

2175320

**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 2003**

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



A30
COMPANIES HOUSE

AW4Z10P4

0162
27/09/03

**BRITISH ASSOCIATION FOR COUNSELLING
AND PSYCHOTHERAPY**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003**

	Page
Report of the Board of Governors	1
Independent Auditors Report	8
Consolidated Statement of Financial Activities	10
Consolidated Balance Sheet	11
Balance Sheet	12
Consolidated Cashflow Statement	13
Notes to the Financial Statements	14

BRITISH ASSOCIATION FOR COUNSELLING AND PSYCHOTHERAPY

REPORT OF THE BOARD OF GOVERNORS FOR THE YEAR ENDED 31 MARCH 2003

The Board of Governors presents its report with the financial statements of the company for the year ended 31 March 2003.

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 BACP House, 35-37 Albert Street, Rugby, Warwickshire CV21 2SG.

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.

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 2003**

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, in consultation with Membership, 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.
- To ensure that the organisation has a proactive succession plan in place in order to maintain the necessary skills and competencies to enable effective and efficient management of the organisation and development of the profession

**BRITISH ASSOCIATION FOR COUNSELLING
AND PSYCHOTHERAPY**

**REPORT OF THE BOARD OF GOVERNORS
FOR THE YEAR ENDED 31 MARCH 2003**

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	Elected 17/09/99 Resigned 12/10/02	Strategic Direction Committee Remuneration and Succession Committee
Val Potter (Chair)	Elected 17/09/99 Resigned 17/12/01 Co-opted 08/03/02 Elected 12/10/02	Professional Conduct Committee until October 2002 Remuneration and Succession Committee Strategic Direction Committee
Nicola Barden (Deputy Chair)	Elected 12/10/02	Professional Standards Committee Strategic Direction Committee Remuneration and Succession Committee
Linden Burdus	Re-elected 12/10/02	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 Resigned 23/06/02	
Judith Langdon	Elected 07/09/00 Resigned 12/10/02	
Anne Lord	Re-elected 17/09/99 Resigned 12/10/02	
Julia Samuel	Elected 05/09/01	
Linda Aspey	Elected 12/10/02	
Mary Berry	Elected 12/10/02	
Noreen Griffiths	Elected 12/10/02	

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 as required.

Trustees are appointed by election from the membership of the Association by a single transferable vote, supervised by an external organisation appointed by the President of the Association.

All members of the Board of Governors have been reimbursed for expenses incurred during the year amounting to £17,567 (2002 - £35,577). This represents travelling expenses.

**BRITISH ASSOCIATION FOR COUNSELLING
AND PSYCHOTHERAPY**

**REPORT OF THE BOARD OF GOVERNORS
FOR THE YEAR ENDED 31 MARCH 2003**

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 Statement of Recommended Practice 'Accounting and Reporting by Charities'. 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 10.

The Consolidated Statement of Financial Activities shows net incoming resources of £220,232. 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

During the year the activities of the charity can be described as preparing the ground to ensure 'fit for the future' and preparing for further evolution of the profession. The strategy has been reviewed and can be reflected in the following:

Our mission is as follows:

'To be the professional body for counselling and psychotherapy and the automatic reference point for anyone seeking information on counselling and psychotherapy in the United Kingdom'.

Our vision is that:

'BACP is leading the effort to make counselling and psychotherapy widely recognised as a profession whose purpose and activity is understood by the general public'.

From the planning process an extension to the above vision was added:

'That the UK can become one of the best places in the world to practice and deliver solutions through counselling and psychotherapy'

BRITISH ASSOCIATION FOR COUNSELLING AND PSYCHOTHERAPY

REPORT OF THE BOARD OF GOVERNORS FOR THE YEAR ENDED 31 MARCH 2003

BACP Goals and Values statement:

'BACP is an organisation which:

- Will develop and maintain a world class professional support service to enhance membership understanding and productivity.
- Values integrity, impartiality and respect.
- Promotes equality of opportunity.
- Embraces a diverse range of counselling and psychotherapy approaches.
- Promotes accessibility for clients to counsellors and psychotherapists.
- Undertakes research.
- Is responsive to emerging issues and trends.
- Consults widely.
- Is enterprising'.

