

THE PASTORAL FOUNDATION
A Company limited by guarantee with charitable status
and not having a Share Capital

(Charity Registration No. 008875)

(Company Registration No. 122762)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

James Anderson & Co
Chartered Accountants
Pentland Estate
STRAITON
Edinburgh
EH20 9QH

SATURDAY



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26/09/2015

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COMPANIES HOUSE

Directors:

Dick Manson (Chair)
Janet Buncle
Alison Hampton
Matthew Haggis
Christine Hewitt
Beatrice Dundonald
Judith Fewell
Allan Sturrock

Secretary:

Matthew Haggis

Treasurer:

Allan Sturrock

Director of Counselling:

Alison Hampton

Bankers:

Bank of Scotland
8 Morningside Road
EDINBURGH
EH10 4DD

Independent Examiner:

James Anderson
Chartered Accountant (ICAS)
Pentland Estate
STRAITON
Edinburgh
EH20 9QH

Registered Office:

8 Balcarres Street
EDINBURGH
EH10 5JB

Company**Registration No:**

122762

Charity**Registration No:**

SC008875

Governing Document:

Memorandum and Articles
of Association

**Report of the Directors/Trustees
For the Year ended 31 March 2015**

Reference and Administrative Details

The information relating to The Pastoral Foundation is contained on page 1.

Structure of Governance and Management

Governing Document

Memorandum and Articles of Association.

Appointment of new Directors

Directors are appointed at the Company's Annual General meeting. Directors can be co-opted during the year and these new appointments stand for re-election at the following Annual General meeting.

Recruitment of new Directors

The directors are recruited to maintain a balance of skills within the Board. Most appointments come from parties who already know the work of The Pastoral Foundation and who are able to commit time to the charity's objectives. In 2014/15 there were no resignations from or appointments to the Board.

Induction and Training of Directors

Training publications are made available to directors to assist them to carry out their duties and understand their responsibilities. New Directors are given a copy of the Memorandum and Articles of the Company, Companies House literature, as well as a copy of the Guidance for Charity Trustees published by OSCR. Opportunities are sought throughout the year for Directors to attend appropriate training and information events.

Structure

The Board of Directors appoint the Director of Counselling, who is responsible for the day-to-day running of the charity including supervision of staff. A sub-committee of the Board constitutes a Clinical Practice Group, chaired by a Director with significant clinical experience, which meets regularly to consider clinical risk and practice and which makes recommendations to the Board as appropriate. The Directors meet on at least six occasions each year to examine strategic, financial and operational matters, and are available to assist the Director on more complex issues.

Risk Management

The Directors give consideration to the major business and operational risks which the Company faces and maintain a Risk Matrix register to enable regular review and reporting of risk factors by the Director so that necessary steps can be taken to lessen these risks.

The Directors consider that the three most important risks facing the Company are –

- Loss of funding, especially our major funder
- Loss of key staff
- Loss of access to our premises

Statement of Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charity and of the profit or loss of the charity for that period. In preparing those financial statements, the directors are required to

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (Amended). They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Objectives and Activities

The Charitable Objectives of the Pastoral Foundation, as defined in the constituting document, the Memorandum of Association, are:

1. to relieve persons in need of emotional, social, psychological or spiritual support by the provision of a professional counselling service;
2. to promote and provide education and training for volunteer counsellors with a view to raising the standards of counselling for the benefit of the community and, in particular, of those who are recipients of counselling.

The Activities of the Company this year included:

1. provision of a counselling service known as the PF Counselling Service to those who are in need of such services from across Edinburgh and the Lothians.
2. provision of opportunities for voluntary counselling practice to Counsellors and Psychotherapists who are qualified to Diploma level or above.
3. provision of voluntary counselling practice placement opportunities to students in the final stages of training in counselling and psychotherapy.
4. recruitment, support and provision of professional supervision for volunteer Counsellors.
5. provision of workshops, continuing professional development training and conferences on issues relevant to the work of the counsellors, which are sometimes open to counsellors from other agencies.
6. recruitment, training and supervision of volunteers for receptionist duties on the premises.
7. fundraising to support these activities.
8. participating in Edinburgh Voluntary Sector Counselling Services Forum in order to liaise with other organisations and agencies to promote and support the work of the PF Counselling Service.

