace.

David Weaver has left the Board to step into the position of President of the Association, where his passion for the value of counselling as an instrument of social justice continues to provide inspiration and direction to us as we move forward with our work in this vital area.

David replaces outgoing President, **Dr Mike Shooter CBE**. In his four years in the role, Mike has done a great deal to promote the value of counselling and early intervention for vulnerable children and young people. We are extremely grateful to Mike for his support and guidance during his time as President.

Two other members of our Board of Governors have stepped down this year:

In the seven years that **Alan Dunnett** has been on the Board, he's been invaluable to the association through his chairmanship of the Finance and Policy Committee. Alan has also contributed to the development of professional standards in the profession through his work in this area, including co-authoring the book *Getting the Most from Supervision*.

Since joining the Board in 2013, **Royston Flude** has brought to the organisation a wealth of experience in social justice and community issues. Royston's focus on the importance of people, relationships and learning was a positive influence during the creation and development of our current strategy.

In another change, **Fiona Ballantine Dykes** has stepped down from her position of Deputy Chair of the Association, and will join our Senior Management Team as Head of Professional Standards on the retirement of Helen Coles. Fiona brings to her role a wealth of training experience, including delivering counselling programmes in Further Education.

Structure, governance and management

The Board of Governors consists of up to seven Governors elected by our members, and up to 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.

Our members elect the Governors by a single transferrable vote. The election is supervised by an external organisation appointed by our President. Below is a list of our Governors during the year, along with the other committees they were members of:

Andrew Reeves	Elected 16/11/13 Elected Chair 21/11/14	Strategic Direction Committee - Chair Finance and Policy Committee - Chair
Fiona Ballantine Dykes	Elected 17/11/12 Elected Deputy Chair 7/11/15 Resigned 24/3/17	Strategic Direction Committee Finance and Policy Committee
Alan Dunnett	Elected 15/11/10 Re-elected 16/11/13 Resigned 24/11/16	Finance and Policy Committee - Chair
Caryl Sibbett	Elected 14/11/11 Re-elected 21/11/14	Register Advisory Board
Mhairi Thurston	Elected 14/11/11 Re-elected 21/11/14	
Royston Flude	Appointed 16/11/13 Resigned 24/11/16	
David Weaver	Appointed 16/11/13 Resigned 24/11/16	
Eddie Carden	Elected 7/11/15	Finance and Policy Committee
Sophie Grace-Chappell	Appointed 30/3/15	
Vanessa Stirum	Co-opted 4/3/16 Ratified 24/11/16	
Myira Khan	Elected 24/11/16	Finance and Policy Committee
Natalie Bailey	Elected 24/11/16	
Andrew Kinder	Appointed 24/3/17	

All elected Governors must be BACP members and our members can nominate another member for election. Appointments to the Board are made to provide the skills and expertise considered necessary to achieve our strategic aims.

The Board may also 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. They 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*, *The Essential Trustee: An introduction*, *Trustee Expenses and Payments* 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 Statements of Recommended Practice
- Make judgements and estimates that are reasonable and prudent
- 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 for taking reasonable steps to prevent and detect fraud and other irregularities.

More information about how our Association is governed can be found in our *Articles of Association* and our *Standing Orders*.

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

Our Chief Executive, Dr Hadyn Williams, is responsible for planning and developing our services and strategies, within clear policies and protocols set by the Board.

Our 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.

Our staff team is recruited and supported to provide the skills and expertise needed to operate our organisation successfully. The Senior Management Team, who oversee each of our departments, is listed below.

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 and Services
John Woolley	Head of People, Culture and Governance
Naomi Moller Clare Symons	Heads of Research
Martin Bell	Deputy Head of Policy & Public Affairs
Ruth Clowes	Deputy Head of Membership Engagement
Richard Smith	Deputy Head of Membership Services
Vacant	Deputy Head of External Communications

The Board is supported by two committees: *Finance and Policy* and *Research*.

Membership of BACP

We offer the categories of membership listed below. The members of these categories are also members of the company and have full voting rights.

- Student
- Individual Member
- Registered MBACP
- Registered MBACP Accredited
- Registered MBACP Senior Accredited
- Retired Member
- Organisational Member.

Volunteers

We're hugely grateful to the many volunteers who support us by serving on our committees, forums and working groups. Thank you for your continued and significant contribution to our success - your hard work allows us to better serve our members and stakeholders and to promote the profession effectively.

Review of BACP's financial position

We remain in a healthy financial position broadly in line with our reserves policy. This position allows us to undertake and support a broad range of activities in relation to our 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.

