

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014
FOR
BACP RESEARCH FOUNDATION**

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COMPANIES HOUSE

Atkinson Finch & Co, Statutory Auditor
Central Chambers
45-47 Albert Street
Rugby
Warwickshire
CV21 2SG

BACP RESEARCH FOUNDATION

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FOR THE YEAR ENDED 31ST MARCH 2014**

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BACP RESEARCH FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2014

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2014. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' (SORP 2005) (2nd edition - May 2008).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

06494624 (England and Wales)

Registered Charity number

1135440

Registered office

BACP House
15 St John's Business Park
Lutterworth
Leicestershire
LE17 4HB

Trustees

C L Gabriel
A Hawkins
E M Schwenk

Company Secretary

A D Dunnett

Senior Statutory Auditor

Stuart Bolton FCA

Auditors

Atkinson Finch & Co, Statutory Auditor
Central Chambers
45-47 Albert Street
Rugby
Warwickshire
CV21 2SG

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

BACP Research Foundation (the Foundation) is controlled by its governing document, the Memorandum and Articles of Association (dated 5th February 2008), and constitutes a company limited by guarantee. All members guarantee an amount not to exceed £10 payable in the event of the Foundation being wound up with a deficiency of assets.

At 31st March 2014, the only member was the holding company, British Association for Counselling and Psychotherapy (BACP).

Organisational structure

The Foundation was set up by BACP to undertake independent research into aspects of the counselling and psychotherapy profession independent of the Association.

The Board of Trustees currently constitutes two members of the BACP Board of Governors, the current Chair and Deputy Chair, together with the previous Chair. All major decisions are ratified by the Board of Governors of BACP prior to implementation.

Once the Foundation commences to receive independent funding, the Board of Trustees will appoint further independent trustees.

BACP RESEARCH FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. Due to the current interdependence with the holding company, any risk assessments are undertaken as part of the risk associated with BACP.

OBJECTIVES AND ACTIVITIES

The Foundation's objectives are:

1. To facilitate high quality, high priority and independently peer reviewed research in psychological therapies, based on robust methodology, for the benefit of the community and those who are the recipients of psychological therapy services; and
2. To promote and provide education and information to users of psychological therapies, including commissioners and practitioners through dissemination of the outcomes of relevant research and to advance the knowledge base of the psychological therapies so as to maximise public benefit and protection through the publication of research findings.

ACHIEVEMENT AND PERFORMANCE

BACP Research Foundation commenced operations during the year with a randomised controlled trial that will span three years. The trial will test the clinical and cost effectiveness of counselling for depression versus cognitive behavioural therapy, the results of which will be used to inform practitioners and improve the information that they provide to their clients.

The future of the Foundation will be reviewed at the conclusion of this trial to determine whether any other viable projects and associated funding are available.

FINANCIAL REVIEW

The Foundation is currently being supported by its single member BACP, and all costs have been matched by equivalent donations. The Foundation has commenced external research and should be in a position to start to build up some reserves. BACP has confirmed that it will continue to support the Foundation for the immediate future.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of BACP Research Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

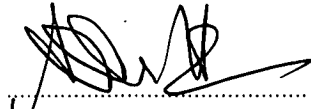
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

BACP RESEARCH FOUNDATION

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2014**

ON BEHALF OF THE BOARD:


.....
A D Dunnett - Secretary

Date: 18/09/14

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BACP RESEARCH FOUNDATION

We have audited the financial statements of BACP Research Foundation for the year ended 31st March 2014 on pages six to eleven. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page two, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2014 and of its incoming resources and application of resources, including its result, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BACP RESEARCH FOUNDATION**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

S. Bolton

Stuart Bolton FCA (Senior Statutory Auditor)
for and on behalf of Atkinson Finch & Co, Statutory Auditor
Central Chambers
45-47 Albert Street
Rugby
Warwickshire
CV21 2SG

Date: 23-09-2014

BACP RESEARCH FOUNDATION

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2014**

		Unrestricted funds £	Restricted fund £	2014 Total funds £	2013 Total funds £
	Notes				
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	21,506	-	21,506	4,874
Incoming resources from charitable activities					
Pragmatic, Randomised Controlled Trial	3	-	15,743	15,743	-
Total incoming resources		21,506	15,743	37,249	4,874
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating funds	4	20,467	-	20,467	4,204
Charitable activities					
Pragmatic, Randomised Controlled Trial	5	-	15,743	15,743	-
Governance costs	6	1,039	-	1,039	670
Total resources expended		21,506	15,743	37,249	4,874
RECONCILIATION OF FUNDS					
Total funds brought forward		-	-	-	-
TOTAL FUNDS CARRIED FORWARD		-	-	-	-

The notes form part of these financial statements

BACP RESEARCH FOUNDATION

**BALANCE SHEET
AT 31ST MARCH 2014**

	Notes	Unrestricted funds £	Restricted fund £	2014 Total funds £	2013 Total funds £
CURRENT ASSETS					
Debtors	10	-	15,743	15,743	-
CREDITORS					
Amounts falling due within one year	11	-	(15,743)	(15,743)	-
NET CURRENT ASSETS		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUNDS	12				
Unrestricted funds				-	-
Restricted funds				-	-
TOTAL FUNDS				<u>-</u>	<u>-</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on 18.9.14 and were signed on its behalf by:


A Hawkins -Trustee

BACP RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005) (2nd edition - May 2008).