Achievements & Performance

During the past year over 100 counsellors offered 12,250 counselling sessions to 773 clients. It is apparent that this substantial level of service represents close to full utilisation of the capacity of our premises, and is only achieved through the careful and efficient use of time and space, and the amazing time commitment by our many volunteer counsellors.

The demand for counselling from within the community rose yet again this year, and our list of clients waiting for counselling appointments reached nearly 400 at one point during the year. Despite working hard to minimise waiting times, it is inevitable (and disappointing) that many people have to wait longer than anyone would wish, especially if they have restricted availability. There is certainly no let-up in the need for accessible, affordable counselling across Edinburgh and the Lothians.

142 people were directly involved in the delivery of the service throughout the year, 125 of whom were volunteers, comprising 97 counsellors, 20 receptionists and 8 board members, 13 supervisors and 4 staff.

In one of the most stunning and rewarding achievements of our history, this financial year saw us taking outright ownership of our premises at 8 Balcarres Street. We completely paid off the mortgage taken out to purchase them just four years ago, thanks to some substantial donations and other financial support in recent years. Whilst this has depleted our cash reserves, and brings with it some extra responsibilities, we now own a substantial asset and have a secure and lasting home for the service.

Financial Review

The financial statements follow on pages 7 to 14. These statements are prepared in terms of the Statement of Recommended Practice 2005 – Accounting and Reporting by Charities, and the Companies Act 1985.

Value of Volunteers

The PF is very fortunate in being supported by a large number of volunteers. Many of these, including those providing counselling, reception, book-keeping and maintenance services have a direct equivalent value in the open market. With over 15,000 hours of such voluntary work donated to the PF in 2014/15, this is equivalent to at least £230,800 in value.

Reserves

It is our policy to have reserves at a level which allows the charity to operate from year-to-year given the financial risks which exist in achieving continuity of funding. The Board reviewed the charity's Reserves policy and concluded that the level of free reserves should equal at least three months of overhead expenditure. It also recognised the need to hold reserves for the maintenance, repair and future refurbishment of our premises and equipment.

Although our building is an asset of the organisation and thus, technically, part of the value of our reserves, it is not an asset that can be readily realised to fund continuing operations. The Fixed Asset Fund (£285,331) identifies the amount of total reserves tied up in this way. The Board considers that it should disregard the value of the Fixed Asset Fund when assessing the reserves policy.

Consideration of the above policies meant that we were able to eliminate our mortgage loan liabilities by repaying a final amount of £43,000 in this financial year. This has the benefit of reducing our expenditure on loan interest and repayments by around £3,000 per year in the future.

Plans for Future Periods

The PF is still unique within the Edinburgh area in being the only counselling agency offering generic counselling services to any members of the public over the age of 18, from any area, without requiring a minimum financial contribution. There is continuing pressure on the PF to provide its service, and the number of clients on our waiting list is consistently high.

We will continue to consolidate our expertise in the efficient delivery of the service, in order to achieve the long term sustainability for which we have been aiming for some years. Having achieved our goal of repaying our mortgage loan, we must now ensure that the fabric and decorative condition of the building is maintained and improved, to provide the best possible therapeutic environment for our clients and staff.

Our commitment to CPD for our volunteers will continue, with a series of training workshops which balance the use of the skills and experience within the PF with fresh ideas and stimuli from other sources.

Directors

The directors who served during the year are shown on page 1.


Share Capital

The company is limited by guarantee and has no share capital.

Independent Examiner

James Anderson C.A. has indicated his willingness to continue in office as independent examiner and a resolution proposing his re-appointment will be put to the Annual General Meeting.

By Order of the Board

A handwritten signature in black ink, appearing to read 'M. Haggis', with a stylized flourish at the end.

**Matthew Haggis
Secretary**

21 August 2015

Independent Examiner's Report to the Trustees of The Pastoral Foundation

I report on the accounts of the charity for the year ended 31 March 2015 which are set out on pages 7 to 14.