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 and intangible fixed assets and capital commitments, plus the membership fees received in advance (which would not be repayable if the charity was wound up).

At 31 March 2017 the level of the charity's free reserves was:

Total reserves	£	5,509,739
Less:		
Restricted funds		30,894
Designated funds (that have been committed)		118,523
Insurance Fund		1,000,000
Tangible and Intangible fixed assets		3,442,262
Capital Commitments		112,129
		<hr/> 805,931
Plus:		
Membership fees received in advance		1,997,030
Free reserves		<hr/> 2,802,961

Although now higher than policy, we anticipate that planned deficits will be incurred in the medium term as we invest further in improved products, services and infrastructure to bring the level of the free reserves 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 12 and 19.

Officers' insurance

The company has Officers' Liability Insurance in place. This insurance indemnifies any officer against a liability arising as a result of his or her negligence up to an aggregate liability of £1 million. The cost of this insurance amounted to £598 (2016 - £586) for the year.

On behalf of the Board of Governors



C Holmes
Secretary

Date: 15 SEPTEMBER 2017.

● Strategic report

Review of the business

Our main sources of funding are membership subscriptions, Find a Therapist directory fees, accreditation fees and income from our trading subsidiary. Income from our trading subsidiary was particularly challenged during the year and the advertising sales activity involved outsourcing to a specialist provider in order to mitigate this. The other sources of funding remained robust during the course of the year, although each was subject to operating in an increasingly competitive market. Particularly pleasing was the income from the take-up of online events and CPD opportunities. The sources of funding sustain the costs incurred in delivering our key objectives through representation of the profession, developing research, the provision of journals, conferences and events, professional standards, register and conduct processes.

We maintain a sound practice of review and planning, as such total incoming resources for the year increased by £382,568 to £8,587,937 (4.7%). Operating expenditure decreased by £214,344 to £7,617,067 (2.7%). The surplus for the year after a gain on investments of £143,798 is £1,114,668. Total funds increased accordingly to £5,509,739. Capital expenditure of £188,653 was incurred relating to the build cost of the initial phase of the new website and membership database. The increased funding will be used in the medium term to offset planned deficits as we invest further in improved products and services and complete the infrastructure upgrades.

Kleinwort Benson Private Bank manage the ethical investment portfolio on a 'best endeavours' basis in line with our policy on ethical investment. The investment objectives criterion is based on maximum total gross return. This is achieved by generating growth through capital appreciation in the value of shares and the reinvestment of income as generated from dividends, while complying with our policy on ethical investment. Investment performance during the year has been better than expected given the volatility during the first quarter of the financial year.

On 31 March 2017 we had 45,169 members, an increase of 3.6% on the previous year, with growth stabilising following the restructuring of our membership grades in 2015/16. Membership numbers are closely monitored throughout the year.

In April 2016, we launched a new five-year strategy, with 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 to enable us to concentrate on these vital elements of our work.

During this first-year, staff teams have made progress across each of the following strategic intents:

1. **Promote expertise in the counselling professions to enable confidence in BACP and its members.** We've responded to a diverse range of Government and stakeholder consultations and calls for evidence, alongside briefing MPs ahead of debates on issues such as children's mental health. We've continued to work with stakeholders in order to be recognised as an organisation committed to evidence-based practice and outcomes' research. A new approach to our work across the four nations saw a significant rise in

activity and presence. We began to construct a more accessible website and a more externally-orientated brand identity that will help us promote our work and the work of members more effectively.

