

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 31st MARCH 2001**

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 31st MARCH 2001**

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# **BRITISH ASSOCIATION FOR COUNSELLING AND PSYCHOTHERAPY**

## **REPORT OF THE BOARD OF GOVERNORS FOR THE YEAR ENDED 31st MARCH 2001**

The Board of Governors present their report with the financial statements of the company for the year ended 31st March 2001.

### **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 BAC Advertising Limited and Faculty of Healthcare Counsellors and Psychotherapists Limited (FHCP).

BAC Advertising Limited receives its income from advertisements placed in the Counselling and Psychotherapy Journal (CPJ) 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 healthcare settings.

### **ORGANISATIONAL STRUCTURE**

A Board of Governors of between 7 and 11 members, who meet approximately six times per year, are 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 have been no significant changes in these objectives during the year.

**BRITISH ASSOCIATION FOR COUNSELLING  
AND PSYCHOTHERAPY**

**REPORT OF THE BOARD OF GOVERNORS  
FOR THE YEAR ENDED 31st MARCH 2001 (CONTINUED)**

**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 for members, accreditation schemes 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 engage with others in the development of relevant National Vocational Qualifications.

to take legal and financial responsibility for the establishment and development of the United Kingdom Register of Counsellors within the Association.

to establish Codes of Ethics & Practice for those involved in all aspects of counselling and psychotherapy and training thereof together with a Complaints Procedure to enforce them for members.

to provide bursaries for specific British Association for Counselling and Psychotherapy activities related to education and training which are not dependent on the British Association for Counselling and Psychotherapy membership.

to engage in an active manner with counsellors and psychotherapists and other cognate professions in the United Kingdom, world-wide and in particular those working inside the European Union, with a view to setting and raising the standards for the benefit of our communities.

to promote research in the fields of counselling and psychotherapy.

to be active in responding to crisis experienced in the community.

to provide an information service to the public and to members on the benefits of counselling and psychotherapy related topics and how to access counsellors and psychotherapists.

to provide all the services of the Association to counsellors and psychotherapists and those working in related services.

to pay honoraria to members for such services that cannot be obtained on a staffing or consultancy basis or from wholly voluntary input.

to define a training brief with a view to positioning the Association in the field of counsellor and psychotherapist training provision and policy, establishing competencies and qualifications for those entering the profession, establishing a career path for counsellors and psychotherapists and enabling funding for the training of counsellors and psychotherapists.

**BRITISH ASSOCIATION FOR COUNSELLING  
AND PSYCHOTHERAPY**

**REPORT OF THE BOARD OF GOVERNORS  
FOR THE YEAR ENDED 31st MARCH 2001 (CONTINUED)**

**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.

<b>Name</b>	<b>Date of change</b>	<b>Membership of other committees</b>
Craig McDevitt Chair		Strategic Direction Committee United Kingdom Register of Counsellors Advisory and Standards Committee Ways and Means Committee
Val Potter Deputy Chair		Professional Conduct Committee Strategic Direction Committee
Ruth Archer	Retired 07/09/00	
George Buckton		Professional Conduct Committee
Linden Burdus		
Roger Casemore		Professional Conduct Committee
Jane Chisholm		
Anthea Green	Retired 07/09/00	
Hannah Greenwood		Ways and Means Committee
Judith Langdon	Elected 07/09/00	
Anne Lord		
Lynn Macwhinnie		

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 £30,329 (2000 - £34,067). This represents travelling expenses.

**BRITISH ASSOCIATION FOR COUNSELLING  
AND PSYCHOTHERAPY**

**REPORT OF THE BOARD OF GOVERNORS  
FOR THE YEAR ENDED 31st MARCH 2001 (CONTINUED)**

**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 are 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 are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and group and to enable them to ensure that the financial statements comply with the Companies Act 1985, the Charities Act 1993 and the Revised Statement of Recommended Practice. They are 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 a net resources expended position of £38,503. This is actually less than the budgeted deficit planned at the start of the financial year. Due to the likely onset of regulation over 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 of Governors have increased 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 of Governors have initiated a programme of professional training delivered on a regional basis throughout the United Kingdom.

The Board of Governors have 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 Deputy Chief Executive's Reports on pages.....

**RESERVES POLICY**

The Board of Governors have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should represent six months worth of the resources expended. Although the Board of Governors consider this level to be high and are considering reviewing the policy, they are 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 they believe 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 31st MARCH 2001 (CONTINUED)**

**INVESTMENT POLICY**

The charity's policy is to invest in low risk investments, to provide both income and an increase in the capital value of the investments.

