
THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006



LAKIN ROSE
CHARTERED ACCOUNTANTS

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	1 - 2
Trustees' report	3 - 9
Independent auditors' report	10 - 11
Statement of financial activities	12
Balance sheet	13
Notes to the financial statements	14 - 24
The following pages do not form part of the statutory accounts	
Detailed income and expenditure account and summaries	25 - 27

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY
(Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

UKCP Council

Officers

Lisa Wake, Chair
Christine Lister-Ford, Vice Chair
Mary MacCallum Sullivan, Honorary Secretary
Sally Forster, Treasurer
James Antrican, Chair, Ethics Committee
Shila Rashid, Chair, Diversity and Equal Opportunities Committee

Section Chairs

Irene Tubbs, Behavioural & Cognitive Psychotherapy
Brion Sweeney, Experiential Constructivist Therapies
Sally Openshaw, Family, Couple, Sexual & Systemic Therapy
Richard Cleminson, Humanistic & Integrative Psychotherapy
Keith Bibby, Hypno-Psychotherapy
Sue Sunkel, Analytical Psychology - Psychoanalytic & Psychodynamic
Sarah Collins, Psychotherapeutic Counselling

Special Members

Elaine Iljon Foreman, British Psychological Society
Don Montgomery, Royal College of Psychiatrists

Institutional Members

Dr Dennis Greenwood, Universities Psychotherapy and Counselling Association
Linda Matthews, British Association for Behavioural and Cognitive Psychotherapy

Ordinary Members

Heward Wilkinson, ScPTI
Tone Horwood, IPSS
Sian Ellis, AGIP
Michael Knight, ACAT

Ex-officio Members

John Monk-Steel, Chair, Registration Board
Katherine Murphy, Chair, Standards Board
Jennie McNamara, Psychotherapy with Children Committee

**Company registered
number**

3258939

**Charity registered
number**

1058545

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY
(Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

Registered office	2nd Floor Edward House 2 Wakley Street London EC1V 7LT
Patron	Terry Waite, CBE
Company Secretary	Mary MacCallum Sullivan
Interim General Manager	Clodagh O'Donnell
Auditors	Lakin Rose Limited Chartered Accountants Pioneer House Vision Park Histon Cambridge CB24 9NL
Bankers	Barclays Bank plc PO Box 2764 London NW3 6JD Charities Aid Foundation Kings Hill West Malling Kent ME19 4TA
Solicitors	Field Fisher Waterhouse 35 Vine Street London EC3N 2AA

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2006

The trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements of The United Kingdom Council for Psychotherapy (the charity) for the year ended 30 September 2006. The trustees confirm that the annual report and financial statements of the charity comply with current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

a. Constitution

The United Kingdom Council for Psychotherapy (UKCP) is a company limited by guarantee without a share capital (registered company number 3258939). UKCP is governed by its Memorandum and Articles of Association and an elected Board of Trustees. It is a registered charity (registered number 1058545).

b. Method of appointment or election of Trustees

The management of the charity is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

The current trustees are shown on the Reference and Administrative Details pages attached to this report.

Changes in appointments at the Annual General Meeting were as follows:

Appointments with effect from 19 March 2006	Resignations with effect from 19 March 2006
Sally Forster	Lynn Cook
Mary MacCallum Sullivan	Andrew Enever
Linda Matthews	Chris Evans
Shila Rashid	Richard Mullholland
Brion Sweeney	Katherine Murphy
Irene Tubbs	Adrian Rhodes

Other changes in appointments during the year and since were:

- Suzy Jackson resigned on 1 November 2005
- Susan Van Scoyoc resigned on 12 September 2006
- Elaine Iljon Foreman appointed 26 October 2006
- Kevin Power resigned on 18 November 2006
- Joan Foster resigned on 19 January 2007
- Sarah Collins appointed 20 January 2007
- Dr Dennis Greenwood appointed on 23 January 2007
- Don Montgomery appointed on 23 January 2007

c. Policies adopted for the induction and training of Trustees

On Appointment each trustee completes a register of interest, a skills audit and is asked to identify their training needs. Each trustee is also asked to provide a Police Records check. At the first full board following the AGM in 2006 all trustees were given an induction in the role and responsibilities of being a trustee and were given the charity commission leaflets - Responsibilities of Charity Trustees, How to be an Effective Trustee and The Hallmarks of an Effective Charity.

