

**BRITISH ASSOCIATION FOR COUNSELLING
AND PSYCHOTHERAPY**

A COMPANY LIMITED BY GUARANTEE

**REPORT OF THE BOARD OF GOVERNORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002**

Atkinson Finch & Co
Registered Auditors
Chartered Accountants
Central Chambers
45-47 Albert Street
Rugby
CV21 2SG



**BRITISH ASSOCIATION FOR COUNSELLING
AND PSYCHOTHERAPY**

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FOR THE YEAR ENDED 31 MARCH 2002**

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BRITISH ASSOCIATION FOR COUNSELLING AND PSYCHOTHERAPY

REPORT OF THE BOARD OF GOVERNORS FOR THE YEAR ENDED 31 MARCH 2002

The Board of Governors presents its report with the financial statements of the company for the year ended 31 March 2002.

COMPANY STATUS

The British Association for Counselling and Psychotherapy is a company limited by guarantee, without a share capital, and is governed by trustees (the directors) known as the Board of Governors. The governing document is a Memorandum and Articles of Association.

The British Association for Counselling and Psychotherapy is a registered charity.

The company registration number is 2175320

The registered office is 1 Regent Place, Rugby, CV21 2PJ

The charity registration number is 298361

GROUP STRUCTURE

The British Association for Counselling and Psychotherapy has two wholly owned subsidiaries called BACP Advertising Limited and Faculty of Healthcare Counsellors and Psychotherapists Limited.

BACP Advertising Limited receives its income from advertisements placed in the Counselling and Psychotherapy Journal (CPJ), Counselling and Psychotherapy Research Journal (CPR), and Divisional Newsletters produced by the British Association for Counselling and Psychotherapy.

Faculty of Healthcare Counsellors and Psychotherapists Limited receives its income from members subscriptions for the provision of education and training for counsellors and psychotherapists, working in professional medical health care settings.

ORGANISATIONAL STRUCTURE

A Board of Governors of between 7 and 11 members, who meet approximately six times per year, is responsible for the administration of the charity. There are sub-committees covering the development and various administrative aspects of the charity who report to the Board of Governors. A Chief Executive is appointed by the Board of Governors to manage the day-to-day operations of the charity.

The detailed organisational structure of the British Association for Counselling and Psychotherapy is set out on page.....

OBJECTIVES

The main objectives of the Association are:

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 standard of counselling and/or psychotherapy for the benefit of the community and in particular for those who are the recipients of counselling and/or psychotherapy; and

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.

There has been no significant change in these objectives during the year.

BRITISH ASSOCIATION FOR COUNSELLING AND PSYCHOTHERAPY

REPORT OF THE BOARD OF GOVERNORS FOR THE YEAR ENDED 31 MARCH 2002

POLICIES IN RELATION TO OBJECTIVES

The progress towards achieving these objectives is described in the reports of the British Association for Counselling and Psychotherapy Officers, Committees and Divisions. The following policies have been agreed by the Board of Governors on 8 March 2002, to further the objectives of the Association:

- To provide an accreditation scheme for members.
- To provide conferences, seminars and training events for members and non-members, on matters relating to the practice and provision of counselling and psychotherapy.
- To set and promote national standards for education, training and practice in counselling and psychotherapy.
- To engage actively in the creation of national regulatory frameworks for counselling and psychotherapy.
- To hold the United Kingdom Register of Counsellors within the Association.
- To set, monitor and maintain standards of professional conduct and training and provide guidelines on ethical practice for members.
- To engage with other professions on counselling and psychotherapy related matters.
- To engage with the counselling and psychotherapy needs of a wide spectrum of society including those with special needs.
- To promote research.
- To provide an information service to the public and to members on counselling and psychotherapy including how to access a therapist.
- To provide bursaries for activities related to education and training in counselling and psychotherapy.