2. **Use our resources efficiently and effectively to fulfil our internal and external strategic objectives to maximise impact.** We invested significantly in internal systems to make sure we continue to be compliant and efficient. These included wholesale changes to our computer systems, the commissioning of a new database, and a new appraisal system. We partnered with Think Publishing, who brought their expertise to *Therapy Today* to make sure our magazine continued to be contemporary. A review of our governance structure made recommendations on the formation of new committees. Much of this work caused significant disruption but it will improve how we serve and interact with members, clients and stakeholders. We have plans in place to externally benchmark our performance, with a view to improving across all areas.
3. **Be alert to change and encourage innovation in a fast-moving world, and our policy and interventions will be informed and evidence based.** We committed to being alert in a changing world, whether these changes come in the form of evolving government agendas or technological challenges in serving members and clients. We found partners who will help us develop our policies and systems and make sure they are up-to-date with best practice.
4. **Commission, undertake and encourage research and relationships to ensure that we can champion best practice in the counselling professions.** We brought in a new team to lead our research function, and alongside the important work of the ETHOS trial with Roehampton and PRaCTICED trial with the University of Sheffield, we are developing our forward strategy for research.
5. **Uphold the highest standards of differentiated practice, ensuring that our standards are fit for purpose and communicable to clients and commissioners.** We've continued to develop our resources and content for members, especially the well-received Good Practice in Action resources. We have plans in place to work with partners to help develop new standards for differentiated practice and this work will provide the foundation for the development and communication elements of this strategic intent.
6. **Educate the public about the practice and benefits of the counselling professions and learn from people how to develop responsive services.** We facilitated a roundtable discussion attended by a range of external stakeholders to look at the feasibility of a client panel or focus group and the best methods for engaging with users from different communities. We made considerable progress on developing the public content for a new accessible website. We commissioned a review of how we use new and traditional communication channels, with a view to this being a focus in the coming year.
7. **Position the profession in the minds of commissioners and employers, to argue the case for best practice and the benefits of the counselling professions.** It's clear that this is an area where we need to be more active, and our members tell us that it's a high priority. We've made budgets and resources available to give this strategic intent a higher profile as the strategy develops.
8. **Develop relationships with the wider professions and all our stakeholders.** We've worked with wider professions and stakeholders to explore the challenges and opportunities that collaborative working affords. We've formed strong relationships with over 30 policy and campaign groups, and developed closer working relationships with

associations like UKCP and BPC, and stakeholders such as Relate and the Open University. This groundwork again provides the foundations that will improve our reach and impact.

9. **Define the scope and standards of training and practice for the counselling professions, drawing on evidence and experience, reflected in differentiated membership categories.** We collaborated with other associations to explore difference and commonality across the whole spectrum of counselling professions. We expect to continue this work in the coming year and start to form discrete and distinct standards for differentiated membership standards.
10. **Commit to the highest standards of customer service, public engagement and membership engagement.** We undertook work to improve how we interact and commit to these high standards. We realised that changes needed to be made to how we structure this work and support those looking to use our services. The infrastructure changes set in place this year should help us make marked improvements across all three elements of customer services, public engagement and membership engagement next 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. We then review the policies, procedures and reporting regimes, and amend them if needed, to manage and reduce the identified risks. Our Governors have assessed the charity by reviewing budgets, plans, financial and operational risks and the external environment for the forthcoming year. Our Governors are satisfied that there are no material uncertainties around the continuing relevance of the charity or its ability to continue.

Risks are divided into five categories: governance, operational, financial, external and compliance. The Risk Register is reviewed every month by assessing each risk in terms of likelihood and impact. Mitigation strategies are drawn up, responsibilities allocated and progress monitored. The Finance and Policy Committee then make reports on current and mitigated risks to the Board of Governors. If a mitigation process requires financial investment, it is held to account through this process.

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

In this accounting period, the primary risk and uncertainty centred on the transition between systems as we moved all our major systems to modern software. This process will be complete early next year and we've already done significant work to attempt to minimise disruption to services while we commission and test the new systems. Other risks and uncertainties that we monitored and mitigated against included major project variations.

On behalf of the Board of Governors



C Holmes
Secretary

Date: 15 SEPTEMBER 2017

● Independent auditor's report to the members and Governors of the 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 2017 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).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of 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 *Governance, structure and accountability report* and the *Strategic 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 2017, 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.


Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the *Governance, structure and accountability report* and the *Strategic report* for the financial year for which the financial statements are prepared are 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: 16/9/17

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

● Consolidated statement of financial activities (incorporating an income and expenditure account) for the year ended 31 March 2017

The notes form part of these financial statements

		UNRESTRICTED			TOTAL	TOTAL
	Notes	GENERAL FUNDS £	DESIGNATED FUNDS £	RESTRICTED FUNDS £	2017 £	2016 £
Income from:						
Donations		10,865	-	-	10,865	7,152
Charitable activities	3	7,914,172	-	-	7,914,172	7,510,248
Trading activities	5	465,625	-	-	465,625	523,477
Investment income	6	39,709	-	-	39,709	31,862
Other income	7	157,566	-	-	157,566	132,630
TOTAL INCOME		8,587,937	-	-	8,587,937	8,205,369
Expenditure on:						
Raising funds	6	14,166	-	-	14,166	15,368
Trading activities	5	88,719	-	-	88,719	94,916
Charitable activities	4	7,220,543	293,639	-	7,514,182	7,721,127
TOTAL EXPENDITURE		7,323,428	293,639	-	7,617,067	7,831,411
NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES ON INVESTMENTS		1,264,509	(293,639)	-	970,870	373,958
Net Gains/(Losses) on investments	19	143,798	-	-	143,798	(23,013)
NET INCOME/(EXPENDITURE) FOR THE YEAR		1,408,307	(293,639)	-	1,114,668	350,945
Transfers between Funds	20	(274,195)	274,195	-	-	-
NET MOVEMENT IN FUNDS		1,134,112	(19,444)	-	1,114,668	350,945
Reconciliation of Funds:						
TOTAL Funds Brought Forward at 1 April 2016		3,226,210	1,137,967	30,894	4,395,071	4,044,126
TOTAL Funds Carried Forward at 31 March 2017	22	4,360,322	1,118,523	30,894	5,509,739	4,395,071