Our key ambitions for 2003-05 are:

- To reach and impact on a wider audience, especially those in more disadvantaged groups.
- To use information technology to improve member/customer choice of delivery mechanisms and to give us increased operating efficiencies.
- To increase market penetration by increasing the number of members/public using our professional services.
- To actively develop and train our staff to ensure that they are able to provide consistent, high quality services to members and public, both internal and external.
- To better understand and measure the key drivers of our business in order to constantly improve.
- To work closely with our stakeholders and contractors to exploit their considerable experience and skills for the benefit of our members.
- To become the focal point of access to counselling and psychotherapy support and advisory services for professional practitioners'.

Changes of significance and development have been the strengthening of the senior management team, with the recruitment of a Head of Marketing. In addition a review of the Board committees has been completed. The completion of 'Project Move' has resulted in an integration of staff teams and along with staff learning/training/workshop events has had an impact on the development of a motivating and challenging culture.

A further significance is the creation and publishing of the BACP business plan, including essential first work on a BACP Marketing strategy and plan. This is along with a new performance management framework encompassed by the published 'BACP Balanced scorecard'. This achievement is key, creating corporate, team and individual objectives, strategies and key performance indicators. Individual objectives have been clarified through the new appraisal process for all staff.

This work has laid the groundwork for the development of a tool (EFQM) for continuous improvement of the organisation, beginning in the late Autumn of 2003. Preparatory work on the BACP policy field in the context of evolution of the profession/Government regulatory agenda has begun, utilising a member/staff/stakeholder-wide attitudinal survey and a specifically commissioned report on PR/lobbying to ensure the voice of BACP is heard on regulation of the profession. Essential work with the Divisional and other associated structures has advanced to incorporate knowledge and best practice into future plans.

BRITISH ASSOCIATION FOR COUNSELLING AND PSYCHOTHERAPY

REPORT OF THE BOARD OF GOVERNORS FOR THE YEAR ENDED 31 MARCH 2003

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. The Board of Governors reviewed the reserves policy in November 2002 and considers the level of reserves is adequate to cover the likely financial deficits over the next few years as regulation is imposed on and embraced by the counselling and psychotherapy profession. Therefore it believes that the current level of reserves, which is broadly in line with the reserves policy, should be maintained in the immediate future.

INVESTMENT POLICY

The charity has appointed Kleinwort Benson Private Bank Limited (KBPB) to provide discretionary investment management services of its investment portfolio. The investment objectives criterion is based on maximum total gross return, by generating growth through capital appreciation in the value of shares and the reinvestment of income as generated from dividends. KBPB is regulated by the Financial Services Authority and is a member of the London Stock Exchange.

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. The Board of Governors established an internal Audit Committee to ensure that the charity's policies and procedures are adhered to and regularly reviews the Risk Management Policy. This policy identifies major risks, the potential impact, and the steps in place to mitigate those risks. The Audit Committee takes delegated responsibility for ensuring the charity is complying with the relevant legislation and that there is a framework for accountability. The Audit Committee meets approximately four times a year and reports to the Board of Governors after every meeting.

FINANCIAL INFORMATION

The Association remains in a healthy financial position in line with its reserves policy. There are sufficient funds available to carry out the strategic plan of the Association over the forthcoming year and in particular the activities concerning the regulation of the counselling and psychotherapy profession.

RELATED PARTIES

Details of transactions with related parties are shown in note 19 to the accounts.

FIXED ASSETS

Information relating to changes in the fixed assets is shown in note 11 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 £907 (2002 - £840) for the year.

**BRITISH ASSOCIATION FOR COUNSELLING
AND PSYCHOTHERAPY**

**REPORT OF THE BOARD OF GOVERNORS
FOR THE YEAR ENDED 31 MARCH 2003**

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

Russell Cooke
(incorporating Sinclair Taylor & Martin)
8 Bedford Row
London, WC1R 4BX

Investment

Brokers: Kleinwort Benson Private Bank Limited
10 Fenchurch Street
London, EC3M 3LB

VOLUNTEERS

Approximately 180 volunteers, who are 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.