**BRITISH ASSOCIATION FOR COUNSELLING
AND PSYCHOTHERAPY**

**REPORT OF THE BOARD OF GOVERNORS
FOR THE YEAR ENDED 31 MARCH 2002**

BOARD OF GOVERNORS

The Board of Governors may be elected or co-opted according to the Memorandum and Articles of Association of the British Association for Counselling and Psychotherapy.

| Name | Date of appointment/ resignation | Membership of other committees |
|---------------------------|--|--|
| Craig McDevitt (Chair) | Elected 17/09/99 | Strategic Direction Committee United Kingdom Register of Counsellors Advisory and Standards Committee Remuneration and Succession Committee |
| Val Potter (Deputy Chair) | Elected 17/09/99 Resigned 17/12/01 Co-opted 08/03/02 | Professional Conduct Committee Audit Committee Strategic Direction Committee Remuneration and Succession Committee |
| George Buckton | Re-elected 18/09/98 Retired 05/09/01 | Professional Conduct Committee |
| Linden Burdus | Elected 17/09/99 | Audit Committee |
| Roger Casemore | Re-elected 05/09/01 | Professional Conduct Committee Audit Committee |
| Jane Chisholm | Re-elected 05/09/01 | Remuneration and Succession Committee |
| Hannah Greenwood | Re-elected 05/09/01 | |
| Judith Langdon | Elected 07/09/00 | |
| Anne Lord | Re-elected 17/09/99 | |
| Lynn Macwhinnie | Elected 17/09/99 Resigned 02/05/01 | |
| Julia Samuel | Elected 05/09/01 | |

Some members of the Board of Governors are also members of other committees as detailed above. Members of the Board of Governors may attend other committee meetings in their capacity as Liaison Officers.

All members of the Board of Governors have been reimbursed for expenses incurred during the year amounting to £35,577 (2001 - £30,329). This represents travelling expenses.

BRITISH ASSOCIATION FOR COUNSELLING AND PSYCHOTHERAPY

REPORT OF THE BOARD OF GOVERNORS FOR THE YEAR ENDED 31 MARCH 2002

STATEMENT OF THE BOARD OF GOVERNORS RESPONSIBILITIES

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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 group and to ensure that the financial statements comply with the Companies Act 1985, the Charities Act 1993 and the Revised Statement of Recommended Practice. It is also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RESULTS FOR THE YEAR

The results for the year are set out in the Consolidated Statement of Financial Activities (incorporating an income and expenditure account) on page 9.

The Consolidated Statement of Financial Activities shows net incoming resources of £234,066. Due to the likely regulation of the counselling profession, the charity is investing in a programme of accreditation and training to ensure its members meet the required standards set by any Regulatory Body.

DEVELOPMENT

In view of the increased importance of public accountability and the advent of statutory regulation the Board has increased its investment in accreditation and associated systems in order to provide a quality assured service which is more accessible, efficient and consistent.

Additionally, in response to the finding of membership consultations the Board initiated a programme of professional training delivered on a regional basis throughout the United Kingdom.

The Board has also continued to develop the help desk service available to Members and to the public for information on a wide range of matters on counselling and psychotherapy as well as revising old and commissioning new information sheets for dissemination to Members and to the public on counselling and psychotherapy related issues.

Further details regarding the development, activities and achievements of the Association during the year may be found in the President's, Chair's and Chief Executive's Office Reports on pages.....

RESERVES POLICY

The Board of Governors has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should represent at least six months worth of the resources expended. Although the Board of Governors considers this level to be high and is considering reviewing the policy, it is also aware that the charity is likely to incur financial deficits over the next few years as regulation is imposed on the counselling profession. Therefore it believes that the current level of reserves should be maintained in the near future.

**BRITISH ASSOCIATION FOR COUNSELLING
AND PSYCHOTHERAPY**

**REPORT OF THE BOARD OF GOVERNORS
FOR THE YEAR ENDED 31 MARCH 2002**

INVESTMENT POLICY

The charity's policy is to be based on maximum total gross return.

RISK MANAGEMENT

The Board of Governors reviews the major risks which the charity faces and either revises or implements new systems to mitigate those risks. It believes that maintaining the current level of reserves should provide sufficient resources in the advent of adverse conditions while the procedures for authorisation of all transactions and projects should minimise any internal risks. The Board of Governors is currently organising an internal audit committee to ensure that the charity's procedures are adhered to.

FINANCIAL INFORMATION

A review of the transactions and financial position of the charity can be found in the Treasurer's Report on page.....

RELATED PARTIES

L. Burdus (a member of the Board of Governors) was also Head of BootsHelp until she retired at the end of March 2001. During the year BootsHelp provided counselling to British Association for Counselling and Psychotherapy staff members at no cost to British Association for Counselling and Psychotherapy.

Details of transactions with other related parties are shown in note 20 to the accounts.