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 plus realised gains 'on investments and was £981,178 (2016 - £343,992).

Consolidated balance sheet

at 31 March 2017

The notes form part of these financial statements.

	Notes	2017	2016
		£	£
FIXED ASSETS:			
Tangible assets	10	3,253,609	3,219,060
Intangible assets	11	188,653	-
Investments	12	1,510,200	1,352,693
		<u>4,952,462</u>	<u>4,571,753</u>
CURRENT ASSETS:			
Stocks	13	1,114	2,885
Debtors	14	324,203	260,813
Fixed term deposits		1,500,000	-
Cash at bank and in hand		1,641,790	2,195,732
		<u>3,467,107</u>	<u>2,459,430</u>
CREDITORS: Amounts falling due within one year	15	2,909,830	2,636,112
NET CURRENT ASSETS/(LIABILITIES)		<u>557,277</u>	<u>(176,682)</u>
NET ASSETS		<u><u>5,509,739</u></u>	<u><u>4,395,071</u></u>
RESTRICTED FUNDS	20	30,894	30,894
UNRESTRICTED FUNDS:			
General income fund	22	4,056,798	2,922,686
Designated Funds	20	1,118,523	1,137,967
Property revaluation reserve	16	303,524	303,524
Total Unrestricted Funds		<u>5,478,845</u>	<u>4,364,177</u>
TOTAL FUNDS		<u><u>5,509,739</u></u>	<u><u>4,395,071</u></u>

On behalf of the Board of Governors



Andrew Reeves
Chair of the Association

Approved by the Board of Governors on 15 SEPTEMBER 2017

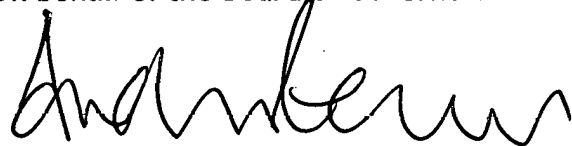
● Balance sheet

at 31 March 2017

The notes form part of these financial statements

	Notes	2017	2016
		£	£
FIXED ASSETS:			
Tangible assets	10	3,253,609	3,219,060
Intangible assets	11	188,653	-
Investments	12	1,510,200	1,352,693
		<u>4,952,462</u>	<u>4,571,753</u>
CURRENT ASSETS:			
Stocks	13	1,114	2,885
Debtors	14	312,880	304,566
Fixed term deposits		1,500,000	-
Cash at bank and in hand		1,623,214	2,125,436
		<u>3,437,208</u>	<u>2,432,887</u>
CREDITORS: Amounts falling due within one year	15	<u>2,880,636</u>	<u>2,610,274</u>
NET CURRENT LIABILITIES		556,572	(177,387)
NET ASSETS		<u>5,509,034</u>	<u>4,394,366</u>
RESTRICTED FUNDS	20	30,894	30,894
UNRESTRICTED FUNDS:			
General income fund	22	4,056,093	2,921,981
Designated Funds	20	1,118,523	1,137,967
Property revaluation reserve	16	303,524	303,524
Total Unrestricted Funds		<u>5,478,140</u>	<u>4,363,472</u>
TOTAL FUNDS		<u>5,509,034</u>	<u>4,394,366</u>

On behalf of the Board of Governors


 Andrew Reeves
 Chair of the Association

Approved by the Board of Governors on 15 SEPTEMBER 2017.