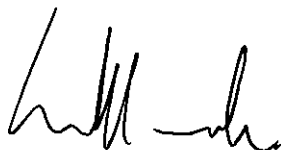
HONORARIA

Honoraria payments made to volunteers during the year amounted to £14,431 (2002 - £15,802).

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: 27-6-03

**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 31 March 2003 set out on pages 9 to 22. 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.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 company 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 company 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 company's circumstances, consistently applied and adequately disclosed.

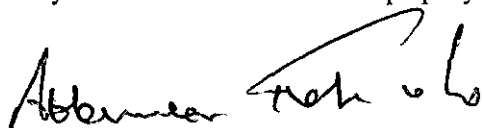
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 2003 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:5-8-03.....

**BRITISH ASSOCIATION FOR COUNSELLING
AND PSYCHOTHERAPY**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2003**

		Unrestricted funds	
	Notes	2003	2002
		£	£
INCOME AND EXPENDITURE			
INCOMING RESOURCES:			
Activities in furtherance of the charity's objectives:			
- Income from departments	3	2,784,477	2,478,031
Activities for generating funds:			
- Income of trading subsidiaries	4	294,099	259,486
Donations		2,279	2,313
Investment income	5	59,454	78,327
Other income	6	68,748	65,443
TOTAL INCOMING RESOURCES		3,209,057	2,883,600
RESOURCES EXPENDED:			
Charitable expenditure:			
Costs of activities in furtherance of the charity's objectives:			
- Expenses of departments	3	1,672,664	1,426,635
Support costs	7	281,198	277,477
Management and administration costs	8	977,335	927,546
		2,931,197	2,631,658
Costs of activities for generating funds:			
- Expenditure of trading subsidiaries	4	57,628	17,876
TOTAL RESOURCES EXPENDED		2,988,825	2,649,534
NET INCOMING RESOURCES FOR THE YEAR		220,232	234,066
LOSSES ON INVESTMENTS:			
Realised	16	(29,689)	(33,819)
Unrealised		(95,048)	(47,658)
NET MOVEMENT IN FUNDS		95,495	152,589
BALANCE BROUGHT FORWARD AT 1 APRIL 2002		1,566,574	1,413,985
BALANCE CARRIED FORWARD AT 31 MARCH 2003		1,662,069	1,566,574

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

Unrealised losses on investments have been included in the statement of financial activities as required by the Statement of Recommended Practice.

The surplus for the year for Companies Act purposes comprises the net incoming resources for the year less realised losses on investments and was £190,543 (2002 - £200,247).

The notes form part of these financial statements

**BRITISH ASSOCIATION FOR COUNSELLING
AND PSYCHOTHERAPY**

**CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2003**

	Notes	2003		2002	
		£	£	£	£
FIXED ASSETS:					
Tangible assets	11		177,121		136,233
Investments	12		898,459		484,508
			<u>1,075,580</u>		<u>620,741</u>
CURRENT ASSETS:					
Stocks	13	25,718		31,941	
Debtors	14	192,613		350,281	
Cash at bank and in hand		1,584,688		1,839,299	
		<u>1,803,019</u>		<u>2,221,521</u>	
CREDITORS: Amounts falling due within one year	15	1,216,530		1,275,688	
NET CURRENT ASSETS			586,489		945,833
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,662,069</u>		<u>1,566,574</u>
FUNDS:					
Unrestricted general fund			<u>1,662,069</u>		<u>1,566,574</u>

ON BEHALF OF THE BOARD OF GOVERNORS:

V. A. Potter

V POTTER - CHAIR

Approved by the Board of Governors on 27-6-03.....