FIXED ASSETS

Information relating to changes in the fixed assets are shown in note 12 to the accounts.

POST BALANCE SHEET EVENTS

There have been no material post balance sheet events which require disclosure.

OFFICERS INSURANCE

The company has effected Officers Liability Insurance. This insurance indemnifies any officer against 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 £840 (2001 - £840) for the year.

**BRITISH ASSOCIATION FOR COUNSELLING
AND PSYCHOTHERAPY**

**REPORT OF THE BOARD OF GOVERNORS
FOR THE YEAR ENDED 31 MARCH 2002**

AUDITORS

The auditors, Atkinson Finch & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

PROFESSIONAL ADVISERS

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

Solicitors: Brethertons
16 Church Street
Rugby, CV21 3PW

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

Sinclair Taylor & Martin
9 Thorpe Close
Portobello Road
London, W10 5XL

Investment

Brokers: Kleinwort Benson Investment Management Limited
10 Fenchurch Street
London, EC3M 3LB

VOLUNTEERS

Approximately 180 volunteers, who are all members of the British Association for Counselling and Psychotherapy, work on committees and working groups of the British Association for Counselling and Psychotherapy, ultimately reporting to the Board of Governors. All are involved in developing, implementing and monitoring policies in relation to professional practice and all other areas of the British Association for Counselling and Psychotherapy work.

HONORARIA

Honoraria payments made during the year amounted to £15,802 (2001 - £20,918).

RESEARCH

The British Association for Counselling and Psychotherapy undertakes specific research projects. Support is also provided to the Research Network which contributes to various research projects on counselling and psychotherapy issues.

ON BEHALF OF THE BOARD



L W CLARKE - SECRETARY

Dated: 28/6/02

**BRITISH ASSOCIATION FOR COUNSELLING
AND PSYCHOTHERAPY**

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
BRITISH ASSOCIATION FOR COUNSELLING AND PSYCHOTHERAPY**

We have audited the financial statements of British Association for Counselling and Psychotherapy for the year ended 31st March 2002 set out on pages 9 to 20. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF THE BOARD OF GOVERNORS AND AUDITORS

The Board of Governors' responsibilities for preparing the Report of the Board of Governors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Board of Governors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Board of Governors is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charity is not disclosed.

We read other information contained in the Report of the Board of Governors, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Board of Governors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

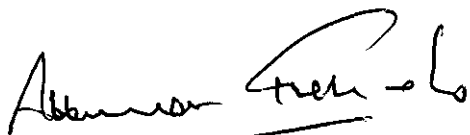
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**BRITISH ASSOCIATION FOR COUNSELLING
AND PSYCHOTHERAPY**

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
BRITISH ASSOCIATION FOR COUNSELLING AND PSYCHOTHERAPY**

OPINION

In our opinion the financial statements give a true and fair view of the state of the charity's and group's affairs as at 31 March 2002 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Atkinson Finch & Co.
Chartered Accountants and Registered Auditors
Central Chambers
45-47 Albert Street
Rugby
Warwickshire
CV21 2SG

Dated:29/5/02.....

**BRITISH ASSOCIATION FOR COUNSELLING
AND PSYCHOTHERAPY**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2002**

| | Notes | 2002 £ | 2001 £ |
|---|-------|------------------|------------------|
| INCOME AND EXPENDITURE | | | |
| INCOMING RESOURCES: | | | |
| Income from departments | 3 | 2,478,031 | 2,054,761 |
| Activities for generating funds: | | | |
| - Income of trading subsidiaries | 5 | 258,222 | 211,759 |
| Donations | | 2,313 | 4,329 |
| Investment income | 4 | 78,327 | 89,399 |
| Other income | 6 | 66,707 | 72,888 |
| TOTAL INCOMING RESOURCES | | 2,883,600 | 2,433,136 |
| RESOURCES EXPENDED: | | | |
| Costs of activities in furtherance of the charity's objectives: | | | |
| - Expenses of departments | 3 | 1,242,646 | 1,131,358 |
| Costs of activities for generating funds: | | | |
| - Expenditure of trading subsidiaries | 5 | 17,876 | 25,968 |
| Support costs | 7 | 419,290 | 407,713 |
| Establishment costs | 8 | 85,463 | 73,108 |
| Management and administration costs | 9 | 842,083 | 804,246 |
| Irrecoverable value added tax | | 42,176 | 34,046 |
| TOTAL RESOURCES EXPENDED | | 2,649,534 | 2,476,439 |
| NET INCOMING RESOURCES/(RESOURCES EXPENDED) FOR THE YEAR | | 234,066 | (43,303) |
| GAINS AND LOSSES ON INVESTMENTS: | | | |
| Realised | 17 | (33,819) | - |
| Unrealised | | (47,658) | 5,716 |
| NET MOVEMENT IN FUNDS | | 152,589 | (37,587) |
| BALANCE BROUGHT FORWARD AT 1 APRIL 2001 | | 1,413,985 | 1,451,572 |
| BALANCE CARRIED FORWARD AT 31 MARCH 2002 | | 1,566,574 | 1,413,985 |