Respective responsibilities of trustees and examiner

The charity's trustees (directors) are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (amended). The charity trustees consider that the audit requirement of Regulation 10(1) (a) – (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44 (1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of Independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given in the accounts.

Independent examiners statement

In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with Section 44 (1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
- to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations

have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

James Anderson & Co

James Anderson
Chartered Accountant (ICAS)
Pentland Estate
STRAITON
Edinburgh
EH20 9QH

21 August 2015

Statement of Financial Activities
Including Income & Expenditure Account
For the Year ended 31 March 2015

		Unrestricted Fund £	Designated Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
	Notes					
Incoming Resources						
Voluntary income	2	10,379	-	-	10,379	67,503
Investment income	3	1,124	-	-	1,124	4,509
Incoming resources from Charitable activities	4	212,241	-	-	212,241	215,069
		<u>223,744</u>	<u>-</u>	<u>-</u>	<u>223,744</u>	<u>287,081</u>
Resources Expended						
Cost of generating funds	5	831	-	-	831	1,965
Cost of Charitable activities	6	183,084	5,833	-	188,917	190,790
Governance costs	7	1,003	-	-	1,003	973
		<u>184,918</u>	<u>5,833</u>	<u>-</u>	<u>190,751</u>	<u>193,728</u>
Net Incoming/(Outgoing) resources		38,826	(5,833)	-	32,993	93,353
Fund Transfer		(61,234)	61,234	-	-	-
		<u>(22,408)</u>	<u>55,401</u>	<u>-</u>	<u>32,993</u>	<u>93,353</u>
Net movement in funds		(22,408)	55,401	-	32,993	93,353
Balance 31 March 2014		24,991	254,930	44,059	323,980	230,627
Balance						
31 March 2015	14	2,583	310,331	44,059	356,973	323,980
		<u>2,583</u>	<u>310,331</u>	<u>44,059</u>	<u>356,973</u>	<u>323,980</u>

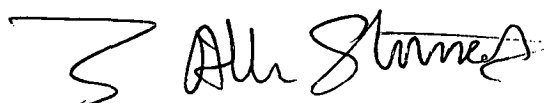
The results set out in the statement above derive wholly from the continuing operations of the Charity.

Balance Sheet
As at 31 March 2015

	Notes	2015 £	2014 £
Fixed Assets			
Tangible assets	9	285,331	286,216
Current Assets			
Debtors	10	4,125	4,525
Bank & cash		72,427	82,298
		76,552	86,823
Creditors			
Amount falling due within one year	11	4,910	6,111
Net Current Assets		71,642	80,712
Total Assets less Current Liabilities		356,973	366,928
Creditors			
Amount falling due outwith one year	12	-	42,948
Net Assets		356,973	323,980
Fund Balances			
Unrestricted fund – Income & Expenditure account	14	2,583	24,991
Designated funds	14	310,331	254,930
Restricted funds	14	44,059	44,059
		356,973	323,980

These annual accounts have not been audited because the company is entitled to the exemption provided by S477 of the Companies Act 2006 and members have not required the company to obtain an audit of its accounts for the period in accordance with S476 of the Companies Act 2006. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records that comply with S386 of the Companies Act 2006. The directors also acknowledge their responsibilities for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year in accordance with S396 Companies Act 2006, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company. The financial statements on pages 7 to 14 were approved on 21 August 2015 and signed on its behalf.

Allan Sturrock Director



Notes to the Financial Statements
For the Year ended 31 March 2015

1. Accounting Policies

a) Basis of Accounting

The financial statements are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice - Accounting and Reporting of Charities (SORP 2005), the Charities Accounts (Scotland) Regulations 2006 (amended) and in accordance with the Companies Act 2006.

b) Tangible Fixed Assets & Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated to write off the cost of tangible fixed assets less their estimated residual values over their expected useful lives on the undernoted basis.