The notes form part of these financial statements

**BRITISH ASSOCIATION FOR COUNSELLING
AND PSYCHOTHERAPY**

**BALANCE SHEET
AT 31 MARCH 2003**

	Notes	2003	2002
		£	£
FIXED ASSETS:			
Tangible assets	11	177,121	136,233
Investments	12	898,459	484,508
		<u>1,075,580</u>	<u>620,741</u>
CURRENT ASSETS:			
Stocks	13	25,718	31,941
Debtors	14	274,769	449,622
Cash at bank and in hand		1,470,738	1,706,363
		<u>1,771,225</u>	<u>2,187,926</u>
CREDITORS: Amounts falling due within one year	15	1,185,441	1,242,798
NET CURRENT ASSETS		<u>585,784</u>	<u>945,128</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>1,661,364</u></u>	<u><u>1,565,869</u></u>
FUNDS:			
Unrestricted general fund		<u><u>1,661,364</u></u>	<u><u>1,565,869</u></u>

ON BEHALF OF THE BOARD OF GOVERNORS:

V. A. Potter

V POTTER - CHAIR

Approved by the Board of Governors on22-6-03.....

The notes form part of these financial statements

**BRITISH ASSOCIATION FOR COUNSELLING
AND PSYCHOTHERAPY**

**CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2003**

	2003 £	2002 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	391,232	319,380
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT:		
Payments to acquire tangible fixed assets	(107,197)	(46,289)
Proceeds from sale of tangible fixed assets	42	4,800
Purchase of investments	(78,742)	(267,271)
Proceeds from sale of investments	83,388	277,643
	(102,509)	(31,117)
INCREASE IN CASH IN THE YEAR	288,723	288,263

CASHFLOW INFORMATION FOR THE GROUP

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

	2003 £	2002 £
Net incoming resources	220,232	234,066
Loss on sale of tangible fixed assets	2,963	10,367
Depreciation	63,304	81,255
Decrease in stocks	6,223	1,088
Decrease (increase) in debtors	157,668	(178,764)
(Decrease) increase in creditors	(59,158)	171,368
Net cash inflow from operating activities	391,232	319,380

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

	2003 £	2002 £
Movement in net funds and debt in the year	288,723	288,263
Net funds and debt at 1 April 2002	1,859,307	1,571,044
Net funds and debt at 31 March 2003	2,148,030	1,859,307

(c) Analysis of net funds/debt

	1 April 2002 £	Cashflow £	31 March 2003 £
Cash at bank and in hand	1,839,299	(254,611)	1,584,688
Cash held by investment brokers	20,008	543,334	563,342
	1,859,307	288,723	2,148,030

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 2003**

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). 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.

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

The notes form part of these financial statements

**BRITISH ASSOCIATION FOR COUNSELLING
AND PSYCHOTHERAPY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003**

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 included in the analysis of support costs.

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 - straight line basis
Office furniture and equipment	-	20% per annum - straight line basis

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 2003 there were 21,668 members (2002 - 19,808).

3. NET INCOME FROM DEPARTMENTS

	2003			2002		
	Income	Expense	Surplus/ (deficit)	Income	Expense	Surplus/ (deficit)
	£	£	£	£	£	£
Membership	2,164,117	463,988	1,700,129	1,840,652	356,946	1,483,706
Professional Conduct	-	139,415	(139,415)	-	135,917	(135,917)
Events	100,680	211,258	(110,578)	92,036	178,199	(86,163)
Professional Standards	280,728	366,831	(86,103)	316,359	317,590	(1,231)
Information	2,510	120,104	(117,594)	1,950	97,209	(95,259)
Publications	236,442	293,329	(56,887)	227,034	292,702	(65,668)
Public Relations	-	77,739	(77,739)	-	48,072	(48,072)
	<u>2,784,477</u>	<u>1,672,664</u>	<u>1,111,813</u>	<u>2,478,031</u>	<u>1,426,635</u>	<u>1,051,396</u>

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 2003**

4. 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. 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.

	FHCP Limited	BACP Advertising Limited	2003	2002
	£	£	£	£
Turnover	44,224	249,875	294,099	259,486
Administrative expenses	(29,519)	(28,109)	(57,628)	(17,876)
Other operating income	-	-	-	-
Net profit	14,705	221,766	236,471	241,610
Amount gifted	(14,705)	(221,766)	(236,471)	(241,610)
Retained profit	-	-	-	-

The assets and liabilities of the subsidiaries were:

Current assets	41,379	103,603	144,982	159,681
Creditors: amounts falling due within one year	(41,379)	(102,898)	(144,277)	(158,976)
Total net assets	-	705	705	705
Aggregate share capital and reserves	-	705	705	705

5. INVESTMENT INCOME

	2003	2002
	£	£
Interest receivable	50,193	56,660
Dividends	9,261	21,667
	59,454	78,327

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 2003**

6. OTHER INCOME

This includes £61,302 (2002 - £57,765) 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 2003. This agreement was negotiated for the British Association for Counselling and Psychotherapy by its insurance brokers.