● Consolidated cashflow statement for the year ended 31 March 2017

The notes form part of these financial statements

	2017 £	2016 £
Net cash provided by (used in) operating activities	<u>1,180,345</u>	<u>378,993</u>
Cash flows from investing activities:		
Dividends and interest from investments	39,709	31,862
Purchase of property and equipment	(71,634)	(599)
Purchase of intangible assets	(188,653)	-
Proceeds from sale of investments	226,172	1,645,790
Purchase of investments	(187,515)	(1,698,694)
Net cash provided by (used in) investing activities	<u>(181,921)</u>	<u>(21,641)</u>
Change in cash and cash equivalents in the reporting period	998,424	357,352
Cash and cash equivalents at the beginning of the reporting period	2,225,025	1,867,673
Cash and cash equivalents at the end of the reporting period	<u>3,223,449</u>	<u>2,225,025</u>

	2017 £	2016 £
Net movement in funds for the reporting period (as per the statement of financial activities)	1,114,668	350,945
Adjustments for:		
Depreciation	37,085	39,472
Losses/(Gains) on investments	(143,798)	23,013
Dividends and interest from investments	(39,709)	(31,862)
Losses on sale of fixed assets	-	493
Decrease in stock	1,771	16,229
Increase in debtors	(63,390)	(28,391)
Increase in creditors	273,718	9,094
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>1,180,345</u>	<u>378,993</u>

	2017 £	2016 £
Cash in hand	1,641,790	2,195,732
Fixed term deposits	1,500,000	-
Cash held in investments	81,659	29,293
Total cash and cash equivalents	<u>3,223,449</u>	<u>2,225,025</u>

● Notes to the financial statements for the year ended 31 March 2017

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.

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 to 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.

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.

Intangible assets and amortisation

Intangible assets consisting of direct costs associated with the build of a replacement membership database and website are capitalised and included at cost.

Amortisation will be provided so as to write off the cost, less estimated residual value, of intangible assets, over their estimated useful lives, commencing when the asset comes into service, as follows:

Database and website costs	-	33.3% per annum - straight line basis
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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 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 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 2017 there were 45,169 members (2016 - 43,611).

3. Income from charitable activities

	2017	2016
	£	£
Membership Subscriptions	6,636,808	6,341,585
Income from Publications	449,626	493,034
Accreditation	334,557	308,178
Conferences and Events	387,936	244,995
Total Company	7,808,927	7,387,792
BACP Research Foundation	105,245	122,456
Total Group	7,914,172	7,510,248

4. Expenditure on charitable activities

	2017 £	2016 £
Total Company (per page 29)	7,408,937	7,594,856
BACP Research Foundation	105,245	126,271
Total Group	<u>7,514,182</u>	<u>7,721,127</u>

See page 29 for further analysis.

	New Projects Representing and the							2017	2016
	<u>Programmes</u>	<u>Profession</u>	<u>Register</u>	<u>Research</u>	<u>Governance</u>	<u>Designated</u>	<u>Restricted</u>	<u>TOTAL</u>	<u>TOTAL</u>
STAFF COSTS									
Staff and Contractors	682,315	1,678,662	538,805	216,292	88,954	18,297	-	3,223,325	3,081,746
Restructuring	90,252	-	-	-	-	-	-	90,252	225,697
	772,567	1,678,662	538,805	216,292	88,954	18,297	-	3,313,577	3,307,443
OTHER DIRECT COSTS									
Office Expenses	-	119,553	25,603	3,085	-	432	-	148,673	150,551
Recruitment and Staff costs	5,573	29,544	14,269	16,861	-	-	-	66,247	39,180
Travel and Committees	7,173	66,317	8,957	18,516	22,612	1,919	-	125,494	165,535
Annual General Meeting	-	-	-	-	25,827	-	-	25,827	50,854
Information Technology	13,902	-	-	-	-	-	-	13,902	89,342
Events	-	265,596	-	23,981	-	-	-	289,577	229,035
Projects	174,767	64,033	78,186	141	-	-	-	317,127	240,440
Bursaries	-	-	-	29,631	-	-	-	29,631	50,471
Property Running Costs	-	271	41,191	-	-	-	-	41,462	33,401
Professional Fees	-	1,268	11,670	-	42,481	154,004	-	209,423	48,270
Auditors remuneration	-	-	-	-	8,750	1,295	-	10,045	9,640
Journals and Publications	-	910,957	-	15,000	-	-	-	925,957	962,640
Hearings	-	-	102,492	-	-	-	-	102,492	112,561
Research	-	1,200	-	43,389	-	110,057	-	154,646	115,658
TOTAL DIRECT COSTS	973,982	3,137,401	821,173	366,896	188,624	286,004	-	5,774,080	5,605,021
SUPPORT COSTS									
Office Expenses	47,152	227,899	51,081	23,576	-	618	-	350,326	398,398
Recruitment and Staff costs	11,033	53,325	11,952	5,516	-	-	-	81,826	57,241
Travel and committees	2,082	10,064	2,256	1,041	-	-	-	15,443	11,464
Staff and Contractors	110,403	533,617	119,604	55,202	-	5,994	-	824,820	1,196,463
Information Technology	33,091	159,938	35,848	16,545	-	778	-	246,200	205,122
Property Running Costs	12,095	58,461	13,103	6,048	-	245	-	89,952	77,447
Professional fees	3,545	17,133	3,840	1,772	-	-	-	26,290	43,700
	219,401	1,060,437	237,684	109,700	-	7,635	-	1,634,857	1,989,835
Reallocation of Governance costs	10,251	133,267	30,754	14,352	(188,624)	-	-	-	-
TOTAL SUPPORT AND GOVERNANCE COSTS	229,652	1,193,704	268,438	124,052	(188,624)	7,635	-	1,634,857	1,989,835
TOTAL COSTS	1,203,634	4,331,105	1,089,611	490,948	-	293,639	-	7,408,937	7,594,856