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2006

d Organisational structure and decision making

The charity is an umbrella organisation representing all different psychotherapies. It has 80 Full Member Organisations (MOs) who either deliver training in Psychotherapy or Psychotherapeutic Counselling and/or accredit and/or List individual psychotherapists or psychotherapeutic counsellors as well as 2 Institutional Members and 2 Special Members.

Full Member Organisations are also members of one of the seven Sections which represent the distinct modalities in Psychotherapy including Psychotherapeutic Counselling. Governance of the charity is the responsibility of the Board of Trustees. The Board delegate responsibility for overseeing the ongoing work of the charity and delivering policy determined by the Board of Trustees to the Executive Committee.

The Officers of the charity are Chair, Vice Chair, Honorary Secretary, Treasurer, Ethics Officer and Diversity and Equal Opportunities Officer. The Officers are elected by the membership of the charity at a General Meeting and take office at the end of the Annual General Meeting. All Officers with the exception of the Treasurer must be a delegate of a full Member Organisation of the UKCP.

The Executive Committee is composed of the Officers as voting members and the Chairs of the Registration and Standards Boards and the Chief Executive as non-voting members.

The Board of Trustees is composed of

- the Officers
- a representative of each of the seven Sections
- 2 representatives of the Institutional Members
- 2 representatives of the Special Members
- four Ordinary Members elected by the AGM, who are each delegates of a Member Organisation

The Chairs of the Registration and Standards Boards are non-voting ex-officio members of the Board of Trustees and the Chair of the Psychotherapy with Children Committee is also a non-voting member of the Board of Trustees.

The Charity is in the process of reorganisation with the move from Sections to Colleges at the same time as the relationship between the Board and the Executive is changing, with the Board, which changed from a Governing Board to a Board of Trustees at the AGM 2006, taking responsibility for the strategic direction of UKCP and the Executive ensuring delivery of the objectives. We continue to be bound by a cumbersome constitution which makes decision making difficult and lengthy. Immediately following the AGM in 2006, a Constitutional Working Group was formed, and considerable deliberation has gone into this work, including recommendations that we approach the move towards Colleges in a different way. It is anticipated that this process will not be completed until the AGM of 2008.

e Related party relationships

UKCP Media Ltd remained dormant during the financial year ending 30th September 2006.

The Charity is in the process of financing the establishment of an Independent Complaints Organisation (ICO) so that complaints against registered psychotherapists can be heard independently of the therapists' training and/or accrediting and/or listing body. The establishment of an Independent Complaints Process is seen as key to the charity's dual objectives of both encouraging high standards of training and practice in psychotherapy and having a publicly accountable system in place for the protection of the public. The intention is that the ICO will be independently financed once it is fully operational.

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2006

f. Risk management

The trustees have undertaken a thorough assessment of the major risks facing the charity, internal and external, organisational and financial, and actions have been taken and systems put in place to mitigate these risks. The risk management strategy is a key part of the annual planning process.