7. SUPPORT COSTS

	2003	2002
	£	£
Postages	50,685	50,727
Printing and stationery	36,240	20,812
Advertising and recruitment	30,879	31,199
Training	21,942	27,752
Travelling and committees	96,465	104,811
Irrecoverable value added tax	44,987	42,176
	<u>281,198</u>	<u>277,477</u>

8. MANAGEMENT AND ADMINISTRATION COSTS

	2003	2002
	£	£
Salaries, national insurance and pension contributions	522,540	532,467
Annual General Meeting	46,854	20,788
Telephone	27,215	24,514
Computer maintenance and consumables	91,554	59,160
Office sundries	33,503	18,040
Rent, rates and service charges	59,857	58,547
Lighting and heating	12,272	9,771
Insurance	6,332	6,103
Repairs and renewals	42,153	11,042
Professional fees	47,617	74,261
Auditors remuneration	6,500	8,000
Bank charges	14,671	13,231
Depreciation	63,304	81,255
Loss on disposals of fixed assets	2,963	10,367
	<u>977,335</u>	<u>927,546</u>

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 2003**

9. STAFF NUMBERS AND COSTS

	2003 £	2002 £
The average number of employees (including part-time staff) during the year was:		
Administration	18	16
Membership	8	5
Professional Conduct	3	3
Events	3	3
Professional Standards	12	12
Information	7	6
Publications	4	4
Public Relations	1	1
	<u>56</u>	<u>50</u>
	2003 £	2002 £
The number of employees earning over £50,000 per annum was as follows:		
£50,001 - £60,000	-	1
£60,001 - £70,000	<u>1</u>	<u>-</u>

Contributions to the pension scheme for higher paid employees amounted to £6,000 for the year (2002 - £3,454).

	2003 £	2002 £
The aggregate payroll costs amounted to:		
Wages and salaries	1,254,554	1,120,774
Social security costs	105,176	94,650
Other pension costs	41,480	29,314
Death in service	3,619	3,304
	<u>1,404,829</u>	<u>1,248,042</u>

10. FEES PAYABLE TO AUDITORS

	The Group		The Company	
	2003 £	2002 £	2003 £	2002 £
Relating to audit services	7,700	9,180	6,500	8,000
Relating to non-audit services	4,707	4,865	4,452	4,690
	<u>12,407</u>	<u>14,045</u>	<u>10,952</u>	<u>12,690</u>

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 2003**

11. TANGIBLE FIXED ASSETS (Group and Company)

	Computer equipment & accessories £	Office furniture & equipment £	Leasehold property £	Total £
Cost				
At 1 April 2002	253,527	149,262	131,903	534,692
Additions	47,101	27,423	32,673	107,197
Disposals	(27,344)	(24,408)	-	(51,752)
At 31 March 2003	<u>273,284</u>	<u>152,277</u>	<u>164,576</u>	<u>590,137</u>
Depreciation				
At 1 April 2002	212,298	116,328	69,833	398,459
Charge for the year	35,392	16,518	11,394	63,304
Disposals	(26,033)	(22,714)	-	(48,747)
At 31 March 2003	<u>221,657</u>	<u>110,132</u>	<u>81,227</u>	<u>413,016</u>
Net book value				
At 31 March 2003	<u>51,627</u>	<u>42,145</u>	<u>83,349</u>	<u>177,121</u>
At 1 April 2002	<u>41,229</u>	<u>32,934</u>	<u>62,070</u>	<u>136,233</u>

12. INVESTMENTS (Group and Company)

	2003 £	2002 £
Market value		
At 1 April 2002	464,500	556,349
Additions	78,742	267,271
Disposals	(113,077)	(311,462)
	<u>430,165</u>	<u>512,158</u>
Unrealised loss on investments	(95,048)	(47,658)
At 31 March 2003	<u>335,117</u>	<u>464,500</u>
Cash held by Investment Managers	563,342	20,008
	<u>898,459</u>	<u>484,508</u>

The historical cost of the investment portfolio (excluding cash) at 31 March 2003 was £425,869 (2002 - £465,119).