Incoming resources

All incoming resources are included in the period in which they are receivable.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis.

A proportion of the parent company's head office expenses are recharged to BACP Research Foundation. This is calculated on a head count basis. Staff costs are recharged as a proportion of total costs based on time spent.

Taxation

The company is a registered charity and as such its income and gains falling within Section 505(1)(e) Income and Corporation Taxes Act 1988 or Section 256 of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

Fund accounting

Unrestricted funds are available for use at the discretion of the Board of Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds compromise unrestricted funds that have been set aside by the Board of Trustees 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.

2. VOLUNTARY INCOME

	2014	2013
	£	£
Donations	<u>21,506</u>	<u>4,874</u>

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Activity	2014	2013
		£	£
Research income	Pragmatic, Randomised Controlled Trial	<u>15,743</u>	<u>-</u>

BACP RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST MARCH 2014

4. COSTS OF GENERATING FUNDS

	2014	2013
	£	£
Staff costs	12,506	6,468
Rates and water	348	358
Light and heat	285	385
Telephone	826	885
Printing and postage	543	643
Advertising and promotion	-	244
Travel and subsistence	3,350	-
Computer maintenance and equipment	2,099	1,830
Cleaning and office expenses	510	594
Sundries	-	107
Fundraising costs	-	(7,575)
Research costs	-	240
Interest payable and similar charges	-	25
	<u>20,467</u>	<u>4,204</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs	Totals
	£	£
Pragmatic, Randomised Controlled Trial	<u>15,743</u>	<u>15,743</u>

6. GOVERNANCE COSTS

	2014	2013
	£	£
Legal fees	266	-
Auditors' remuneration	773	670
	<u>1,039</u>	<u>670</u>

7. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2014	2013
	£	£
Auditors' remuneration	<u>773</u>	<u>670</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2014 nor for the year ended 31st March 2013.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st March 2014 nor for the year ended 31st March 2013.

9. STAFF COSTS

Staff costs are currently recharged from the ultimate parent company on an average time spent basis.

BACP RESEARCH FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST MARCH 2014

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Prepayments and accrued income	15,743	-

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Accrued expenses	15,743	-

12. MOVEMENT IN FUNDS

	At 1.4.13 £	Net movement in funds £	At 31.3.14 £
TOTAL FUNDS	-	-	-

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	21,506	(21,506)	-
Restricted funds			
Pragmatic, Randomised Controlled Trial	15,743	(15,743)	-
TOTAL FUNDS	37,249	(37,249)	-

13. ULTIMATE PARENT COMPANY

The ultimate parent undertaking of this company is British Association for Counselling and Psychotherapy, a charity registered in the UK.

The consolidated accounts of British Association for Counselling and Psychotherapy can be obtained from BACP House, 15 St John's Business Park, Lutterworth, Leicestershire LE17 4HB.

14. RELATED PARTY DISCLOSURES

The company's ultimate parent company, British Association for Counselling and Psychotherapy, provided donations during the year, totalling £21,506 (2013 - £4,874), to meet administration costs, and purchased services to the value of £15,743 (2013 - NIL).

At 31st March 2014, the amount outstanding was £15,743 (2013 - NIL).

C L Gabriel, a director and trustee, is a member of the research body given the contract to undertake the randomised controlled trial. The contract was awarded on a tender basis and C L Gabriel absented herself from any discussions and decisions on the tendering process.

BACP RESEARCH FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2014**

15. COMPANY GUARANTEE

British Association for Counselling and Psychotherapy, being the sole member, guarantees an amount not to exceed £10, payable in the event of the company being wound up with a deficiency of net assets.

BACP RESEARCH FOUNDATION

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2014**

	2014 £	2013 £
INCOMING RESOURCES		
Voluntary income		
Donations	21,506	4,874
Incoming resources from charitable activities		
Research income	15,743	-
Total incoming resources	37,249	4,874
RESOURCES EXPENDED		
Costs of generating funds		
Staff recharges	12,506	6,468
Rates and water	348	358
Light and heat	285	385
Telephone	826	885
Printing and postage	543	643
Advertising and promotion	-	244
Travel and subsistence	3,350	-
Computer maintenance and equipment	2,099	1,830
Cleaning and office expenses	510	594
Sundries	-	107
Fundraising costs	-	(7,575)
Research costs	-	240
Bank charges	-	25
	20,467	4,204
Charitable activities		
Research costs	15,743	-
Governance costs		
Legal fees	266	-
Auditors' remuneration	773	670
	1,039	670
Total resources expended	37,249	4,874
Net income	-	-