During the year the Board of Governors decided that the current investment brokers, Weinel & Partners Limited, were not providing a satisfactory service and appointed Kleinwort Benson Investment Management Limited to replace them. However, due to administrative problems the portfolio was not transferred until after the balance sheet date. Therefore, it is anticipated that the return of the investments will be improved in the next financial year.

**RISK MANAGEMENT**

The Board of Governors review the major risks which the charity faces and either revise or implement new systems to mitigate those risks. They believe 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 are 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 counselling and support services department 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 (2000 - £840) for the year.

**BRITISH ASSOCIATION FOR COUNSELLING  
AND PSYCHOTHERAPY**

**REPORT OF THE BOARD OF GOVERNORS  
FOR THE YEAR ENDED 31st MARCH 2001 (CONTINUED)**

**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 £20,918 (2000 - £42,779).

**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**



A JAMIESON - SECRETARY

Dated: 29th June 2001



**BRITISH ASSOCIATION FOR COUNSELLING  
AND PSYCHOTHERAPY**

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

We have audited the financial statements of the British Association for Counselling and Psychotherapy on pages 9 to 20. These financial statements have been prepared in accordance with the accounting policies set out on pages 13 and 14.

**RESPECTIVE RESPONSIBILITIES OF THE BOARD OF GOVERNORS AND AUDITORS**

As described on page .... the company's Board of Governors, who are also the directors of the British Association for Counselling and Psychotherapy for purposes of company law, are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 the Report of the Board of Governors and consider the implications for our report if we become aware of any apparent misstatements within it.

**BASIS OF 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 judgements 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.

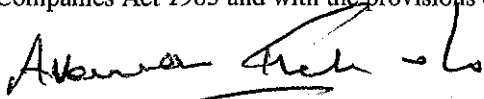
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

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

**OPINION**

In our opinion the financial statements give a true and fair view of the state of the company's and group's affairs as at 31st March 2001 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 and with the provisions of the Charities Act 1993.



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

Dated: 13th July 2001

**BRITISH ASSOCIATION FOR COUNSELLING  
AND PSYCHOTHERAPY**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31st MARCH 2001**

	Notes	2001 £	2000 £
<b>INCOME AND EXPENDITURE</b>			
<b>INCOMING RESOURCES:</b>			
Income from departments	3	2,054,761	1,690,718
Activities for generating funds:			
- Income of trading subsidiaries	5	211,759	100,150
Donations		4,329	4,590
Investment income	4	89,399	76,571
Other income	6	72,888	27,876
<b>TOTAL INCOMING RESOURCES</b>		<b>2,433,136</b>	<b>1,899,905</b>
<b>RESOURCES EXPENDED:</b>			
Costs of activities in furtherance of the charity's objectives:			
- Expenses of departments	3	1,131,358	776,534
Costs of activities for generating funds:			
- Expenditure of trading subsidiaries	5	25,968	1,468
Support costs	7	416,649	296,615
Establishment costs	8	73,108	65,021
Management and administration costs	9	795,310	714,640
Irrecoverable value added tax		34,046	24,085
<b>TOTAL RESOURCES EXPENDED</b>		<b>2,476,439</b>	<b>1,878,363</b>
<b>NET (RESOURCES EXPENDED)/INCOMING RESOURCES FOR THE YEAR</b>		<b>(43,303)</b>	<b>21,542</b>
<b>GAINS AND LOSSES ON INVESTMENTS:</b>			
Realised	17	-	(5,959)
Unrealised		5,716	23,625
<b>NET MOVEMENT IN FUNDS</b>		<b>(37,587)</b>	<b>39,208</b>
<b>BALANCE BROUGHT FORWARD AT 1ST APRIL 2000</b>		<b>1,451,572</b>	<b>1,412,364</b>
<b>BALANCE CARRIED FORWARD AT 31ST MARCH 2001</b>		<b>1,413,985</b>	<b>1,451,572</b>

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 £(38,503) (2000 - £15,583).