Furniture & office equipment – 4 years

Computer equipment – 4 years

Heritable property – 30 years

c) Incoming Resources

Income is stated at the amounts receivable for the year. This income represents the amounts derived from the provision of counselling, training courses and donations, which fall within the company's ordinary activities.

d) Expenditure

All expenditure is included on an accruals basis and has been directly attributed to one of the financial categories of resources expended in the Income and Expenditure Account and Statement of Financial Activities. The Charity is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

e) Taxation

No provision for corporation tax is necessary as the company has charitable status. The company is not registered for VAT and suffers input tax on some of its expenditure.

2. Voluntary Income

	2015	2014
	£	£
Donations		
Artemis	-	12,500
* The Thomas Hughes Foundation	-	17,500
* The Thomas Hughes Foundation – loan waiver	-	17,850
The Maple Trust	2,000	-
Rev. Henry Munroe legacy	1,000	-
Cadenza Event	-	9,327
In memory of M Stephenson	-	1,000
Other donations under £1,000	7,274	9,174
Gift aid recovery	105	152
	<hr/>	<hr/>
<i>Unrestricted fund</i>	10,379	67,503
	<hr/>	<hr/>

* The Thomas Hughes Foundation was previously the Alison and Christopher Butler Foundation.

Notes to the Financial Statements (Continued)

Income Analysis	2015 £	2014 £
3. Investment Income		
Bank interest	<u>1,124</u>	<u>4,509</u>
4. Incoming Resources From Charitable Activities		
Counselling contributions	150,911	153,416
NHS Lothian	30,000	30,000
NHS Lothian – WHSL	10,000	8,370
Gift aid recovery	<u>21,330</u>	<u>23,283</u>
	<u>212,241</u>	<u>215,069</u>
Expenditure Analysis		
5. Cost of Generating Funds		
Marketing costs	66	-
Production of annual report & AGM costs	765	765
Fundraising advisory fees	<u>-</u>	<u>1,200</u>
	<u>831</u>	<u>1,965</u>

Notes to the Financial Statements (Continued)

6. Expenditure on Charitable Activities

	Unrestricted Fund	Designated Funds	Total 2015 £	Total 2014 £
Salaries, national insurance	96,235	-	96,235	97,760
Fast track payments	10,986	-	10,986	11,303
Supervision fees	37,309	-	37,309	39,906
Assessment fees	6,571	-	6,571	7,860
WHSL fees	7,120	-	7,120	5,480
In-service training	2,379	-	2,379	887
Professional indemnity insurance	525	-	525	500
Subscriptions	250	-	250	532
Books	64	-	64	37
Catering	1,454	-	1,454	1,511
Travel	166	-	166	327
Staff training	240	-	240	230
Rates & water rates	3,452	-	3,452	3,719
Heat & light	2,502	-	2,502	2,669
Insurance	1,348	-	1,348	1,360
Cleaning	1,536	-	1,536	1,621
Recruitment	-	-	-	220
Payroll processing	1,018	-	1,018	813
Legal fees	110	-	110	-
Printing & stationery	1,211	-	1,211	1,422
Computer software & office Equipment repairs	1,981	-	1,981	1,725
Upkeep property	2,422	4,948	7,370	1,702
Telephone	1,442	-	1,442	1,414
Postages	487	-	487	608
Miscellaneous	910	-	910	847
Bank loan interest	1,366	-	1,366	4,871
Depreciation	-	885	885	1,466
	<u>183,084</u>	<u>5,833</u>	<u>188,917</u>	<u>190,790</u>

7. Governance Costs

Independent examiner's fee	990	-	990	960
Company registration	13	-	13	13
	<u>1,003</u>	<u>-</u>	<u>1,003</u>	<u>973</u>

Notes to the Financial Statements (Continued)

	2015 £	2014 £
8. Employee Information		
Average number of persons employed during the year was:	4	4
Costs		
Salaries	90,182	89,636
Social security costs	6,053	8,124
	<u>96,235</u>	<u>97,760</u>

No staff member is remunerated at a level in excess of £60,000 per annum. No pension contributions are made in respect of staff.