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 (2016 - £NIL), 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	2017	2016
	£	£	£	£
Turnover	105,245	465,625	570,870	645,933
Administrative expenses	(105,245)	(88,719)	(193,964)	(221,187)
Net profit	-	376,906	376,906	424,746
Amount gifted	-	376,906	(376,906)	(428,561)
Retained profit brought forward	-	-	-	3,815.00
Retained profit	-	-	-	-

The assets and liabilities of the subsidiaries were:

Current assets	1,210	58,658	59,868	138,915
Creditors: amounts falling due within one year	(1,210)	(57,953)	(59,163)	(138,210)
Total net assets	-	705	705	705
Aggregate share capital and reserves	-	705	705	705

6. Investment income

	2017	2016
	£	£
Interest receivable	11,738	1,137
Dividends and other investment income	27,971	30,725
	<u>39,709</u>	<u>31,862</u>
	2017	2016
	£	£
Cost of raising funds:		
Fund management charges	<u>14,166</u>	<u>15,368</u>

7. Other income

This includes £104,606 (2016 - £80,736) 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 2017, at which point the agreement has ceased. This agreement was negotiated for the British Association for Counselling and Psychotherapy by its insurance brokers.

8. Staff numbers and costs

	2017	2016
The average number of employees (including part-time staff) by department during the year was:		
Administration	23	25
Membership	11	12
Events	10	9
Customer Relationship Services	10	9
Professional Standards	15	16
BACP Registers	14	15
Journals	1	4
Publications Sales	1	1
Public Relations	1	2
Marketing	7	10
Research	11	11
	<u>104</u>	<u>114</u>

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

	2017	2016
Administration	15	22
New Projects and Programmes	12	5
Representing the Profession	58	65
BACP Registers	13	15
Research	6	7
	<u>104</u>	<u>114</u>

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

	2017	2016
£60,001 - £70,000	2	4
£70,001 - £80,000	-	1
£80,001 - £90,000	-	2
£90,001 - £100,000	2	-
£110,001 - £120,000	1	1

Contributions to the pension scheme for higher paid employees amounted to £29,079 for the year (2016 - £29,906).

The total employee benefits received during the year by the key management personnel active in the organisation at the balance sheet date was £758,661 (2016 - £629,753).

During the year members of the Board of Governors have been reimbursed for travelling and accommodation costs amounting to £6,680 (2016 - £7,421). Other amounts paid directly in respect of accommodation and travel amounted to £14,075 (2016-£14,239). Twelve trustees had expenses reimbursed during the year (2016 - ten).

The aggregate payroll costs amounted to:

	2017 £	2016 £
Wages and salaries	3,599,876	3,926,385
Social security costs	346,693	374,161
Other pension costs	170,819	171,208
Death in service	20,515	24,705
	<u>4,137,903</u>	<u>4,496,459</u>

A small amount of further restructuring was carried out during the year. The cost of this process to include redundancy pay, termination payments, notice pay and employers costs is £90,252 (2016 - £225,697). In redundancy cases 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 week's entitlement.

This method of calculation was used to provide an enhanced payment to ease the financial burden on staff leaving the Association and resulted in a cost of £1,171 within the total (2016 - £29,815). Termination payments to the value of £50,650 were also made to staff leaving the organisation within this total. The above has been funded by unrestricted funds.