The notes form part of these financial statements

**BRITISH ASSOCIATION FOR COUNSELLING  
AND PSYCHOTHERAPY**

**CONSOLIDATED BALANCE SHEET  
AT 31st MARCH 2001**

	Notes	2001	2000
		£	£
<b>FIXED ASSETS:</b>			
Tangible assets	12	186,366	148,077
Investments	13	566,479	552,600
		<u>752,845</u>	<u>700,677</u>
<b>CURRENT ASSETS:</b>			
Stocks	14	33,029	34,519
Debtors	15	171,517	152,699
Cash at bank and in hand		1,560,914	1,514,909
		<u>1,765,460</u>	<u>1,702,127</u>
<b>CREDITORS:</b> Amounts falling due within one year	16	1,104,320	951,232
<b>NET CURRENT ASSETS</b>		<u>661,140</u>	<u>750,895</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>1,413,985</u></u>	<u><u>1,451,572</u></u>
<b>RESERVES:</b>			
General fund		<u><u>1,413,985</u></u>	<u><u>1,451,572</u></u>

**ON BEHALF OF THE BOARD OF GOVERNORS:**



**C McDEVITT - CHAIR**

Approved by the Board of Governors on 29th June 2001

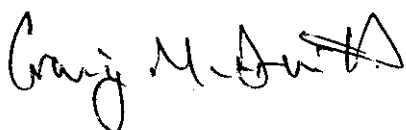
The notes form part of these financial statements

**BRITISH ASSOCIATION FOR COUNSELLING  
AND PSYCHOTHERAPY**

**BALANCE SHEET  
AT 31st MARCH 2001**

	Notes	2001	2000
		£	£
<b>FIXED ASSETS:</b>			
Tangible assets	12	186,366	148,077
Investments	13	566,479	552,600
		<u>752,845</u>	<u>700,677</u>
<b>CURRENT ASSETS:</b>			
Stocks	14	33,029	34,519
Debtors	15	212,032	122,495
Cash at bank and in hand		1,490,783	1,480,818
		<u>1,735,844</u>	<u>1,637,832</u>
<b>CREDITORS:</b> Amounts falling due within one year	16	1,075,409	887,642
<b>NET CURRENT ASSETS</b>		<u>660,435</u>	<u>750,190</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>1,413,280</u></u>	<u><u>1,450,867</u></u>
<b>RESERVES:</b>			
General fund		<u><u>1,413,280</u></u>	<u><u>1,450,867</u></u>

**ON BEHALF OF THE BOARD OF GOVERNORS:**



**C McDEVITT - CHAIR**

Approved by the Board of Governors on 29th June 2001

The notes form part of these financial statements

**BRITISH ASSOCIATION FOR COUNSELLING  
AND PSYCHOTHERAPY**

**CONSOLIDATED CASHFLOW STATEMENT  
FOR THE YEAR ENDED 31st MARCH 2001**

	2001 £	2000 £
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>169,511</b>	<b>207,469</b>
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT:</b>		
Payments to acquire tangible fixed assets	(115,343)	(59,072)
Proceeds from sale of tangible fixed assets	-	43
Purchase of investments	(860)	(146,980)
Proceeds from sale of investments	-	11,489
	<b>(116,203)</b>	<b>(194,520)</b>
<b>INCREASE IN CASH IN THE YEAR</b>	<b>53,308</b>	<b>12,949</b>

**CASHFLOW INFORMATION FOR THE GROUP**

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

	2001 £	2000 £
Net (resources expended)/incoming resources	(43,303)	21,542
Loss on sale of tangible fixed assets	-	249
Depreciation	77,054	77,393
Decrease/(increase) in stocks	1,490	(105)
(Increase)/decrease in debtors	(18,818)	(38,810)
Increase in creditors	153,088	147,200
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>169,511</b>	<b>207,469</b>

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

	2001 £	2000 £
Movement in net funds and debt in the year	53,308	12,949
Net funds and debt at 1st April 2000	1,517,736	1,504,787
<b>NET FUNDS AND DEBT AT 31st MARCH 2001</b>	<b>1,571,044</b>	<b>1,517,736</b>

**(c) Analysis of net funds/debt**

	1st April 2000 £	Cashflow £	31st March 2001 £
Cash at bank and in hand	1,514,909	46,005	1,560,914
Cash held by investment brokers	2,827	7,303	10,130
	<b>1,517,736</b>	<b>53,308</b>	<b>1,571,044</b>

The notes form part of these financial statements

**BRITISH ASSOCIATION FOR  
COUNSELLING AND PSYCHOTHERAPY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 2001**

**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 relevant Statements of Standard Accounting Practice 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 receivable 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.