9. Tangible Fixed Assets

	Heritable Property £	Furniture & Equipment £	Computer Equipment £	Total £
Cost				
31 March 2014 and 2015	<u>285,331</u>	<u>12,909</u>	<u>14,396</u>	<u>312,636</u>
Depreciation				
31 March 2014	-	12,634	13,786	26,420
Charge for year	-	275	610	885
31 March 2015	<u>-</u>	<u>12,909</u>	<u>14,396</u>	<u>27,305</u>
Net Book Value				
31 March 2015	285,331	-	-	285,331
31 March 2014	<u>285,331</u>	<u>275</u>	<u>610</u>	<u>286,216</u>

10. Debtors

Tax Refunds – gift aid	1,735	1,848
Accrued interest	238	543
Prepayments	2,152	2,134
	<u>4,125</u>	<u>4,525</u>

Notes to the Financial Statements (Continued)

	2015 £	2014 £
11. Creditors		
Amounts falling due within one year		
Accruals	2,693	2,058
Taxation & social security	2,217	2,244
Bank loan	-	1,809
	<u>4,910</u>	<u>6,111</u>
12. Creditors		
Amounts falling due outwith one year		
Bank loan	-	42,948
	<u>-</u>	<u>42,948</u>

The bank loan was from Triodos Bank and was secured by a standard security over the charity's heritable property. The loan was repaid in February 2015. Interest was charged at a rate of 2.75% above base with a minimum rate of 3.5%. Repayments were made by monthly instalments of £286.32 as follows:

Within one year	-	1,809
Between one and two years	-	1,964
Between two and five years	-	6,321
After five years	-	34,663
	<u>-</u>	<u>44,757</u>

Lump sum payments amounting to £43,091 (2014: £141,085) have been repaid during the year.

13. Related Parties

Alison Hampton is employed by The Pastoral Foundation as Director of Counselling. She received no remuneration for serving as a director but received a salary of £41,567 (2014 - £40,752) for her normal employment. This is paid at the normal rate for her position within the Foundation and is permitted by the governing document. No remuneration was paid to any other director during the year or previous year. No director received a refund of expenses during the year or previous year.

During the year £335 (2014 - £360) was paid for the design and preparation of the Charity's annual review. This was carried out on a normal commercial basis by Creative Exchange, a business owned by Matthew Haggis who is also a director of The Pastoral Foundation. Further payments totalling £306 (2014: £nil) were made for assessments carried out by M Haggis. The rates paid were based on a normal commercial basis and were in line with payments made to other assessors.

Notes to the Financial Statements (Continued)

14. Statement of Funds

	31 March 2014 £	Incoming Resources £	Outgoing Resources £	Fund Transfers £	31 March 2015 £
Unrestricted Funds					
Income & expenditure account	24,991	223,744	184,918	(61,234)	2,583
Designated Funds					
Redundancy fund	5,000	-	-	-	5,000
Building maintenance fund	8,471	-	4,948	16,477	20,000
Fixed asset fund	241,459	-	885	44,757	285,331
	254,930	-	5,833	61,234	310,331
Restricted Funds					
Financial stability fund	42,633	-	-	-	42,633
Core evaluation training fund	1,426	-	-	-	1,426
	44,059	-	-	-	44,059
Total Funds	323,980	223,744	190,751	-	356,973

Allocation of Net Assets between Funds

	Tangible Fixed Assets £	Current Assets £	Liabilities £	Total £
Unrestricted fund	-	7,493	(4,910)	2,583
Designated funds	285,331	25,000	-	310,331
Restricted funds	-	44,059	-	44,059
	285,331	76,552	(4,910)	356,973

The income and expenditure account is an **Unrestricted Fund** which the Charity is free to use in accordance with its objects.

The **Designated Funds** have been created by the directors as a matter of prudence and are for the purpose of meeting costs in the designated areas.

Redundancy Fund - to fund any redundancy related costs which might arise in the future.

Building Maintenance Fund - to meet further modernisation costs relating to the fabric of the property.

Fixed Asset Fund - to meet the expenditure made less depreciation provided on fixed assets and less liabilities outstanding on their acquisition. This fund demonstrates that part of the reserves which cannot be readily realised to fund continuing operations.

The **Restricted Funds** refer to funds donated for the purpose of meeting any deficit on the income and expenditure account on an annual basis and a sum towards core evaluation training.