Objectives and Activities

a Policies and objectives

The charity's principal objectives continue to be

- To promote the art and science of psychotherapy for the public benefit,
- To promote research and education in psychotherapy and to disseminate the results of any such research, and
- To promote (or assist in the promotion, preservation and protection of public health by encouraging) high standards of training and practice in psychotherapy and the wider provision of psychotherapy for the public

There have been no changes in these objectives during the year

b. Strategies for achieving objectives

The charity's strategies for achieving its objectives are

- Develop, inform and contribute to debate at all levels (Government, professional & lay) on all aspects of psychological therapy including access, standards, delivery, efficacy & regulation both in the UK, Europe and the wider community,
- Ensure that the UKCP is optimally structured to deliver effective self-regulation,
- Develop, maintain and publicise a public register of suitably trained and qualified practitioners,
- Disseminate information about different types of psychological therapy to the general public,
- Support and encourage education and debate within the profession, and
- Support research into all aspects of psychological therapy

Achievements and performance

a Review of activities

Over the last year, we have continued to build on the work of James Pollard and the two reports that were submitted to the Department of Health (DH) in 2005. Two major projects have been undertaken over the past year that have helped the Board shape their thinking with regard to the internal structure of UKCP, and that have also directly influenced the work of Skills for Health on developing competencies for the psychological professions. The first piece of work was commissioned from Gordon Law and Georgia Lepper, entitled 'A Regulatory and Competency Framework for the UKCP, its Colleges, and its Registrants', this maps competencies at Masters level against QAA and QCA Standards, as well as the National Occupational Standards (NOS) for Mental Health. This project identified the competency standards for generic psychotherapy and enabled us to revisit and represent the work that had been developed by CAMPAG between 1994 – 2001. Subsequent to this, each putative College was asked to map their own competencies against the generic standards, and identify where modality specific competencies were apparent. This report, 'A Mapping of the Differential Knowledge, Understanding and Skills of the Modalities Working within the Overarching Umbrella of the Profession of Psychotherapy' was submitted in September to DH, Skills for Health and also the Health Professions Council (HPC). The DH has expressed its displeasure at UKCP producing this work and is concerned that UKCP will be seen to be driving the work of the Government regarding the

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2006

regulation of Psychotherapy The Board has spent some time discussing this perspective and have fully supported the push that we are making to have UKCP's work and quality standards recognised Recently a consultation document has been produced by Skills for Health, specifically to look at the competencies and National Occupational Standards for Psychological Therapies Within this document, we see for the first time, recognition that there are a range of modalities represented within the field of psychotherapy, and it is important that Colleges/Sections grasp this opportunity to ensure that their modality responds to this consultation document

Parallel to this work, two Government reports were published over the summer, the Chief Medical Officer's report on the Shipman Enquiry, and the response to the Foster Review The Donaldson report was comprehensive in detail and made recommendations on the regulatory framework of the General Medical Council The Foster Report did not incorporate any of the comments submitted by the professions of Psychotherapy, Psychology and Counselling, and a further consultation occurred UKCP submitted a response to this and has, in principle, supported the calls for a Psychological Professions Council (PPC) This piece of work is currently being led by the British Psychological Society (BPS) and although UKCP are supporting the principles of an alternative regulator to the HPC, we would require considerably more input into the formation and shape of a PPC than we currently have through our relationship with BPS

One of the major changes within the College development is an expansion of James Pollard's original thinking that Colleges be formed around the major modalities of Psychoanalytic and Psychodynamic Therapy, Integrative Therapy, Systemic Therapy, Cognitive Behavioural Therapy and Hypnotherapy The Board recognises that this map provided a useful starting point and enabled the organisation to move from its previous position of Section representation Combining this defined map with the recent work on competencies, we have now been able to demonstrate that modality representation needs to be considered on a case by case basis This has led to the Family, Couple, Sexual and Systemic Section now considering the formation of two distinct Colleges, representing Sexual and Couple Therapy, and Family and Systemic Therapy The Experiential Constructivist Section is also revisiting their competency work to consider how they may apply for separate College status

Work at the UKCP Research Unit, based at Roehampton has underpinned some of the above development work The Unit has contributed towards a number of reports

- A report on UKCP Member Organisations Accreditation procedures (submitted March 2006)
- Comparison between UKCP and other organisations (BPS, HPC, BACP etc) in relation to Continuing Professional Development and accreditation procedures (Submitted June 2006)
- A report following a literature search on Practice Based Evidence research (Submitted December 2006)
- A registrant survey of UKCP registered therapists to determine the proportions of those working in Private Practice and/or for the NHS (Submitted December 2006)