The notes form part of these financial statements

**BRITISH ASSOCIATION FOR COUNSELLING AND  
PSYCHOTHERAPY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 2001 (CONTINUED)**

**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 31st March 2001 there were 18,097 members (2000 - 17,373).

**3. NET INCOME FROM DEPARTMENTS**

	Income	Expense	2001 Surplus/ (deficit)	2000 Surplus/ (deficit)
	£	£	£	£
Membership	1,466,493	280,784	1,185,709	1,013,301
Accreditation	132,929	235,168	(102,239)	(15,989)
United Kingdom Register of Counsellors	58,046	51,608	6,438	(13,183)
Information and Publications	175,422	246,534	(71,112)	(35,052)
Audio Visual Aids	17,445	5,030	12,415	9,517
Education and Development	204,426	312,234	(107,808)	(44,410)
	<u>2,054,761</u>	<u>1,131,358</u>	<u>923,403</u>	<u>914,184</u>



**BRITISH ASSOCIATION FOR COUNSELLING AND  
PSYCHOTHERAPY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 2001 (CONTINUED)**

**4. INVESTMENT INCOME**

	2001	2000
	£	£
Interest receivable	79,192	62,252
Dividends received	10,207	14,319
	<u>89,399</u>	<u>76,571</u>

**5. NET INCOME FROM TRADING SUBSIDIARIES**

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

BAC 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. BAC Advertising Limited deals with income raised from advertisements placed in the Counselling and Psychotherapy Journal (CPJ) and other newsletters produced by British Association for Counselling and Psychotherapy.

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 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 1st April 2000.

	FHCP Limited	BAC Advertising Limited	2001	2000
	£	£	£	£
Turnover	41,054	170,675	211,729	100,150
Administrative expenses	(22,603)	(3,365)	(25,968)	(1,468)
Other operating income	30	-	30	-
<b>Net profit</b>	<u>18,481</u>	<u>167,310</u>	<u>185,791</u>	<u>98,682</u>
Amount gifted	(18,481)	(167,310)	(185,791)	(98,682)
<b>Retained profit</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**The assets and liabilities of the subsidiaries were:**

Current assets	37,476	44,103	81,579	64,295
Creditors: amounts falling due within one year	(37,476)	(43,398)	(80,874)	(63,590)
<b>Total net assets</b>	<u>-</u>	<u>705</u>	<u>705</u>	<u>705</u>
<b>Aggregate share capital and reserves</b>	<u>-</u>	<u>705</u>	<u>705</u>	<u>705</u>

**BRITISH ASSOCIATION FOR COUNSELLING AND  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**6. OTHER INCOME**

This includes £64,479 (2000 - £24,889) received from British Association for Counselling and Psychotherapy's Insurer's, 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 31st March 2001. This agreement was negotiated for British Association for Counselling and Psychotherapy by its insurance brokers.

**7. SUPPORT COSTS**

	2001	2000
	£	£
Complaints department	97,757	-
Honoraria	8,936	12,052
Postages	40,224	33,539
Printing and stationery	26,647	17,607
Public relations	40,358	21,277
Advertising and recruitment	19,759	9,638
Web site costs	41,883	-
Training	26,572	22,699
Travelling and committees	114,513	179,803
	<u>416,649</u>	<u>296,615</u>

**8. ESTABLISHMENT COSTS**

	2001	2000
	£	£
Rent, rates and service charges	47,200	46,124
Lighting and heating	6,392	3,728
Insurance	5,309	4,498
Repairs and renewals	14,207	10,671
	<u>73,108</u>	<u>65,021</u>

**9. MANAGEMENT AND ADMINISTRATION COSTS**

	2001	2000
	£	£
Salaries, national insurance and pension contributions	504,830	475,786
Annual General Meeting	28,352	19,420
Telephone	29,039	18,582
Computer maintenance and consumables	44,795	56,999
Office sundries	15,609	11,945
Professional fees	77,205	41,425
Auditors remuneration	7,000	4,300
Bank charges	11,426	8,541
Depreciation	77,054	77,393
Loss on disposals of fixed assets	-	249
	<u>795,310</u>	<u>714,640</u>

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**10. STAFF NUMBERS AND COSTS**

	2001	2000
The average number of employees (including part-time staff) during the year was:		
Membership	3	2
Accreditation	9	9
UK Register of Counsellors	2	2
Information and Publications	9	7
Educational and Development	2	2
Complaints	3	3
Administration and Management	20	19
Board of Governors	10	11
	<u>58</u>	<u>55</u>

	2001	2000
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 NIL for the year (2000 - NIL).