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 2003**

12. INVESTMENTS (Group and Company) - continued

	2003	2002
	£	£
Investments at market value comprised:		
UK Fixed interest securities	66,144	50,487
UK Convertible and preference shares	-	18,720
Equities - UK	228,037	300,705
- Rest of world	40,936	94,588
	<u>335,117</u>	<u>464,500</u>

Investments in individual entities held at 31 March 2003 which are over 5% of the portfolio by value are:

BP plc Ordinary shares	-	Market value £20,604
Treasury 2% Index Linked Stock 2006	-	Market value £18,166

13. STOCKS (Group and Company)

	2003	2002
	£	£
Publications	21,859	24,729
Films and videos	980	980
Printing and stationery	2,879	6,232
	<u>25,718</u>	<u>31,941</u>

14. DEBTORS

	The Group		The Company	
	2003	2002	2003	2002
	£	£	£	£
Trade debtors	55,964	201,921	25,216	178,357
Amount owed from trading subsidiaries:				
- BACP Advertising Limited	-	-	89,812	101,216
- Faculty of Healthcare Counsellors and Psychotherapists Limited	-	-	23,377	24,870
Other debtors	51,766	52,146	51,481	48,965
Accrued interest receivable	11,922	25,668	11,922	25,668
Prepayments	72,961	70,546	72,961	70,546
	<u>192,613</u>	<u>350,281</u>	<u>274,769</u>	<u>449,622</u>

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 2003**

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

	The Group		The Company	
	2003	2002	2003	2002
	£	£	£	£
Trade creditors	139,854	70,184	139,854	68,952
Social security and other taxes	42,150	34,245	33,807	28,163
Other creditors	-	630	-	630
Accruals	117,331	96,642	115,021	90,036
Deferred income	37,377	46,750	33,232	27,780
	<u>336,712</u>	<u>248,451</u>	<u>321,914</u>	<u>215,561</u>
Membership and United Kingdom register fees in advance	879,818	1,027,237	863,527	1,027,237
	<u>1,216,530</u>	<u>1,275,688</u>	<u>1,185,441</u>	<u>1,242,798</u>

16. UNRESTRICTED GENERAL FUND (Group and Company)

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

	2003	2002
	£	£
Unrealised (losses) gains at 1 April 2002	(619)	78,037
Losses realised on investments against market value at 1 April 2002	(29,689)	(33,819)
Losses realised on investments against cost	34,604	2,821
	<u>4,296</u>	<u>47,039</u>
Unrealised losses for the year	(95,048)	(47,658)
Unrealised losses at 31 March 2003	<u>(90,752)</u>	<u>(619)</u>

17 CAPITAL COMMITMENTS (Group and Company)

	2003	2002
	£	£
Contracted for but not provided in the financial statements	<u>15,000</u>	<u>-</u>

18 OPERATING LEASE COMMITMENTS (Group and Company)

At 31 March 2003 the company had annual commitments of £55,000 (2002 - £55,000) under non-cancellable operating leases which expire as follows:

	Land and buildings	
	2003	2002
	£	£
Between 2 and 5 years	-	20,000
Over 5 years	<u>55,000</u>	<u>35,000</u>

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 2003**

19 RELATED PARTIES

The Board of Governors neither received nor waived any emoluments during the year (2002 - NIL). However an amount of £6,731 (2002 - £13,034) was paid to the University of Edinburgh for C McDevitt's (the Chair person) time for the year ended 31 March 2003. There is a provision for £5,040 (2002 - NIL) payable to Westminster Pastoral Foundation for V Potter's (the Chair person from 12 October 2002) time for the year ending 31 March 2003.