All of the above results are derived from continuing activities and all gains and losses recognised in the year are included above. The surplus for the year for Companies Act purposes comprises the net incoming resources for the year plus realised gains/(losses) on investments and was £200,247 (2001 - £(43,303)).

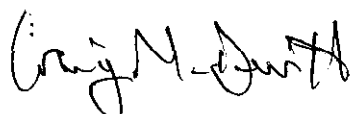
The notes form part of these financial statements

**BRITISH ASSOCIATION FOR COUNSELLING
AND PSYCHOTHERAPY**

**CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2002**

| | Notes | 2002 | 2001 |
|---|-------|-------------------------|-------------------------|
| | | £ | £ |
| FIXED ASSETS: | | | |
| Tangible assets | 12 | 136,233 | 186,366 |
| Investments | 13 | 484,508 | 566,479 |
| | | <u>620,741</u> | <u>752,845</u> |
| CURRENT ASSETS: | | | |
| Stocks | 14 | 31,941 | 33,029 |
| Debtors | 15 | 350,281 | 171,517 |
| Cash at bank and in hand | | 1,839,299 | 1,560,914 |
| | | <u>2,221,521</u> | <u>1,765,460</u> |
| CREDITORS: Amounts falling due within one year | 16 | <u>1,275,688</u> | <u>1,104,320</u> |
| NET CURRENT ASSETS | | 945,833 | 661,140 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>1,566,574</u> | <u>1,413,985</u> |
| FUNDS: | | | |
| Unrestricted general fund | | <u>1,566,574</u> | <u>1,413,985</u> |

ON BEHALF OF THE BOARD OF GOVERNORS:



C McDEVITT - CHAIR

Approved by the Board of Governors on 28/6/02

The notes form part of these financial statements

**BRITISH ASSOCIATION FOR COUNSELLING
AND PSYCHOTHERAPY**

**BALANCE SHEET
AT 31 MARCH 2002**

| | Notes | 2002 | 2001 |
|--|-------|-------------------------|-------------------------|
| | | £ | £ |
| FIXED ASSETS: | | | |
| Tangible assets | 12 | 136,233 | 186,366 |
| Investments | 13 | 484,508 | 566,479 |
| | | <u>620,741</u> | <u>752,845</u> |
| CURRENT ASSETS: | | | |
| Stocks | 14 | 31,941 | 33,029 |
| Debtors | 15 | 449,622 | 212,032 |
| Cash at bank and in hand | | 1,706,363 | 1,490,783 |
| | | <u>2,187,926</u> | <u>1,735,844</u> |
| CREDITORS: Amounts falling due within one year | 16 | 1,242,798 | 1,075,409 |
| NET CURRENT ASSETS | | <u>945,128</u> | <u>660,435</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u><u>1,565,869</u></u> | <u><u>1,413,280</u></u> |
| FUNDS: | | | |
| Unrestricted general fund | | <u><u>1,565,869</u></u> | <u><u>1,413,280</u></u> |

ON BEHALF OF THE BOARD OF GOVERNORS:



C McDEVITT - CHAIR

Approved by the Board of Governors on 29/6/02

The notes form part of these financial statements

**BRITISH ASSOCIATION FOR COUNSELLING
AND PSYCHOTHERAPY**

**CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2002**

| | 2002 £ | 2001 £ |
|--|-----------------|------------------|
| NET CASH INFLOW FROM OPERATING ACTIVITIES | 319,380 | 169,511 |
| CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT: | | |
| Payments to acquire tangible fixed assets | (46,289) | (115,343) |
| Proceeds from sale of tangible fixed assets | 4,800 | - |
| Purchase of investments | (267,271) | (860) |
| Proceeds from sale of investments | 277,643 | - |
| | (31,117) | (116,203) |
| INCREASE IN CASH IN THE YEAR | 288,263 | 53,308 |