	2001 £	2000 £
The aggregate payroll costs amounted to:		
Wages and salaries	982,345	785,713
Social security costs	84,881	71,646
Other pension costs	26,001	24,398
Death in service	2,564	2,281
	<u>1,095,791</u>	<u>884,038</u>

**11. FEES PAYABLE TO AUDITORS**

	The Group		The Company	
	2001 £	2000 £	2001 £	2000 £
Relating to audit services	8,100	4,825	7,000	4,300
Relating to non-audit services	3,595	3,790	3,595	3,790
	<u>11,695</u>	<u>8,615</u>	<u>10,595</u>	<u>8,090</u>

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**12. TANGIBLE FIXED ASSETS (Group and Company)**

	Computer equipment & accessories £	Office furniture & equipment £	Motor vehicle £	Leasehold property £	Total £
<b>Cost</b>					
At 1st April 2000	259,771	113,009	22,715	55,042	450,537
Additions	24,708	22,391	-	68,244	115,343
At 31st March 2001	<u>284,479</u>	<u>135,400</u>	<u>22,715</u>	<u>123,286</u>	<u>565,880</u>
<b>Depreciation</b>					
At 1st April 2000	170,993	80,389	8,900	42,178	302,460
Charge for the year	41,885	17,361	4,450	13,358	77,054
At 31st March 2001	<u>212,878</u>	<u>97,750</u>	<u>13,350</u>	<u>55,536</u>	<u>379,514</u>
<b>Net book value</b>					
At 31st March 2001	<u>71,601</u>	<u>37,650</u>	<u>9,365</u>	<u>67,750</u>	<u>186,366</u>
At 1st April 2000	<u>88,778</u>	<u>32,620</u>	<u>13,815</u>	<u>12,864</u>	<u>148,077</u>

**13. INVESTMENTS (Group and Company)**

	2001 £	2000 £
<b>Market value</b>		
At 1st April 2000	549,773	396,616
Additions	860	146,980
Disposals	-	(11,144)
	<u>550,633</u>	<u>532,452</u>
Unrealised gain on investments	5,716	17,321
At 31st March 2001	<u>556,349</u>	<u>549,773</u>
Cash held by Investment Managers	10,130	2,827
	<u>566,479</u>	<u>552,600</u>

**14. STOCKS (Group and Company)**

	2001 £	2000 £
Publications	28,963	27,926
Films and videos	980	980
Printing and stationery	3,086	5,613
	<u>33,029</u>	<u>34,519</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. DEBTORS**

	<b>The Group</b>		<b>The Company</b>	
	<b>2001</b>	<b>2000</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	26,198	38,502	15,038	8,298
Amount owed from trading subsidiaries:				
- BAC Advertising Limited	-	-	37,310	21,235
- Faculty of Healthcare Counsellors and Psychotherapists Limited	-	-	14,652	-
Other debtors	69,613	54,110	69,326	32,875
Accrued interest receivable	9,588	20,337	9,588	20,337
Prepayments	66,118	39,750	66,118	39,750
	<b>171,517</b>	<b>152,699</b>	<b>212,032</b>	<b>122,495</b>

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

	<b>The Group</b>		<b>The Company</b>	
	<b>2001</b>	<b>2000</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	129,167	140,091	129,167	140,091
Social security and other taxes	30,572	30,193	27,210	22,981
Other creditors	4,102	27,776	4,102	198
Accruals	63,964	15,730	59,707	15,230
Prepaid income	55,805	70,028	53,629	48,201
	<b>283,610</b>	<b>283,818</b>	<b>273,815</b>	<b>226,701</b>
Income tax payable	-	6,473	-	-
Membership and United Kingdom register fees in advance	820,710	660,941	801,594	660,941
	<b>1,104,320</b>	<b>951,232</b>	<b>1,075,409</b>	<b>887,642</b>

**17. GENERAL FUND (Group and Company)**

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

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Unrealised gains at 1st April 2000	72,321	48,696
(Gains)/ losses realised on investments at 1st April 2000	-	6,304
	<b>72,321</b>	<b>55,000</b>
Unrealised gains for the year	5,716	17,321
<b>UNREALISED GAINS AT 31st MARCH 2001</b>	<b>78,037</b>	<b>72,321</b>

**18. CAPITAL COMMITMENTS (Group and Company)**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Contracted for but not provided in the financial statements	-	35,188

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**19. OPERATING LEASE COMMITMENTS (Group and Company)**

At 31st March 2001 the company had annual commitments of £69,000 (2000 - £43,000) under non-cancellable operating leases which expire as follows:

	<b>Land and buildings</b>	
	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Between 1 and 2 years	<b>£34,000</b>	-
Between 2 and 5 years	-	<b>£43,000</b>
Over 5 years	<b>£35,000</b>	-

**20 RELATED PARTIES**

The Board of Governors neither received or waived any emoluments during the year (2000 - NIL). However an amount of £12,738 (2000 - NIL) was paid to the University of Edinburgh for C McDevitt's (the Chair person) time for the period October 1999 to December 2000.

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 £16,715 (2000 - NIL) 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.