The Unit is currently working with the UKCP Research Committee on the Practice Research Networks project We have seen a number of conferences over the past year including the highly successful Ethics Conference in London and the European Association for Psychotherapy (EAP) congress which was hosted by UKCP in Cambridge This congress saw delegates travel from all 4 corners of the globe and we were able to present a range of speakers from America and Europe, including former Eastern Block countries Having attended the EAP meetings in Vienna earlier this year, I recognise how important it is that we are actively involved in the EAP, to both support therapists working in appalling conditions in some countries, but also to ensure that we use the European Common Platform to enable us to make our case regarding statutory regulation processes The organising committee of Heward Wilkinson, Jenny Corrigan and Adrian Rhodes undertook a mammoth task to enable this congress to happen and I am appreciative of their commitment to the success of the conference Particular thanks are offered to Jenny and Heward who will no longer be involved in the professional conference in the future The EAP congress also saw the launch of the new UKCP-Karnac book series

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2006

Within the Regulatory side of the organisation, Mike Bowen now shares his time with the Independent Complaints Organisation (ICO). This has seen a seamless transfer of processes into the ICO and we now have a separate office space for this activity. Start up money for the ICO is being provided by UKCP, and the ICO is working on developing its own separate stream of income.

9 Quinquennial reviews were completed during the year and 2 new organisations were accepted into membership at the AGM 2006, a further 2 are expected at the AGM 2007, and we have a further 5 MOs seeking acceptance. The recent constitutional changes now mean that MOs can be presented at any General Meeting and we anticipate that some of these 5 will be presented at the Autumn 2007 EGM. The raising of our profile in the external world has created considerable interest from potential Member Organisations, and we anticipate that the closer we move towards statutory regulation, the more the interest will grow.

b. Financial review

The Statement of Financial Activities covers the twelve months from October 2005 to September 2006. The results of the year's operations are set out in the attached financial statements. The net outflow of funds for the year amounted to £2,109 (2005 inflow - £11,491).

In an organisation so heavily dependent on voluntary effort, any analysis of expenditure by activity gives a distorted picture of the charity's impact. Those activities which are associated with the higher levels of expenditure are those, of course, which are implemented by the paid staff. Whereas our contributions to the wider political debate are being carried out by a few very hard working volunteers. Without the long years of work on standards, registration, regulation and quality assurance by many unsung volunteers together with the paid staff, we would not now be in the position that we are where the charity is recognised as a major contributor to the current debates both on regulation and on increasing access to psychological therapies.

Although the bottom line shows a small net decrease in funds, in practice, once the section funds have been separated, there is a larger excess of expenditure over income centrally by the charity. A number of factors have contributed to this, including the difficulty of responding as needed to the changing external agenda, one example of this is the work on competencies by Lepper and Law, the need for which had not been foreseen when the budget was agreed.

While it is true that responding to the external world has been partly responsible for the unbudgeted overspend, it is also true that there have been problems with budget management within the organisation. A new system of devolved budget management, quarterly budget reviews and bi-annual strategic finance meetings should improve the control that the charity has over its resources.

c. Investment policy and performance

Having taken professional advice, the trustees have decided to hold the major part of the charity's cash reserves in the Charities Aid Foundation CAF Gold account which currently pays interest at 4.16%. Listed investments comprising 65,737 units in the CAF UK Equity Growth Fund, currently valued at £107,777 will be retained.