CASHFLOW INFORMATION FOR THE GROUP

(a) Reconciliation of changes in resources to net inflow from operating activities

| | 2002 £ | 2001 £ |
|--|----------------|----------------|
| Net incoming resources/(resources expended) | 234,066 | (43,303) |
| Loss on sale of tangible fixed assets | 10,367 | - |
| Depreciation | 81,255 | 77,054 |
| Decrease in stocks | 1,088 | 1,490 |
| Increase in debtors | (178,764) | (18,818) |
| Increase in creditors | 171,368 | 153,088 |
| Net cash inflow from operating activities | 319,380 | 169,511 |

(b) Reconciliation of net cash flow to movement in net funds/debt

| | 2002 £ | 2001 £ |
|--|------------------|------------------|
| Movement in net funds and debt in the year | 288,263 | 53,308 |
| Net funds and debt at 1 April 2001 | 1,571,044 | 1,517,736 |
| Net funds and debt at 31 March 2002 | 1,859,307 | 1,571,044 |

(c) Analysis of net funds/debt

| | 1 April 2001 £ | Cashflow £ | 31 March 2002 £ |
|---------------------------------|----------------------|----------------|-----------------------|
| Cash at bank and in hand | 1,560,914 | 278,385 | 1,839,299 |
| Cash held by investment brokers | 10,130 | 9,878 | 20,008 |
| | 1,571,044 | 288,263 | 1,859,307 |

The notes form part of these financial statements

**BRITISH ASSOCIATION FOR
COUNSELLING AND PSYCHOTHERAPY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002**

1. ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention as modified by the revaluation of listed investments to market value; and comply with all applicable accounting standards and Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2000) issued in October 2000. 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 230 of the Companies Act 1985 and Paragraph 304 of SORP 2000.

Fund accounting

General 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. There are no designated funds.

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. There are no restricted funds.

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.

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 the personal pension schemes of employees. Contributions are charged to the Statement of Financial Activities in the period in which they are made.

**BRITISH ASSOCIATION FOR COUNSELLING
AND PSYCHOTHERAPY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002**

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. This amount is shown separately in the Statement of Financial Activities.

Tangible fixed assets and depreciation

Tangible fixed assets costing more than £100 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:

| | | |
|------------------------------------|---|----------------------------|
| Leasehold properties | - | over the term of the lease |
| Computer equipment and accessories | - | 25% per annum |
| Office furniture and equipment | - | 20% per annum |
| Motor vehicles | - | over five years |

Stocks

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

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.

2. COMPANY STATUS

The company is a company limited by guarantee. 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 2002 there were 19,808 members (2001 - 18,097).

3. NET INCOME FROM DEPARTMENTS

| | 2002 | | | 2001 | | |
|---|------------------|------------------|-----------------------|------------------|------------------|-----------------------|
| | Income | Expense | Surplus/ (deficit) | Income | Expense | Surplus/ (deficit) |
| | £ | £ | £ | £ | £ | £ |
| Membership | 1,840,652 | 356,946 | 1,483,706 | 1,466,493 | 280,784 | 1,185,709 |
| Accreditation | 233,071 | 263,953 | (30,882) | 132,929 | 235,168 | (102,239) |
| United Kingdom Register of Counsellors | 83,288 | 53,637 | 29,651 | 58,046 | 51,608 | 6,438 |
| Information and Publications | 218,485 | 387,209 | (168,724) | 175,422 | 246,534 | (71,112) |
| Audio Visual Aids | 10,499 | 2,702 | 7,797 | 17,445 | 5,030 | 12,415 |
| Education and Development | 92,036 | 178,199 | (86,163) | 204,426 | 312,234 | (107,808) |
| | <u>2,478,031</u> | <u>1,242,646</u> | <u>1,235,385</u> | <u>2,054,761</u> | <u>1,131,358</u> | <u>923,403</u> |

**BRITISH ASSOCIATION FOR COUNSELLING AND
PSYCHOTHERAPY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002**

4. INVESTMENT INCOME

| | 2002 | 2001 |
|---------------------|---------------|---------------|
| | £ | £ |
| Interest receivable | 56,660 | 79,192 |
| Dividends | 21,667 | 10,207 |
| | <u>78,327</u> | <u>89,399</u> |

5. NET INCOME FROM TRADING SUBSIDIARIES

The Charity has two trading subsidiaries, BACP Advertising Limited and Faculty of Healthcare Counsellors and Psychotherapists Limited. It owns the entire share capital of 1,000 shares of £1 each in BACP Advertising Limited, a company incorporated in the United Kingdom.