9. Fees payable to auditors

	The Group		The Company	
	2017	2016	2017	2016
	£	£	£	£
Relating to audit services	11,150	10,780	8,750	8,500
Relating to non-audit services	4,364	13,905	4,218	13,730
	<u>15,514</u>	<u>24,685</u>	<u>12,968</u>	<u>22,230</u>

10. Tangible fixed assets (Group and Company)

	Computer equipment & accessories	Office furniture & equipment	Freehold property	Total
	£	£	£	£
Cost				
At 1 April 2016	338,194	99,641	3,188,000	3,625,835
Additions	68,649	2,985	-	71,634
Disposals	(6,233)	-	-	(6,233)
Revaluation	-	-	-	-
At 31 March 2017	<u>400,610</u>	<u>102,626</u>	<u>3,188,000</u>	<u>3,691,236</u>
Depreciation				
At 1 April 2016	310,112	96,663	-	406,775
Charge for the year	34,940	2,145	-	37,085
Disposals	(6,233)	-	-	(6,233)
At 31 March 2017	<u>338,819</u>	<u>98,808</u>	<u>-</u>	<u>437,627</u>
Net book value				
At 31 March 2017	<u>61,791</u>	<u>3,818</u>	<u>3,188,000</u>	<u>3,253,609</u>
At 1 April 2016	<u>28,082</u>	<u>2,978</u>	<u>3,188,000</u>	<u>3,219,060</u>

Cost/Valuation at 31 March 2017 is represented by:

	Computer equipment & accessories	Office furniture & equipment	Freehold property	Total
	£	£	£	£
Cost	400,610	102,626	-	503,236
Build Cost	-	-	1,767,310	1,767,310
Fit Out and Professional Costs	-	-	767,166	767,166
Purchase Cost	-	-	350,000	350,000
	<u>400,610</u>	<u>102,626</u>	<u>2,884,476</u>	<u>3,387,712</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>400,610</u>	<u>102,626</u>	<u>3,188,000</u>	<u>3,691,236</u>

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

	2017	2016
	£	£
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 Darlinson 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 agreed to adopt the open market value of £388,000.



Intangible assets

	Database & Website Costs £	Total £
Cost		
At 1 April 2016	-	-
Additions	188,653	188,653
Disposals	-	-
Revaluation	-	-
At 31 March 2017	<u>188,653</u>	<u>188,653</u>
Amortisation		
At 1 April 2016	-	-
Charge for the year	-	-
Disposals	-	-
At 31 March 2017	<u>-</u>	<u>-</u>
Net book value		
At 31 March 2017	<u>188,653</u>	<u>188,653</u>
At 1 April 2016	<u>-</u>	<u>-</u>

13. Investments (Group and Company)

	2017 £	2016 £
Market value		
Opening market value	1,323,390	1,293,499
Additions	187,515	1,698,694
Disposals at opening market value	(215,864)	(1,675,756)
	<u>1,295,041</u>	<u>1,316,437</u>
Unrealised profit on investments	133,490	6,953
At 31 March 2017	<u>1,428,531</u>	<u>1,323,390</u>
Cash held by Investment Managers	81,659	29,293
	<u>1,510,190</u>	<u>1,352,683</u>
Shares in property management service company relating to freehold property in Lutterworth	10	10
	<u>1,510,200</u>	<u>1,352,693</u>

The historical cost of the investment portfolio (excluding cash) at 31 March 2017 was £1,287,051 (2016 - £1,309,699).

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

	2017 £	2016 £
Investments at market value comprised:		
Fixed interest securities - UK	487,017	533,552
Fixed interest securities - Rest of world	115,922	38,909
Equities - UK	475,296	431,092
- Rest of world	350,296	319,837
	<u>1,428,531</u>	<u>1,323,390</u>

13. Stocks (Group and Company)

	2017	2016
	£	£
Printing and stationery	1,114	2,885
	<u>1,114</u>	<u>2,885</u>

14. Debtors

	The Group		The Company	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	53,582	42,204	13,678	8,244
Amount owed from subsidiaries:				
- BACP Enterprises Limited & BACP Research Foundation	-	-	28,759	78,416
Other debtors	101,109	63,865	101,109	63,865
Prepayments	169,512	154,744	169,334	154,041
	<u>324,203</u>	<u>260,813</u>	<u>312,880</u>	<u>304,566</u>