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2006

Financial review

a Reserves policy

The current charity reserves policy is to keep at least 3 months of operating income to provide a buffer between the end of the financial year and the receipt of the new year's subscriptions and also against any unanticipated drop in registrant numbers. The property fund (labelled the restructuring fund in the September 2005 accounts) has been re-absorbed into the general reserves to ensure that the charity continues to operate within its reserves policy. The trustees monitor the income and expenditure of the charity at each Board meeting and review the reserves policy annually.

b Principal funding

The trustees recognise that the charity's reliance on a sole source of income – Registrants' and Member Organisations' subscriptions makes the charity vulnerable to unforeseen fluctuations in registrations. It is intended that developing new income streams should become a priority in the coming years.

Plans for the future

a Future developments

Currently, a substantial number of unpaid hours carry the UKCP forward and the Board recognises that this is an untenable position. The staffing structure needs to be developed to meet the needs of a changing organisation, and to ensure that we recruit and retain staff that can carry a level of consistency across the changes that inevitably occur through the election process. This will continue into the New Year and we will report on this more fully at the AGM.

Additionally, the roles of the Officers are being evaluated, and the Board has already agreed to the appointment of one paid Officer, that of the Chair of the Standards Board. Although paid as an honorarium, this is seen to be the first step in moving towards a more professional organisation where Officers are paid for activity that is beyond that of their elected role. This recognition of the need for a more professionally structured organisation has also highlighted issues that are a high priority for our next year's work. The service to registrants has taken a back seat over the last few years as the regulation debate has speeded up. The agreement to appoint a second Vice Chair will ensure that we have an Officer whose role is dedicated to improve and develop the level of service to Registrants.

Auditors

A resolution proposing that Lakin Rose Limited be re-appointed as auditors of the charity will be put to the Annual General Meeting.

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2006

Trustees' responsibilities

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice applicable to smaller charities

Company and charity law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements the trustees have

- selected suitable accounting policies and applied them consistently,
- made judgements and estimates that are reasonable and prudent,
- prepared the financial statements on the going concern basis (unless it is inappropriate to presume that the charity will continue in operation)

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities

So far as each of the trustees is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

This report was approved by the trustees on 23 February 2007 and signed on its behalf, by



Lisa Wake, Chair

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY

We have audited the financial statements of The United Kingdom Council for Psychotherapy for the year ended 30 September 2006 which comprise the Statement of Financial Activities and Balance Sheet, with the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein, the Statement of Recommended Practice 'Accounting by Charities' and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the charity'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 charity'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 charity and the charity's members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As described in the Statement of Trustees' Responsibilities the charity's trustees (who also act as company directors of The United Kingdom Council for Psychotherapy) are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 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 Trustees' remuneration and other transactions is not disclosed.

We are not required to consider whether any statement in the Trustees' Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 trustees 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.

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE UNITED KINGDOM COUNCIL FOR
PSYCHOTHERAPY**

OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller charities, of the state of the charity's affairs as at 30 September 2006 and of its incoming resources and application of resources in the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Trustees' Report is consistent with the financial statements

Lakin Rose Limited

LAKIN ROSE LIMITED

Chartered Accountants
Registered Auditors

Pioneer House
Vision Park
Histon
Cambridge
CB24 9NL

23 February 2007

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

	Note	Unrestricted Funds 2006 £	Total Funds 2005 £
INCOMING RESOURCES			
Incoming resources from generated funds			
Voluntary income	2	-	66,484
Investment income	3	16,194	19,041
Incoming resources from charitable activities	4	932,976	776,267
TOTAL INCOMING RESOURCES		949,170	861,792
RESOURCES EXPENDED			
Charitable activities	5,7	896,282	815,037
Governance costs	6	64,199	52,501
TOTAL RESOURCES EXPENDED		960,481	867,538
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE REVALUATIONS		(11,311)	(5,746)
Gains and losses on revaluations of investment assets	11	9,202	17,237
NET MOVEMENT IN FUNDS FOR THE YEAR		(2,109)	11,491
<i>Total funds at 1 October 2005</i>		353,838	342,347
TOTAL FUNDS AT 30 SEPTEMBER 2006		£ 351,729	£ 353,838