BACP Advertising Limited was originally donated to British Association for Counselling and Psychotherapy and therefore there is no cost of investment in the balance sheet of British Association for Counselling and Psychotherapy. BACP Advertising Limited deals with income raised from advertisements placed in the Counselling and Psychotherapy Journal (CPJ), Counselling and Psychotherapy Research Journal (CPR), and Divisional Newsletters produced by the British Association for Counselling and Psychotherapy.

The British Association for Counselling and Psychotherapy is the only member of Faculty of Healthcare Counsellors and Psychotherapists Limited, 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 £1,000. Faculty of Healthcare Counsellors and Psychotherapists Limited provides education and training for counsellors and psychotherapists working in professional medical health care settings with a view to raising the standards of counselling and psychotherapy for the benefit of the community. Faculty of Healthcare Counsellors and Psychotherapists Limited commenced trading on 1 April 2000.

| | FHCP Limited | BACP Advertising Limited | 2002 | 2001 |
|-------------------------|-----------------|--------------------------------|----------------|----------------|
| | £ | £ | £ | £ |
| Turnover | 44,010 | 214,212 | 258,222 | 211,729 |
| Administrative expenses | (16,306) | (1,570) | (17,876) | (25,968) |
| Other operating income | - | - | - | 30 |
| Net profit | <u>27,704</u> | <u>212,642</u> | <u>240,346</u> | <u>185,791</u> |
| Amount gifted | (27,704) | (212,642) | (240,346) | (185,791) |
| Retained profit | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

The assets and liabilities of the subsidiaries were:

| | | | | |
|--|----------|------------|------------|------------|
| Current assets | 48,456 | 111,225 | 159,681 | 81,579 |
| Creditors: amounts falling due within one year | (48,456) | (110,520) | (158,976) | (80,874) |
| Total net assets | <u>-</u> | <u>705</u> | <u>705</u> | <u>705</u> |
| Aggregate share capital and reserves | <u>-</u> | <u>705</u> | <u>705</u> | <u>705</u> |

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6. OTHER INCOME

This includes £57,765 (2001 - £64,479) 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 2002. This agreement was negotiated for the British Association for Counselling and Psychotherapy by its insurance brokers.

7. SUPPORT COSTS

| | 2002 | 2001 |
|-----------------------------|----------------|----------------|
| | £ | £ |
| Professional Conduct | 135,917 | 97,757 |
| Postages | 50,727 | 40,224 |
| Printing and stationery | 20,812 | 26,647 |
| Public relations | 48,072 | 40,358 |
| Advertising and recruitment | 31,199 | 19,759 |
| Web site set up costs | - | 41,883 |
| Training | 27,752 | 26,572 |
| Travelling and committees | 104,811 | 114,513 |
| | <u>419,290</u> | <u>407,713</u> |

8. ESTABLISHMENT COSTS

| | 2002 | 2001 |
|---------------------------------|---------------|---------------|
| | £ | £ |
| Rent, rates and service charges | 58,547 | 47,200 |
| Lighting and heating | 9,771 | 6,392 |
| Insurance | 6,103 | 5,309 |
| Repairs and renewals | 11,042 | 14,207 |
| | <u>85,463</u> | <u>73,108</u> |

9. MANAGEMENT AND ADMINISTRATION COSTS

| | 2002 | 2001 |
|--|----------------|----------------|
| | £ | £ |
| Salaries, national insurance and pension contributions | 532,467 | 513,766 |
| Annual General Meeting | 28,788 | 28,352 |
| Telephone | 24,514 | 29,039 |
| Computer maintenance and consumables | 59,160 | 44,795 |
| Office sundries | 18,040 | 15,609 |
| Professional fees | 74,261 | 77,205 |
| Auditors remuneration | 8,000 | 7,000 |
| Bank charges | 13,231 | 11,426 |
| Depreciation | 81,255 | 77,054 |
| Loss on disposals of fixed assets | 10,367 | - |
| | <u>842,083</u> | <u>804,246</u> |