15. Creditors: amounts falling due within one year

	The Group		The Company	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	464,908	259,617	456,472	292,931
Amount owed to subsidiaries:				
- BACP Enterprises Limited & BACP Research Foundation	-	-	1,210	-
Social security and other taxes	105,192	128,939	95,644	114,003
Accruals	292,696	241,978	289,126	214,852
Deferred income	50,004	91,755	41,154	74,665
	<u>912,800</u>	<u>722,289</u>	<u>883,606</u>	<u>696,451</u>
Membership and United Kingdom register fees in advance	1,997,030	1,913,823	1,997,030	1,913,823
	<u>2,909,830</u>	<u>2,636,112</u>	<u>2,880,636</u>	<u>2,610,274</u>

Deferred income

	Group 2017 £	Company 2017 £
Brought forward at 1 April 2016	<u>91,755</u>	<u>74,665</u>
Released during year	91,755	74,665
Total invoiced in year	800,743	343,409
Carried forward at 31 March 2017	<u>(50,004)</u>	<u>(41,154)</u>
Total income in year	<u>842,494</u>	<u>376,920</u>

16. Revaluation reserve

	The Group		The Company	
	2017 £	2016 £	2017 £	2016 £
Refer to note 10, page 34 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 2017, the company had total commitments under non-cancellable operating leases as follows:

	2017 £	2016 £
Due date:		
Less than one year	742	475
Between two and five years	-	-
	<u>742</u>	<u>475</u>

18. Capital commitments

At 31 March 2017, the company had capital commitments for the purchase of computer equipment as follows:

	2017	2016
Due date:		
Less than one year	112,129	-
	<u>112,129</u>	<u>-</u>

10 Unrestricted general income fund (Group and Company)

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

	2017	2016
	£	£
Unrealised gains at 1 April 2016	13,691	185,997
(Gains)/Losses realised on investments against market value at 1 April 2016	(5,701)	(179,259)
	<u>7,990</u>	<u>6,738</u>
Unrealised Gains for the year	133,490	6,953
Unrealised gains at 31 March 2017	<u>141,480</u>	<u>13,691</u>

20. Designated and restricted funds

	RESEARCH FUND	INSURANCE FUND	RESTRICTED FUNDS	TOTAL 2017	TOTAL 2016
	£	£	£	£	£
Funds as 1 April 2016	137,967	1,000,000	30,894	1,168,861	587,209
Income	-	-	-	-	-
Transfers	102,000	172,195	-	274,195	711,034
	<u>239,967</u>	<u>1,172,195</u>	<u>30,894</u>	<u>1,443,056</u>	<u>1,298,243</u>
Expenditure	(121,444)	(172,195)	-	(293,639)	(129,382)
Funds at 31 March 2017	<u>118,523</u>	<u>1,000,000</u>	<u>30,894</u>	<u>1,149,417</u>	<u>1,168,861</u>

The RCT (Randomised Control Trial) on depression was undertaken by the BACP Research Foundation, which is limited by guarantee, and is a wholly owned subsidiary of BACP. As the RCT is now nearing completion, it has been decided to close the BACP Research Foundation and continue any remaining work through BACP.

BACP has committed a further £102,000 of their reserves as funding for this BACP Research Fund.

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 maintain this at £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 £NIL (2016 - £6,926) of the Restricted funds were utilised.

21 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.

	2017	2016
	£	£
A Reeves, (Chair person).	12,750	13,125
E Schwenk, (Deputy Chair person).	-	2,234
F Ballantine Dykes, (Deputy Chair person).	3,375	900

The company purchased services from BACP Enterprises Limited to the value of £1,070 (2016 - £21,476) on normal commercial terms. At the balance sheet date the amount outstanding was £NIL (2016 - £NIL).

The company purchased services from BACP Research Foundation to the value of £105,245 (2016 - £122,456) on normal commercial terms. At the balance sheet date the amount outstanding was £NIL (2016 - £33,956).

See also note 5.

22. Analysis of group net assets between funds

	GENERAL	DESIGNATED	RESTRICTED	TOTAL 2017	TOTAL 2016
	£	£	£	£	£
Tangible Assets	2,950,085	-	-	2,950,085	2,915,536
Intangible Assets	188,653	-	-	188,653	-
Investments	510,200	1,000,000	-	1,510,200	1,352,693
Net Current (Liabilities)/Assets	407,860	118,523	30,894	557,277	(176,682)
	<u>4,056,798</u>	<u>1,118,523</u>	<u>30,894</u>	<u>5,206,215</u>	<u>4,091,547</u>
Revaluation Reserve	303,524	-	-	303,524	303,524
	<u>4,360,322</u>	<u>1,118,523</u>	<u>30,894</u>	<u>5,509,739</u>	<u>4,395,071</u>

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