The notes on pages 14 to 24 form part of these financial statements

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY
(A company limited by guarantee)

BALANCE SHEET
AS AT 30 SEPTEMBER 2006

	Note	2006	2005
		£	£
FIXED ASSETS			
Tangible fixed assets	10	95,392	109,542
Investments	11	107,778	95,927
		<u>203,170</u>	<u>205,469</u>
CURRENT ASSETS			
Debtors	12	293,211	63,113
Cash at bank and in hand		389,021	339,110
		<u>682,232</u>	<u>402,223</u>
CREDITORS: amounts falling due within one year	13	<u>(521,484)</u>	<u>(237,429)</u>
NET CURRENT ASSETS		<u>160,748</u>	<u>164,794</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>363,918</u>	<u>370,263</u>
CREDITORS: amounts falling due after more than one year	14	<u>(12,189)</u>	<u>(16,425)</u>
NET ASSETS		<u>£ 351,729</u>	<u>£ 353,838</u>
CHARITY FUNDS			
Unrestricted funds	15	351,729	353,838
		<u>£ 351,729</u>	<u>£ 353,838</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The financial statements were approved by the trustees on 23 February 2007 and signed on their behalf, by



Lisa Wake, Chair

The notes on pages 14 to 24 form part of these financial statements

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005, applicable accounting standards and the Companies Act 1985.

1.2 Company status

The charity is a company limited by guarantee. The members of the charity are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees 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 trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

1.6 Cash flow

The financial statements do not include a cash flow statement because the charitable charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2005).

1.7 Investments

The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

- (i) **Subsidiary Undertakings**
Investments in subsidiaries are valued at cost less provision for impairment.
- (ii) **Other investments**
Investments held as fixed assets are shown at market value.

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

1 ACCOUNTING POLICIES (continued)

1.8 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Short term leasehold property	-	14.9%	straight line
Fixtures and fittings	-	25%	reducing balance
Office equipment	-	25%	reducing balance
Computer equipment	-	25%	straight line

1.9 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.10 Pensions

The charity operates a defined contribution pension scheme. Employees can choose whether their contributions are paid into the company scheme or their own personal pension schemes. The pension charge represents the amounts payable by the charity to the above schemes in respect of the year.

2 VOLUNTARY INCOME

	Unrestricted Funds 2006 £	Total Funds 2005 £
Department of Health project funding	£ -	£ 66,484
	<u> </u>	<u> </u>

3 INVESTMENT INCOME

	Unrestricted Funds 2006 £	Total Funds 2005 £
Dividends receivable	2,649	2,143
Interest receivable	13,545	16,898
	<u> </u>	<u> </u>
	£ 16,194	£ 19,041
	<u> </u>	<u> </u>

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2006 £	<i>Total Funds 2005 £</i>
Individual registration fees	652,411	599,219
Organisational subscriptions	89,101	82,076
Professional conference fees	156,786	67,382
Sales of publications	950	5,030
Other income	33,728	22,560
	<u>£ 932,976</u>	<u>£ 776,267</u>

5. EXPENDITURE BY CHARITABLE ACTIVITY

	Unrestricted Funds 2006 £	<i>Total Funds 2005 £</i>
Campaigning and Public Relations	94,041	78,998
Organisational and constitutional change	115,202	105,674
Independent Complaints Organisation	34,377	-
Registration, self-regulation, promotion and monitoring of standards	268,346	293,217
Events and conferences	213,294	187,417
Registrant services	71,087	70,947
Member services	84,334	62,850
Research	15,601	15,934
	<u>896,282</u>	<u>815,037</u>
Sub-total charitable activities		
	896,282	815,037
Governance	64,199	52,501
	<u>£ 960,481</u>	<u>£ 867,538</u>