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10. STAFF NUMBERS AND COSTS

| | 2002 £ | 2001 £ |
|--|-----------|-----------|
| The average number of employees (including part-time staff) during the year was: | | |
| Membership | 5 | 3 |
| Accreditation | 10 | 9 |
| UK Register of Counsellors | 2 | 2 |
| Information and Publications | 10 | 9 |
| Educational and Development | 2 | 2 |
| Complaints | 3 | 3 |
| Administration and Management | 18 | 20 |
| Board of Governors | 10 | 10 |
| | <u>60</u> | <u>58</u> |
| | 2002 £ | 2001 £ |
| The number of employees earning over £50,000 per annum was as follows: | | |
| £50,000 - £60,000 | <u>1</u> | <u>1</u> |

Contributions to the pension scheme for higher paid employees amounted to £3,454 for the year (2001 - NIL).

| | 2002 £ | 2001 £ |
|--|------------------|------------------|
| The aggregate payroll costs amounted to: | | |
| Wages and salaries | 1,120,774 | 982,345 |
| Social security costs | 94,650 | 84,881 |
| Other pension costs | 29,314 | 26,001 |
| Death in service | 3,304 | 2,564 |
| | <u>1,248,042</u> | <u>1,095,791</u> |

11. FEES PAYABLE TO AUDITORS

| | The Group | | The Company | |
|--------------------------------|---------------|---------------|---------------|---------------|
| | 2002 £ | 2001 £ | 2002 £ | 2001 £ |
| Relating to audit services | 9,180 | 8,100 | 8,000 | 7,000 |
| Relating to non-audit services | 4,865 | 3,595 | 4,690 | 3,595 |
| | <u>14,045</u> | <u>11,695</u> | <u>12,690</u> | <u>10,595</u> |

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12. TANGIBLE FIXED ASSETS (Group and Company)

| | Computer equipment & accessories £ | Office furniture & equipment £ | Motor vehicle £ | Leasehold property £ | Total £ |
|-------------------------|---|---|-----------------------|----------------------------|----------------|
| Cost | | | | | |
| At 1 April 2001 | 284,479 | 135,400 | 22,715 | 123,286 | 565,880 |
| Additions | 21,059 | 16,613 | - | 8,617 | 46,289 |
| Disposals | (52,011) | (2,751) | (22,715) | - | (77,477) |
| At 31 March 2002 | <u>253,527</u> | <u>149,262</u> | <u>-</u> | <u>131,903</u> | <u>534,692</u> |
| Depreciation | | | | | |
| At 1 April 2001 | 212,878 | 97,750 | 13,350 | 55,536 | 379,514 |
| Charge for the year | 45,938 | 21,020 | - | 14,297 | 81,255 |
| Eliminated on disposals | (46,518) | (2,442) | (13,350) | - | (62,310) |
| At 31 March 2002 | <u>212,298</u> | <u>116,328</u> | <u>-</u> | <u>69,833</u> | <u>398,459</u> |
| Net book value | | | | | |
| At 31 March 2002 | <u>41,229</u> | <u>32,934</u> | <u>-</u> | <u>62,070</u> | <u>136,233</u> |
| At 1 April 2001 | <u>71,601</u> | <u>37,650</u> | <u>9,365</u> | <u>67,750</u> | <u>186,366</u> |

13. INVESTMENTS (Group and Company)

| | 2002 £ | 2001 £ |
|---|----------------|----------------|
| Market value | | |
| At 1 April 2001 | 556,349 | 549,773 |
| Additions | 267,271 | 860 |
| Disposals | (311,462) | - |
| | <u>512,158</u> | <u>550,633</u> |
| Unrealised (loss)/gain on investments | (47,658) | 5,716 |
| At 31 March 2002 | <u>464,500</u> | <u>556,349</u> |
| Cash held by Investment Managers | 20,008 | 10,130 |
| | <u>484,508</u> | <u>566,479</u> |
| Investments at market value comprised: | | |
| | 2002 £ | 2001 £ |
| UK Fixed interest securities | 50,487 | 131,777 |
| UK Convertible and preference shares | 18,720 | 70,131 |
| Equities - UK | 300,705 | 308,053 |
| - Rest of world | 94,588 | 46,388 |
| | <u>464,500</u> | <u>556,349</u> |