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

5 EXPENDITURE BY CHARITABLE ACTIVITY (continued)

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2006 £	Depreciation 2006 £	Other costs 2006 £	Total 2006 £	Total 2005 £
Campaigning and Public Relations	35,555	2,926	55,558	94,039	78,998
Organisational and constitutional change	52,207	5,270	57,725	115,202	105,674
Independent Complaints Organisation	15,983	1,757	16,637	34,377	-
Registration, self-regulation, promotion and monitoring of standards	117,207	15,809	135,330	268,346	293,217
Events and conferences	57,794	6,441	149,059	213,294	187,417
Registrant services	2,090	1,171	67,826	71,087	70,947
Member services	1,045	586	82,703	84,334	62,850
Research	-	-	15,601	15,601	15,934
Sub-total charitable activities	281,881	33,960	580,439	896,280	815,037
Governance	14,966	1,757	47,476	64,199	52,501
	£ 296,847	£ 35,717	£ 627,915	£ 960,479	£ 867,538

6 GOVERNANCE COSTS

	Unrestricted Funds 2006 £	Total Funds 2005 £
Audit remuneration	3,500	3,500
Accountancy	11,285	6,287
Committee expenses	20,069	13,388
Other expenses	12,622	18,461
Staff costs	14,966	10,224
Depreciation	1,757	641
	£ 64,199	£ 52,501

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

7 ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2006 £	Support costs 2006 £	Total 2006 £	Total 2005 £
Campaigning and Public Relations	9,141	84,900	94,041	78,998
Organisational and constitutional change	7,520	107,682	115,202	105,674
Independent Complaints Organisation	5,648	28,729	34,377	-
Registration, self-regulation, promotion and monitoring of standards	31,639	236,707	268,346	293,217
Events and conferences	108,891	104,403	213,294	187,417
Registrant services	59,112	11,975	71,087	70,947
Member services	79,742	4,592	84,334	62,850
Research	328	15,273	15,601	15,934
Total	£ 302,021	£ 594,261	£ 896,282	£ 815,037

8. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging

	2006 £	2005 £
Depreciation of tangible fixed assets		
- owned by the charity	30,988	11,140
- held under finance leases	4,729	402
Audit remuneration	3,500	3,500
Pension costs	10,344	10,371
Rent	44,731	70,035

During the year, trustees received reimbursement of expenses amounting to £19,547 (2005 - £17,851)

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006

9 STAFF COSTS

Staff costs were as follows

Wages and salaries	259,003	241,413
Social security costs	27,500	25,550
Other pension costs	10,344	10,371
	<u>£ 296,847</u>	<u>£ 277,334</u>

The average monthly number of employees during the year was as follows

	No.	No
Professional and other services	7	7
Administration	2	2
	<u>9</u>	<u>9</u>

The number of higher paid employees was

	No	No
In the band £50,001 - £60,000	0	1
In the band £60,001 - £70,000	1	0
	<u>1</u>	<u>1</u>

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

10. TANGIBLE FIXED ASSETS

	Land and buildings £	Other fixed assets £	Total £
Cost			
At 1 October 2005	24,438	116,908	141,346
Additions	-	24,420	24,420
Disposals	(2,853)	-	(2,853)
At 30 September 2006	<u>21,585</u>	<u>141,328</u>	<u>162,913</u>
Depreciation			
At 1 October 2005	908	30,896	31,804
Charge for the year	3,210	32,507	35,717
At 30 September 2006	<u>4,118</u>	<u>63,403</u>	<u>67,521</u>
Net book value			
At 30 September 2006	<u>£ 17,467</u>	<u>£ 77,925</u>	<u>£ 95,392</u>
At 30 September 2005	<u>£ 23,530</u>	<u>£ 86,012</u>	<u>£ 109,542</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2006 £	2005 £
Other fixed assets	<u>£ 14,186</u>	<u>£ 18,915</u>

All tangible fixed assets are held for continuing use in the charity's activities. The usage of these between direct charitable purposes and governance is approximately 90% to 10%.

11. INVESTMENTS

	Listed securities £	Unlisted securities £	Total £
Market value			
At 1 October 2005	95,926	1	95,927
Additions	2,649	-	2,649
Revaluations	9,202	-	9,202
At 30 September 2006	<u>£ 107,777</u>	<u>£ 1</u>	<u>£ 107,778</u>
Historical cost			
	<u>£ 64,059</u>	<u>£ 1</u>	<u>£ 64,060</u>

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

11. INVESTMENTS (continued)

Subsidiary undertaking

The following was a subsidiary undertaking of the company

UKCP Media Limited

The aggregate of the share capital and reserves as at 30 September 2006 and of the profit or loss for the year ended on that date for the subsidiary undertaking was as follows

	Aggregate of share capital and reserves £	Profit/(loss) £
UKCP Media Limited	1	-
	<u>1</u>	<u>-</u>

Investments at market value comprise:

	2006 £	2005 £
Listed Investments Group	107,777 1	95,926 1
	<u>107,778</u>	<u>95,927</u>
Total market value	£ 107,778	£ 95,927

All the fixed asset investments are held in the UK

12 DEBTORS

	2006 £	2005 £
Trade debtors - fees and subscriptions due	244,407	12,466
Other debtors	977	1,513
Prepayments and accrued income	47,827	49,134
	<u>293,211</u>	<u>63,113</u>
	£ 293,211	£ 63,113

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

13 CREDITORS:

Amounts falling due within one year

	2006 £	2005 £
Net obligations under finance leases and hire purchase contracts	3,454	2,892
Trade creditors	32,248	106,982
Social security and other taxes	7,672	15,166
Amounts owed to group undertakings	1	1
Accruals and deferred income	478,109	112,388
	<u>£ 521,484</u>	<u>£ 237,429</u>

Included with accruals and deferred income, is deferred income of £427,448, which represents subscription and other income relating to periods subsequent to 30 September 2006. Deferred income brought forward was released during the year amounting to £51,638.

14 CREDITORS:

Amounts falling due after more than one year

	2006 £	2005 £
Net obligations under finance leases and hire purchase contracts	<u>£ 12,189</u>	<u>£ 16,425</u>

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

15 STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/(out) £	Gains/ (Losses) £	Carried Forward £
DESIGNATED FUNDS						
Restructuring Fund	100,000	-	-	(100,000)	-	-
GENERAL FUNDS						
General Funds	253,838	949,170	(960,481)	100,000	9,202	351,729
	<u>353,838</u>	<u>949,170</u>	<u>(960,481)</u>	<u>-</u>	<u>9,202</u>	<u>351,729</u>
Total of Funds	<u>£ 353,838</u>	<u>£ 949,170</u>	<u>£ (960,481)</u>	<u>£ -</u>	<u>£ 9,202</u>	<u>£ 351,729</u>

The Restructuring fund was created in September 2005 with what was perceived to be the unspent portion of the property fund established to enable the charity to move to new premises in 2005. This money has been moved to general funds in order to comply with the established reserves policy.

Part of the charity's general funds are held in bank accounts controlled by Sections. At the end of the year the extent of such funds was £42,491 (2005 - £18,138). The income and expenditure of Sections is included within the charity's financial statements, as required by paragraph 79 of the SORP.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 2006 £	Total Funds 2005 £
Tangible fixed assets	95,391	109,542
Fixed asset investments	107,778	95,927
Current assets	682,233	402,223
Creditors due within one year	(521,484)	(237,429)
Creditors due in more than one year	(12,189)	(16,425)
	<u>£ 351,729</u>	<u>£ 353,838</u>

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006

17 OPERATING LEASE COMMITMENTS

At 30 September 2006 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2006	2005	2006	2005
	£	£	£	£
Expiry date:				
Within 1 year	-	-	-	3,754
Between 2 and 5 years	-	-	1,263	-
After more than 5 years	71,335	63,046	-	-
	<u>71,335</u>	<u>63,046</u>	<u>-</u>	<u>-</u>