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14. STOCKS (Group and Company)

| | 2002 | 2001 |
|-------------------------|---------------|---------------|
| | £ | £ |
| Publications | 24,729 | 28,963 |
| Films and videos | 980 | 980 |
| Printing and stationery | 6,232 | 3,086 |
| | <u>31,941</u> | <u>33,029</u> |

15. DEBTORS

| | The Group | | The Company | |
|---|----------------|----------------|----------------|----------------|
| | 2002 | 2001 | 2002 | 2001 |
| | £ | £ | £ | £ |
| Trade debtors | 201,921 | 26,198 | 178,357 | 15,038 |
| Amount owed from trading subsidiaries: | | | | |
| - BACP Advertising Limited | - | - | 101,216 | 37,310 |
| - Faculty of Healthcare Counsellors and Psychotherapists Limited | - | - | 24,870 | 14,652 |
| Other debtors | 52,146 | 69,613 | 48,965 | 69,326 |
| Accrued interest receivable | 25,668 | 9,588 | 25,668 | 9,588 |
| Prepayments | 70,546 | 66,118 | 70,546 | 66,118 |
| | <u>350,281</u> | <u>171,517</u> | <u>449,622</u> | <u>212,032</u> |

**16. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

| | The Group | | The Company | |
|---|------------------|------------------|------------------|------------------|
| | 2002 | 2001 | 2002 | 2001 |
| | £ | £ | £ | £ |
| Trade creditors | 70,184 | 129,167 | 68,952 | 129,167 |
| Social security and other taxes | 34,245 | 30,572 | 28,163 | 27,210 |
| Other creditors | 630 | 4,102 | 630 | 4,102 |
| Accruals | 96,642 | 63,964 | 90,036 | 59,707 |
| Deferred income | 46,750 | 55,805 | 27,780 | 53,629 |
| | <u>248,451</u> | <u>283,610</u> | <u>215,561</u> | <u>273,815</u> |
| Membership and United Kingdom register fees in advance | 1,027,237 | 820,710 | 1,027,237 | 801,594 |
| | <u>1,275,688</u> | <u>1,104,320</u> | <u>1,242,798</u> | <u>1,075,409</u> |

**BRITISH ASSOCIATION FOR COUNSELLING AND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002**

17. GENERAL FUND (Group and Company)

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

| | 2002 £ | 2001 £ |
|--|---------------------|----------------------|
| Unrealised gains at 1 April 2001 | 78,037 | 72,321 |
| Losses realised on investments against market value at 1 April 2001 | (33,819) | - |
| Gain realised on investments against cost | 2,821 | - |
| | <u>47,039</u> | <u>72,321</u> |
| Unrealised gains (losses) for the year | (47,658) | 5,716 |
| Unrealised gains (losses) at 31 March 2002 | <u>(619)</u> | <u>78,037</u> |

18. CAPITAL COMMITMENTS (Group and Company)

| | 2002 £ | 2001 £ |
|---|-----------|-----------|
| Contracted for but not provided in the financial statements | - | - |

19. OPERATING LEASE COMMITMENTS (Group and Company)

At 31 March 2002 the company had annual commitments of £55,000 (2001 - £69,000) under non-cancellable operating leases which expire as follows:

| | Land and buildings | |
|-----------------------|---------------------------|----------------|
| | 2002 £ | 2001 £ |
| Between 1 and 2 years | - | £34,000 |
| Between 2 and 5 years | £20,000 | - |
| Over 5 years | <u>£35,000</u> | <u>£35,000</u> |

20 RELATED PARTIES

The Board of Governors neither received nor waived any emoluments during the year (2001 - NIL). However an amount of £13,034 (2001 - £12,738) was paid to the University of Edinburgh for C McDevitt's (the Chair person) time for the year ended 31 March 2002.

L Macwhinnie (a member of the Board of Governors) is the Company Secretary of Scriptorium Management Limited, a company owned by her husband. During the year British Association for Counselling and Psychotherapy purchased services amounting to £16,403 (2001 - £16,715) from Scriptorium Management Limited. In addition, British Association for Counselling and Psychotherapy's subsidiary, Faculty of Healthcare Counsellors and Psychotherapists Limited, purchased services amounting to £8,616 in the year ended 31 March 2001 and Nil in the current year.